

HRDD POLICY

EDELRID 2025

HUMAN RIGHTS DUE DILIGENCE (HRDD) POLICY

INTRODUCTION

We, EDELRID GmbH & Co. KG and our affiliated companies within the EDELRID Group, are committed to comply with all legal regulations and, in addition, self-defined ethical principles in all our business activities. We are aware that businesses, including ourselves, may potentially have an impact on human rights as a result of their own operations as well as their business relationships along the value chain.

Due Diligence is the process through which companies can identify, prevent, mitigate and address their actual and potential adverse impacts throughout their supply chain. This policy outlines the framework for EDELRID's commitment to upholding human rights within our business and in our supply chain and describes our obligations within our human rights due diligence (HRDD) process.

The scope of this policy refers first and foremost to all cut-make-trim production locations and support processes in facilities that are used to transform raw material into finished textile and footwear products as covered by the Fair Wear Foundation's (FWF) programming and assessments. It is our aim to extend the procedures described within this policy to activities connected to further EDELRID product groups (e.g., hardgoods) as well as deeper supply chain tiers in the long term, but we want to tackle this step by step in order to guarantee a robust and qualitative system.

Furthermore, in the near term this policy is supposed to be part of a broader Responsible Business Conduct (RBC) policy which additionally covers other due diligence processes, as e.g., environmental or bribery and corruption due diligence.

COMPANIES COMMITMENTS & VALUES

INTERNATIONAL DECLARATIONS, CONVENTIONS & AGREEMENTS

We respect all national legislations in the countries in which we operate as well as the general responsibility we have as a company to protect human rights according to the United Nations Guiding Principles on Business and Human Rights (UNGPR, 2011). Furthermore, we commit to working actively with due diligence based on guidance of the Organisation for Economic Co-operation and Development (OECD), specifically OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023), OECD Due Diligence Guidance for Responsible Business Conduct (2018), and OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (2018).

By joining the FWF in 2021 we have taken a strong partner on board for working on our due diligence responsibility. For this reason, the Fair Wear Human Rights Due Diligence Policy in particular serves as a benchmark for our own work. The FWF Code of Labour Practices (CoLP), based on core labor conventions from the International Labour Organisation (ILO), specifies rules for employment in the textile processing supply chain with a focus on Tier 1 sewing suppliers. We have integrated these requirements in our EDELRID Code of Conduct (CoC), in which the guiding principles of our actions within EDELRID as well as towards our business partners are defined. Moreover, these standards function for us as a framework to identify human rights risks and we are held accountable accordingly through FWF in form of the annually Brand Performance Check (BPC).

The eight labor standards, which are the cornerstones of the FWF and which we adhere to, are specified as follows:

1. Employment is freely chosen – ILO Conventions 29 & 105
2. Freedom of association and the right to collective bargaining – ILO Conventions 87 & 98
3. There is no discrimination in employment – ILO Conventions 100 & 111
4. No exploitation of child labour – ILO Conventions 138 & 182
5. Payment of a living wage – ILO Conventions 26 & 131
6. Reasonable hours of work – ILO Convention 1
7. Safe and healthy working conditions – ILO Convention 155
8. Legally binding employment relationship

RESPONSIBLE PURCHASING PRACTICES

Due to the relevance of procurement practices for responsible business conduct, we are committed to responsible purchasing practices and are guided by the Common Framework for Responsible Purchasing Practices (CFRPP). We strive for equal partnerships, respectful sourcing dialogue and shared responsibility to improve working conditions and integrate those values in our supplier contracts. Moreover, our focus on long-term business relationships and on increasing leverage with suppliers and business partners in order to meaningfully improve working conditions is laid down in our purchasing strategy.

MEANINGFUL STAKEHOLDER ENGAGEMENT

As a medium-sized company, different interest groups, known as stakeholders, have different expectations and hopes of a company. Examples of influential stakeholders of the EDELRID Group are customers, employees, investors, partners, suppliers as well as workers. These stakeholders have an essential influence through their respective positioning in relation to the company and vice versa.

We attach great importance to barrier-free communication with our stakeholders. Therefore, we are yet to set up a process for improving meaningful engagement with our stakeholders. We are eager to give those who are affected by our action a voice to share their thoughts, hopes and concerns to gain as many points of view as possible and find the best course for our stakeholders as well as us.

GRIEVANCE MECHANISM

You can only improve things if you know what you are doing wrong. We therefore attach great importance to being informed about problems and grievances and to act upon those accordingly. This applies to structures, processes and problems of employees in our own subsidiaries as well as within our supply chain.

For internal feedback regarding the working environment and general satisfaction at our own sites, we conduct employee surveys and adapt structures according to the results. In production countries where the FWF's Complaints Helpline is available we promote this hotline accordingly and commit to abide by the FWF's complaint procedure when dealing with grievances raised through this channel. However, the FWF Helpline should always be used as a last resort. Thus, we will work to gain a better understanding on effective grievance mechanisms on production site level and strive to improve factory-level grievance mechanisms and social dialogue together with our suppliers in the upcoming years.

EXPECTATIONS TOWARDS EXTERNAL PARTNERS & INTERNAL DEPARTMENTS

EXPECTATIONS FOR PRODUCTION LOCATIONS

Our aim is to cooperate with all our business partners based on trust and honesty. The basis for a common understanding of our guiding principles is our CoC, which must be read, understood and signed by every supplier.

We produce in various factories in Europe as well as in the Far East. We are aware that those countries have different cultures and different values. Most of these production locations are not owned by us, yet our expectations are that the factories we produce our products in represent and act according to our values. The same applies for our own production locations in Isny (Germany) as well as in Žilina (Slovakia).

EXPECTATIONS FOR SUBCONTRACTORS

To ensure that our requirements are met as far down the supply chain as possible, factories and subcontractors used by our suppliers must be disclosed and consequently approved and authorized by us. The use of unauthorized subcontractors is contractually excluded in our Subcontracting Policy (ND 425). All regulations for suppliers therefore always apply to subcontractors as well.

As most of our products are Personal Protective Equipment (PPE) the probability of homeworking in our supply chain is very low due to the complex and strict requirements for the corresponding production processes. Nonetheless, we include information on homeworking in our supplier questionnaire so that in case a supplier is relying on shifting part of the production process to (private) premises other than those of the official production sites we can correspondingly mitigate the various human rights risks associated with this setup.

EXPECTATIONS FOR INTERNAL DEPARTMENTS

In addition to the laws and regulation that apply in the countries where EDELRID is present, all our employees are required to adhere to this policy where applicable and include as well as promote the matters and values embedded in this policy in their every-day doing.

HRDD PROCESS DESCRIPTION

HRDD PROCESS

Our approach to HRDD follows the six steps laid out in the OECD Due Diligence Guidance for Responsible Business Conduct.

1. Policy Commitment

Our HRDD Policy outlines our commitment to support and respect human rights and guides the implementation of the values and standards committed therein.

2. Identify & Assess Adverse Impacts

In order to identify where human rights risks are most likely to be present and most significant, we conduct an annual risk scoping exercise with a focus on sourcing country risks (yet). Throughout this exercise, we gather information and map the human rights risks covered by the FWF CoLP as well as accompanying guidelines. According to the guidance of OECD, we aim to include product, sector and business/sourcing model risks in this exercise soon as they can add to or increase the probability of the identified human rights risk to occur. The resulting human rights risks are prioritized according to severity and likelihood of harm. Based on the outcome of the risk scoping, production sites with a higher risk for human rights impacts are prioritized for risk assessment on factory level. This is mainly done through audits/onsite assessments as well as through input from our supplier questionnaire and further communication/knowledge sharing with our supplier.

3. Cease, prevent, mitigate harm

In order to prevent or mitigate possible future harms, we define relevant actions together with the production locations involved and document them as well as follow up on these measures in form of an action plan. Furthermore, we draw up an action plan for us as EDELRID at a higher level in which our responsibilities and concrete actions for preventing and mitigating potential harms as well as remediating actual harms are documented and followed up upon. This can include reflections and consequently adaptations of our sourcing strategy as well as our purchasing practices, but also putting a focus on embedding communication about HRDD and human rights in our relationship with existing, potential and new suppliers.

4. Track

In order to make sure that we are constantly improving our HRDD work, we need to track the implementation and effectiveness of our due diligence activities. This means that we first and foremost need to verify that the preventive and mitigation actions defined in the various action plans have been implemented. Furthermore, we monitor the development of specific risks at production sites to have a basis for identifying possibly necessary adjustments of approaching risks. This finally entails validating that the measures set in actions plans are effective in preventing and mitigating the targeted human rights risks in form of e.g., internal data review or external reassessments at production sites.

5. Communicate

We want to be transparent about our HRDD work and provide insights via our annual Social Report as well as the annual BPC Report by FWF which we publish on our homepage. Hereby, currently and in future, we adhere to the requirements set in the FWF HRDD Policy.

6. Remediation

In instances where we find out that harm is already taking place at a production site, we stop any action that is causing or contributing to the respective harm instantly and provide for remediation. This means that we seek, when possible, to restore the affected person(s) to the situation they would be in had the harm not occurred in compliance with national laws and international guidelines. From case to case this entails support from external sources as well. After remediation we follow up with preventive and mitigating actions to prevent the harm from recurring.

Central to this step of the HRDD process is the availability and effectiveness of grievance mechanisms, so that occurring harms can be notified in a well-directed and effective manner.

OPERATIONALISATION OF THE POLICY

To ensure that the principles and guidelines of this policy are adhered to, we have anchored the responsibility for this at several levels and in all relevant departments. The management board bears the main responsibility for compliance with this policy. They care for integrating the contents of this policy in the company strategy as well as monitoring compliance with it. On a department-level the departments Customs and Logistics, Product Development and Corporate Social Responsibility (CSR) play the main part in implementing this document in daily work. This includes, among others, managing and coordinating the general HRDD work as well as putting the contents of this policy in practice when dealing with suppliers or selecting new suppliers. The responsibility of managing the specific HRDD process lies in CSR as well as of supporting the management board in ensuring that the policy is not just a document but is anchored in long-term goals of the company.

COLLABORATION

Collaboration plays a big part for us in addressing human rights risks at our suppliers' facilities. As our suppliers do not produce for only us, but also for other brands and companies, we actively work for a balanced communication between us and others who share the same supplier. Thus, we can collectively and with more leverage solve issues and improve working conditions at supplier level. Furthermore, the collaboration allows us to be involved in more topics than we could assess or solve ourselves, which allows us to share

capacities to ensure best possible working conditions for workers in our supply chain. Our membership in the FWF as well as our participation in the European Outdoor Group (EOG) Audit Alliance for Hard Goods (AAHG) provide suitable premises for this purpose, amongst others.

SOCIAL DIALOGUE & GENDER EQUALITY

In accordance with the FWF HRDD Policy, social dialogue incl. freedom of association as well as gender equality play central roles in HRDD. Social dialogue can enable improvements on various labor standards. Once workers can voice their needs they can identify, prevent, mitigate and remediate what is needed to create safe and dignified working conditions. Additionally, as many workers in the textile industry are female and are at risk of precarious conditions with a cross-cutting dimension intrinsic in most sector risks, a special focus in the HRDD work should be placed on gender equality. We strive to systematically integrate these topics in the different steps of our HRDD work once we have put the basic steps of our HRDD process on sound footing. The FWF Gender Equality Policy as well as the FWF Policy on Freedom of Association and the Right to Collective Bargaining will serve as guidance for this.

ABOUT THIS POLICY

UPDATES

We place great importance on keeping this policy updated to our values, and refer to the right to add aspects which, for whatever reason, might not be included yet. Reasons for this may lie in changes of legal requirements and industry standards or progress and learnings we have made in our HRDD work ourselves. Whatever the reason may be, we want to guarantee transparent view on our values and actions. Thus, this policy will be reviewed and updated regularly including internal and external stakeholder input.

PUBLICLY AVAILABLE

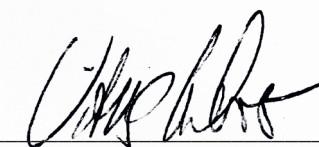
A policy which no one can read is not helpful to anyone. Therefore, we want to give access to this document to everyone who is interested. By making this document publicly available we guarantee transparency to our values and practices at all times.

SIGNATURES

By signing this policy, we assure that the statements in this policy represent our company and our daily business.



Isny, 29.01.2025 Markus Wanner (CEO)



Isny, 29.01.2025 Vitus Wuhrer (CEO)

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