

SOCIAL REPORT

EDELRID 2023



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„We strongly believe that far-reaching efforts to ensure fair working conditions in our supply chains are essential to promote the rights and well-being of all people associated with us and the manufacturing of our products, to ensure compliance with legal requirements and thus to fulfil our social responsibility.

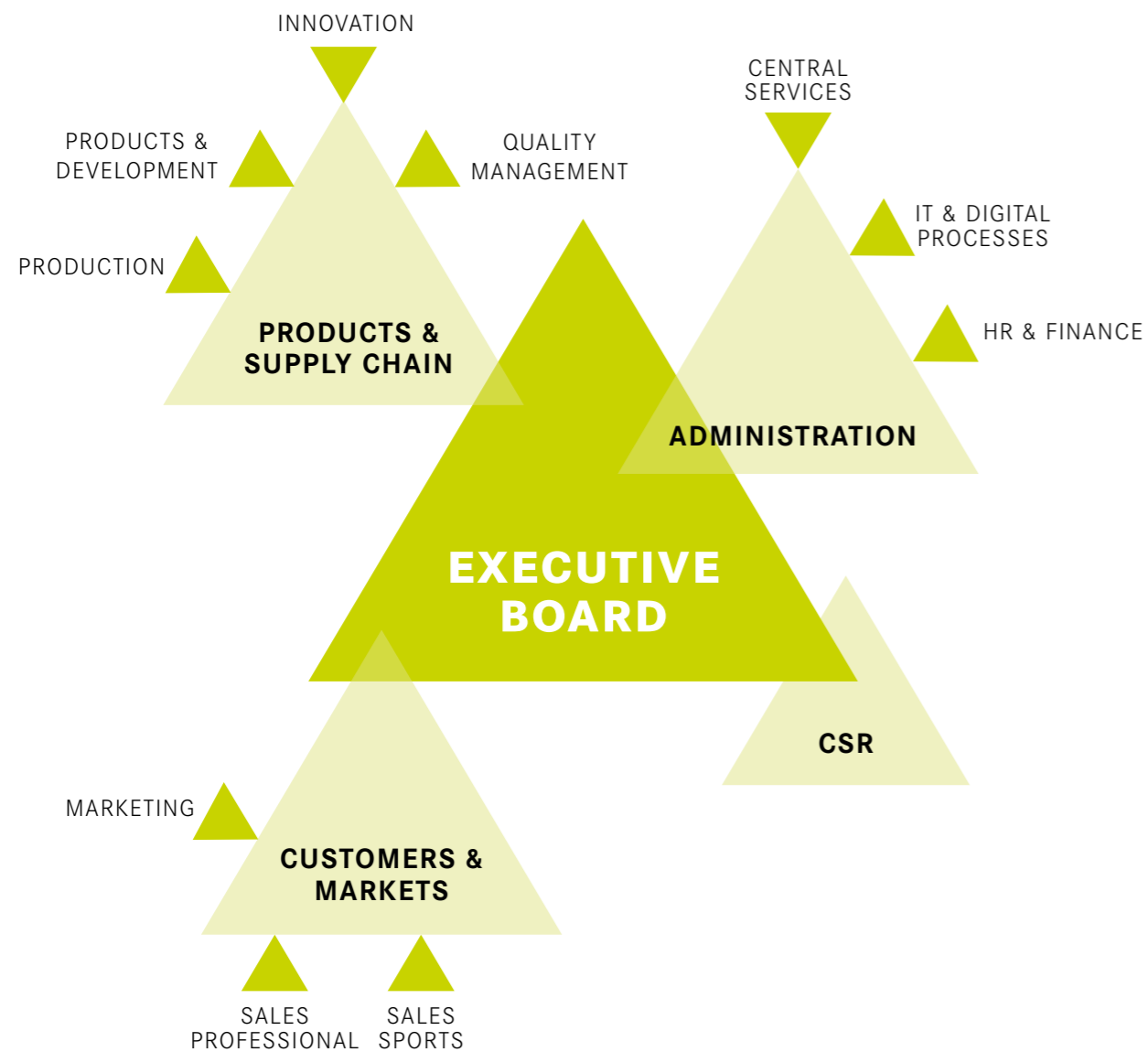
We strongly welcome the support of Fair Wear in this regard. We also see the adoption of the Supply Chain Act, which for the first time obliges companies to respect the integrity and welfare of all workers involved, as an important step on official side towards increasing fairness in global value chains.“



Vitus Wührer, CEO EDELRID GmbH & Co. KG



EDELRID Organisational Chart



LIST OF ABBREVIATIONS

- Audit Alliance Hard Goods (AAHG)
- Brand Performance Check (BPC)
- Code of Conduct (CoC)
- Code of Labour Practices (CoLP)
- Collective bargaining agreement (CBA)
- Corrective Action Plans (CAP)
- European Outdoor Group (EOG)
- Fair Wear Foundation (FWF)
- Human Rights Due Diligence (HRDD)
- Minimum order quantities (MOQ)
- Organization for Economic Cooperation and Development (OECD)
- Personal Protection Equipment (PPE)
- Pre-Production Samples (PPS)
- Responsible Business Conduct (RBC)
- Safety and Health Check (SHC)
- Salesman Samples (SMS)

SUMMARY: 2022 GOALS & ACHIEVEMENTS

EDELRID's membership at the Fair Wear Foundation (FWF) started in the middle of 2021. We took the start of the membership as a chance to define internal goals regarding our social performance and working conditions along our supply chain.

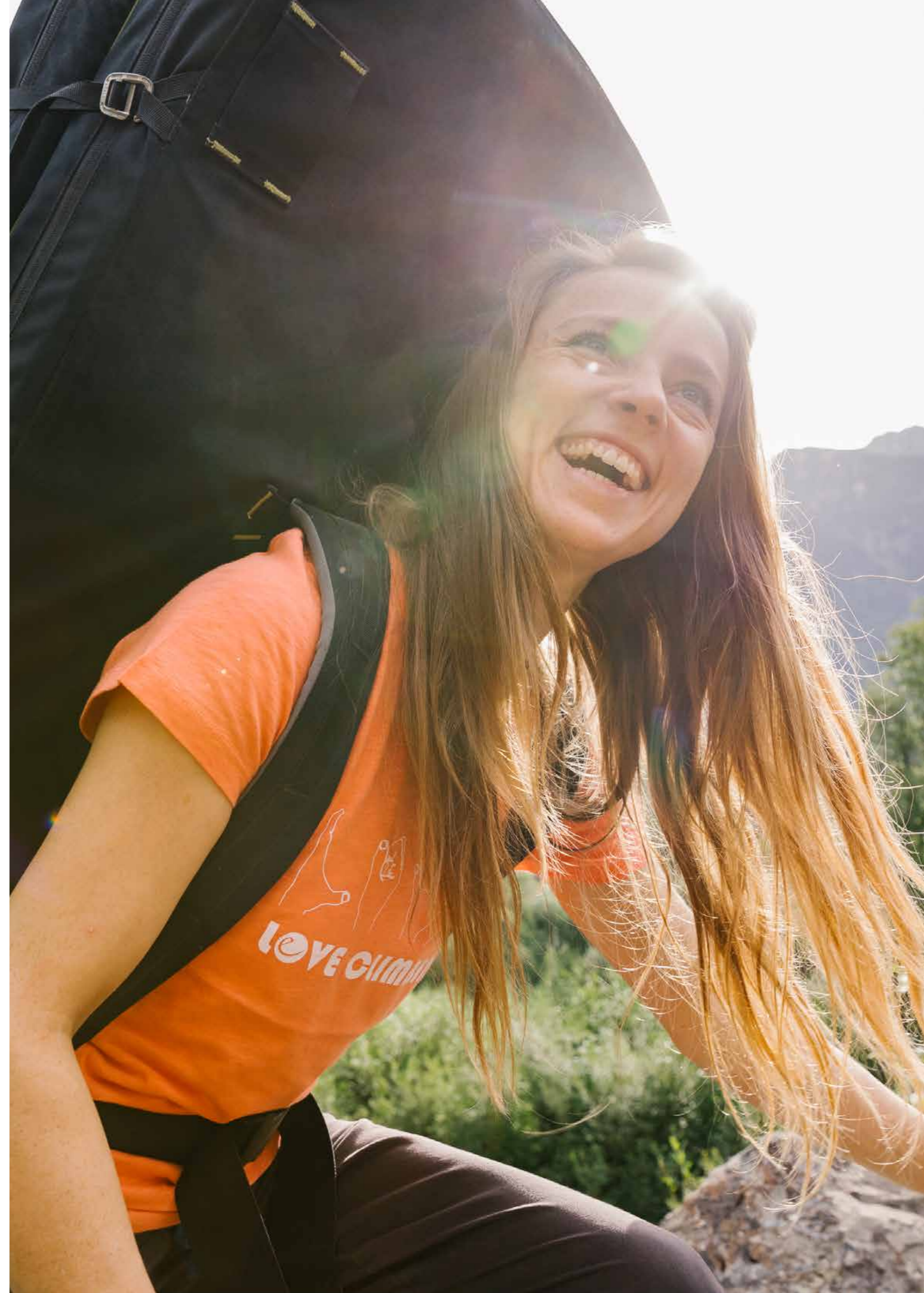
The financial year 2022 was the proper first year of our FWF membership. This means that this is the first Social Report from EDELRID ever and we are happy to present our work on social performance and working conditions in the following as transparent and extensive as possible. Although the first official Brand Performance Check (BPC) is going to follow only in 2023, we like to share our progress and achievements, thus appreciating the efforts already taken by defining our aims and ambitions in the context of the FWF membership and further taking the chance to inform our interested readers about yet achieved targets. The progress can be summarized as following:

- 2022 was, first and foremost, a year of finding our way around as a FWF member and in the FWF requirements and tools. In our view, this process is not yet completed, but we are counting on our first BPC in 2023 to have a guidance at hand.
- We have been busy informing our production sites about FWF and our membership, sending them all the necessary documents, and have set up a process so that new suppliers as well are informed of our membership and the associated requirements.
- Next to outlining, formalizing, and implementing the first steps of our Human Rights Due Diligence (HRDD) efforts, we have moved into audit planning and have even conducted the first two supplier audits in the history of EDELRID which we have actively commissioned on our own. This also means first experiences and learnings regarding following up on audits and corrective action plans (CAP).
- On a more formal side we have updated our Code of Conduct (CoC) according to the FWF Code of Labour Practices (CoLP) and shared this as well with our suppliers to ensure their support in pursuing and implementing social and ecological business standards.
- Regarding communication towards the end consumer and customers, we have included information on our FWF membership and on the FWF system on our homepage.

SOURCING STRATEGY

EDELRID's vision is to make ideas come to life that enable free movement in a vertical world. Therefore, we aim at understanding every detail about the development, the use and the impact of our products and make it publicly available. We use and share our knowledge to make the best product, reduce its social and environmental impact and help climbers, i.e., people that move in the vertical world, to consciously assess their risks.

To achieve these goals, we rely on internationally accepted standards certified by independent organizations. To expand our goal to reduce our business-related societal impacts on



the environment as well as on the people making our products, we committed ourselves to improve labor standards along our supply chain. Since 2021, we are not only bluesign®-, EMAS-, and TÜV-certified but also a member of the FWF.

2.1 - HUMAN RIGHTS DUE DILIGENCE

With our membership start at FWF and consequently our introduction to the HRDD process in late 2021, we are only at the beginning of implementing and structuring our processes accordingly.

HRDD is in accordance with the Organization for Economic Cooperation and Development (OECD) Due Diligence Guideline the process of a business to first and foremost assess actual and potential human rights impacts that the business enterprise may cause or contribute to through its activities, or which may be directly linked to its operations, products or services by its business relationships, integrating and acting upon those findings, tracking responses, and communicating how the identified impacts are addressed. These impacts are not only limited to workers' rights, but also environment, bribery and corruption, disclosure, and consumer interests.

Based on the OECD Due Diligence Cycle, the FWF expects its member brands to carry out the following steps of the risk-based supply chain improvement cycle. Further actions from our side concerning the single steps can be read within the different chapters of this report.

1 – Establish a Responsible Business Conduct (RBC) policy

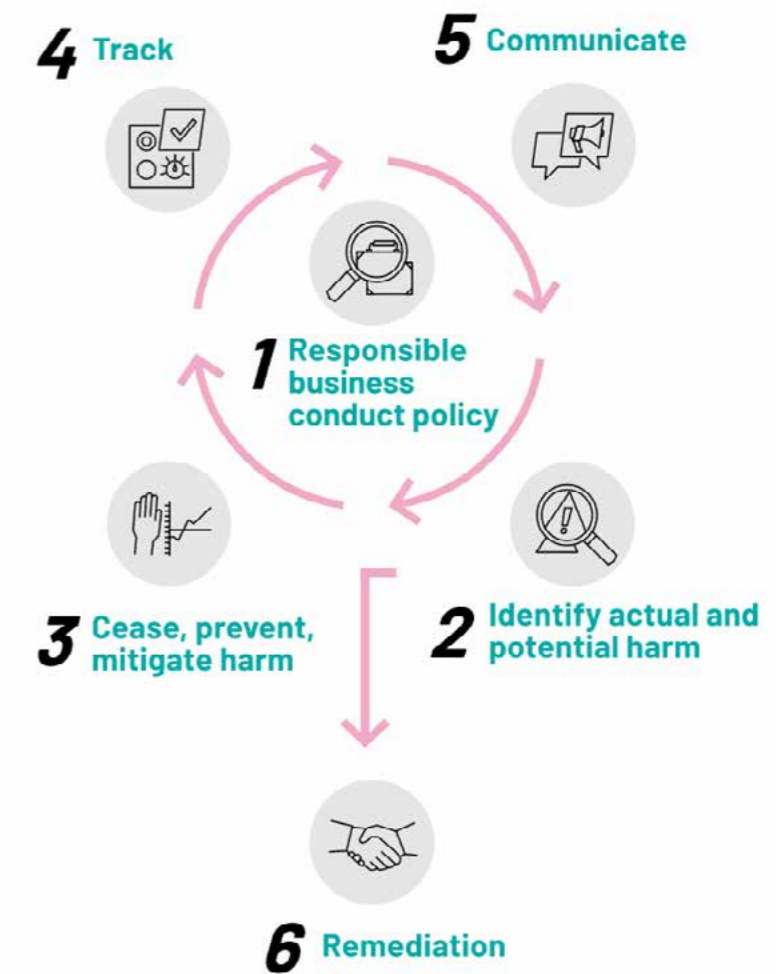
Member brands must have an RBC policy that supports the CoLP and describes its commitments to HRDD in its supply chain and processes appropriate to their size and circumstances.

We updated our CoC only last year in accordance with the FWF requirements and the CoLP. We take this as a first starting point to build upon and construct among others a RBC policy around. Internal target date for an RBC policy adopted by top management is the mid of 2024. The development of the RBC policy is an interdisciplinary task, involving CSR, top management as well as legal and human affairs.

2 - Identify actual and potential harms in supply chains

FWF expects member brands to scope the risk of harm, conduct a factory level risk assessment and assess the member brands's relationship to impacts.

We started identifying human rights risks on a country level for the relevant countries we are sourcing from mainly based on the FWF country studies. Additionally, where available, we integrated audit reports to get a better picture of the potential and actual risks on factory level. We are aiming at including the sector, business model, sourcing model and product level in the future as well and to further structure our approach of conducting specific and decision guiding risk assessments (see, as well, Chapter 3 – Coherent system for monitoring and remediation).



Source: Fair Wear Foundation

3 - Cease, prevent and mitigate harm

Member brands are expected to formulate an action plan to cease, prevent or mitigate (potential) harm based on the outcomes of the risk scoping and risk assessments.

In the context of our specific leverage/production volume at the individual suppliers, we want to take the conducted risk assessments as a basis for planning audits, identifying the actual issues on factory level. In form of a CAP we follow up on the (potential) harms in close cooperation with the relevant supplier (see, as well, Chapter 3 – Coherent system for monitoring and remediation).

4 – Track

The FWF expects member brands to have a system in place to verify, monitor and validate progress of their preventive and mitigating actions (step 3) as well as remediating actions (step 6).



Here as well, the CAP is our main means of choice, combined with the constant dialogue with the suppliers regarding social performance and working conditions. Additionally, the new Member Hub of the FWF, launched in the beginning of 2023, apparently provides further possibilities to track and monitor our and our supplier's progress.

5 – Communicate

Member brands should communicate what they are doing, the progress made but also what challenges they encountered along the way.

The core purpose of this report – we want to transparently communicate our work in the area of social performance and working conditions in our supply chain.

6 – Provide for or co-operate in remediation

The FWF expects its members to enable accessible system(s) for stakeholders to raise their concerns and complaints by securing factory-level grievance mechanisms and by raising awareness of the FWF Complaint Helpline.

In making use of the FWF system, promoting the FWF Complaint Helpline and joining forces with other brands producing at the same supplier, we aim at providing a practicable system for all of our stakeholders to raise concerns and complaints (see, as well, Chapter 4 – Complaints procedure).

2.2 – SOURCING STRATEGY

EDELRID produces personal protection (PPE) and outdoor equipment. The nature of our products involves the development and production of a broad range of products, from hardware over safety ropes to apparel.

The products that fall within the FWF scope are harnesses, backpacks, chalkbags, crash-pads, climbing shoes, (safety) gloves, headware, and other apparel (trousers, shirts, sweaters, jackets, etc.). Our ropes, slings, helmets and hardware products (e.g., carabiners) are not part of the FWF scope. Some of these products we are producing at our manufacturing site in Isny, Germany ourselves and for the remaining product categories we are, of course, aiming at fulfilling our HRDD duty as well (see Chapter 7 – Stakeholder Engagement).

EDELRID is proud to announce that a great share of products, e.g., ropes and slings, are produced in our production site located in Isny, Germany. For some items, e.g., complex harnesses or climbing shoes, this is hardly achievable due to cost factors and related competitiveness on the market. This way or another, EDELRID's aim is to monitor and improve the working conditions along the whole supply chain, especially countries deemed at being at high risk to meet internationally accepted labor standards.

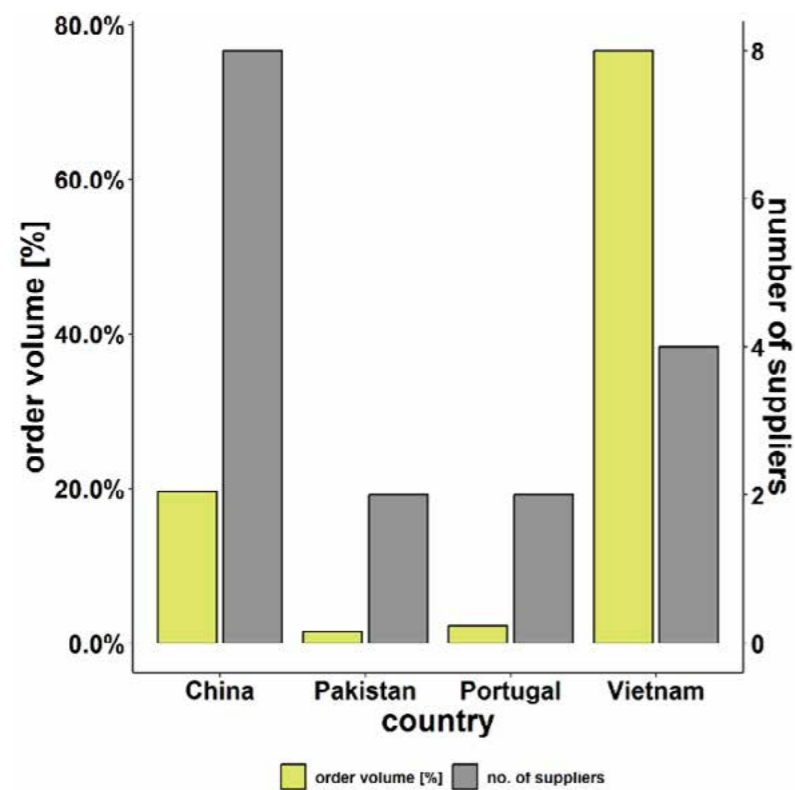
One of our core principles relies in the maintenance of long-term business relationships with our suppliers. Our partnerships exemplify a respectful interaction – an indispensable pillar to achieve a high degree of receptiveness, quality, and reliability. We are proud to announce

that 84% of our order volume (of products within the FWF scope, see below for details) is placed at suppliers with which we have a business relationship for at least five years. To keep this up, we carefully select suppliers to create the basis for long-lasting business relationships.

When selecting suppliers, we look at factors like quality, price, and communication but also social and ecological criteria. We do have guiding criteria which we consider during the evaluation of new suppliers, e.g., ISO standards, AQL controls, etc. With our Supplier Information Form, we gather all necessary criteria which help leading towards a decision whether a new supplier will be contracted. In most cases this decision is supported by a visit at the potential supplier. Suppliers are, among others, only contracted if they agree to sign our CoC as well as the Confirmation of Compliance for Basic Health and Safety Requirements.

Once, a supplier has been contracted, EDELRID visits production locations on occasional basis and conducts walk-through inspections and discussions with the management on various topics, including labor, safe and health standards as well as progress on CAP, if applicable. During the last three years, due to Covid, especially in China, visits have not been as possible as they have used to be.

We source our products from 16 suppliers (13 direct business relationships and three sub-suppliers) in four countries, namely Portugal, Pakistan, Vietnam, and China. As mentioned above, we rely on long-lasting business relationships. The longest business relationship was established in 2004. Our medium business relationship lasts 5,5 years, however, we are aiming at constantly increasing this number by taking necessary actions to achieve this goal.



Supplier	Country	FOB 2022	Audited*	Visited
1 - Direct	China	0.19%	✓	-
2 - Direct	China	0.82%	✓	-
3 - Direct	China	3.83%	✓	-
4 - Direct	China	8.98%	-	-
5 - Direct	China	4.74%	-	-
6 - Direct	China	0.09%	✓	-
6.2- Sub	China	NA	NA	-
7 - Direct	China	0.97%	✓	-
8 - Direct	Pakistan	1.48%	✓	-
8.2 - Sub	Pakistan	NA	-	-
9 - Direct	Portugal	1.94%	✓, SHC	✓
10 - Direct	Portugal	0.28%	SHC	✓
11 - Direct	Viet Nam	71.28%	✓, SHC	✓
11.2 - Sub	Viet Nam	NA	-	-
12 - Direct	Viet Nam	4.49%	✓	-
13 - Direct	Viet Nam	0.90%	-	-

✓: by EDELRID; ✓: audit report provided by supplier; SHC: on-sight Safetey & Health Check by EDELRID

2.3 – ORGANISATION OF THE SOURCING DEPARTMENT

The sourcing department at EDELRID is made up of the Category Management. The Category Manager Textile is responsible for the order management, demand planning and supplier communication for textile products including clothing, accessories (gloves, beanies, caps), harnesses, crashpads, chalkbags as well as backpacks. The Category Manager Hard Goods is responsible for the order management, demand planning and supplier communication for hard goods including climbing shoes. In addition, there is a Category Manager Packaging and Commercial Goods as well as a coordinating Team Lead. The Category Management is part of the Department for Procurement and Logistics. In the department, as well, there is the position of the Strategic Buyer who is taking the lead in optimizing the supply chain of EDELRID by evaluating the suppliers, sourcing new suppliers, etc.

Depending on sales forecast as well as stock situation the Category Management places orders at the relevant suppliers. The decision for new suppliers, usually the responsibility of the Strategic Buyer, is currently made between the Category Management and the Development Team; former has certain demands concerning contractual arrangement and pricing, latter concerning quality and design.

Mainly, we are working and communicating directly with the individual production locations. Only regarding the two clothing suppliers in Portugal, we are working via an agency. This is due to historically evolved reasons. The communication and ordering process runs through the agency, but payments are made directly to the suppliers.

2.4 – PRODUCTION CYCLE

The categories of EDELRID and RED CHILI products within the FWF scope is quite broad and divergent: Clothing, accessories (gloves, beanies, caps) as well as climbing shoes on the one hand are more like the typically known commodity type whereas harnesses, crashpads and bags on the other hand are produced on our extended workbench together with our sister company in Vietnam. Regardless of product category, we design and develop, in contrast to fashion and typical apparel companies, only one collection per year. Nonetheless, the production cycle varies according to the type of product due to the reasons stated above.

Last year, we set up a detailed product development process that reflects the cycle for clothing (incl. beanies/caps) as well as for climbing shoes, which are quite similar in conceptualization. All in all, the cycle takes about two years before a new collection is put on the market: Within the design phase the specification sheets are already sent to and discussed with the manufacturer before the order of salesman samples (SMS) is placed in autumn/winter. The samples are provided by the factories in time for quality control as well as the sales meeting in May. Regarding clothing, we place our quantity forecasts already in March/April, thus allowing the suppliers to order the bulk fabric in time. By doing so, pre-production samples (PPS) can be produced already in bulk fabrics serving the bulk production quality. We place the orders with our factories to a lead time of around six to seven months.

The processes behind our product categories harnesses, crashpads and bags are quite more complex and require close coordination regarding order and production management with our sister company in Vietnam. Generally, due to the well in advance planning of up to ten months, we can provide in these product categories a great degree of planning reliability for our sister company and (material) suppliers in general.

2.5 – SUPPLIER RELATIONS

In general, as mentioned before, we strive for long-term relationships with our suppliers. Especially regarding our suppliers of PPE (e.g., harnesses), so products to which people entrust their lives, trust and liability between the supplier and ourselves is essential. This as well as a deep understanding of our quality standards can only be built up over a certain period. Nonetheless, there are occasions when it becomes necessary to start a business relationship with a new supplier, mostly due to a combination of different factors, e.g., quality or technical requirements, change in the product range, etc., or even to end a cooperation with a supplier. In most of the times the latter is driven by the decision of the supplier and connected with not being able to meet the individual minimum order quantities (MOQ).

In 2022 we started working with one new facility. We already have been working with this supplier before, but the owners of the former manufacturing site have split up and so we moved our production to the new facility of our main contact. Besides this we selected two

new suppliers with whom we will start working in 2023. Excluding the before mentioned supplier who allocated our production in another facility, we ceased sourcing at two factories between 2022 and 2023 due to supplier's decision. Especially in the clothing category, we are not able to place high purchase quantities at individual suppliers, so that we cannot always meet the MOQ-specifications of the suppliers.

Product Development and Category Management work closely together for sourcing decisions. Quality and design requirements as well as contract and pricing options are synchronized in the process of selecting a new supplier. General sustainability issues are addressed as well and relevant information are obtained by Product Development to ensure that the supplier pursues a corresponding approach. During on-site visits and a visible inspection of the factory, these aspects are considered as well and discussed with the management. With our membership in the FWF since the mid of 2021, we are starting to define and follow up general sustainability and working conditions aspects regarding our suppliers in a more structured and concrete way, e.g., asking for certificates, existing audit reports, etc.

2.6 – INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

As we have started more formalized monitoring activities only with the start of our FWF membership, they do not have immediate influence on our sourcing decisions in a structured way yet.

In 2022 we conducted the first social audits on our own initiative at two of our suppliers. These audits gave us a first insight where our production partners stand in their progress of implementing the FWF CoLP and are the basis for our future focus in cooperation with these suppliers regarding working conditions.

As well, when looking at potential new suppliers for 2023, the consideration of working condition related aspects identified in a first vague risk assessment led among others to the decision against working with a supplier in Turkey. The risks as well as associated monitoring efforts connected to freedom of association and social dialogue as well as legal issues surrounding refugees employed in the textile industry finally led in combination with other economic factors to the commitment to not start sourcing in Turkey.

Depending on purchasing volume, our Development Team and the Category Management visit the most relevant suppliers once a year to discuss quality issues, communication, shipments but also Health and Safety topics along with critical non-compliances along with the relevant CAP reports from the audits.

There is an internal supplier evaluation available concentrating mainly on supplier reliability, quality and price which is updated every year. The stepwise integration of sustainability aspects and working conditions via the CSR team is aspired in the future months.



COHERENT SYSTEM FOR MONITORING AND REMEDIATION

To steadily improve our labor conditions along the production chain, the CSR team is planning audits according to principles developed and established by the FWF. The necessity of auditing a production site is prioritized by the means of the FWF country study and evaluation results of internal risk assessment of respective suppliers. The resulting CAPs are supervised by our CSR team which take care of the implementation of measures mainly via e-mail contact, photographic documentation and, if possible, visits on-site. To achieve a greater impact, the stewardship of audits may sometimes be shared by multiple brands producing at the same factory. Such joint efforts increase the power of auditing companies, thus the probability to execute remedial measures in a quick and resilient manner and simultaneously pares down human and economic capacities which can be used for additional audits.

In the financial year 2022, we were able to conduct two audits, one in Pakistan and one in Vietnam. The selection of respective countries was taken on a combination of two reasons – the share of total order volume and prioritization according to potentially occurring risks. With the respective audits, we were able to monitor 73% of our forecasted order volume.

3.1 – SUPPLIERS IN PORTUGAL



Textiles and clothing are Portugal's largest industrial sectors with up to 20% of total workforce being employed in the garment industry. As a member of the EU with functioning trade unions and clear legal requirements regarding workers' rights existing, Portugal is classified as a "low-risk country" by the FWF. However, Portugal was greatly hit by the financial crisis in 2008, thus resulted in a period of stagnation in wage levels lasting several years. Consequently, 'Payment of a Living Wage' remains the most challenging labor standard for garment factories to comply with. Meanwhile, working overtime was amended to enable factories to adopt to low and peak seasons, thus remaining their competitiveness in comparison to other garment factory countries. The combination of flexible working hours and low living wages leads to an increase in excessive working time.

Portugal is the country where a great share of our apparel, especially cotton-based products are produced. Here we work together with two manufacturers via an agency. To our knowledge, no sub-contractors are commissioned to produce parts of our order volume. Colleagues of the Development Team went for an on-site visit at those two suppliers in 2022 and looked at safe and healthy issues based on the checklist provided by FWF (SHC, s. Table). Additionally, workers have the chance to file complaints via the FWF. No complaint has been filed in the respective period.


3.2 – SUPPLIERS IN PAKISTAN



In Pakistan's, the textile sector plays an important role, thus accounting for around a quarter of the country's manufacturing added value and almost 60 percent of its exports. It is also the fourth largest cotton producer in 2021 and a major player in the leather industry. Compared to other Asian countries, the proportion of women employed in Pakistan's textile sector is relatively low (<30%). Informal employment is common. Employment conditions are often still inadequate and could be improved upon in many areas. It is common knowledge that a major instrument of driving change relies in the work of workers' associations. Unfortunately, only approx. 2.2% of the workforce is unionized. Another big issue is related to "Safe and healthy working conditions". After the tragic fire in the Ali Enterprise in 2012 costing the life of more than 250 workers, laws have been adapted, however, many factories don't comply with the respective requests. In response, brands adapted their inspectorate capacity and use monitoring audits to raise awareness of suppliers for internationally accepted standards regarding fire protection, electricity, and chemical safety.

Pakistan is the country where most of the different kinds of our gloves are produced. Here, we maintain a direct business relationship with one supplier established in 2004, who commissioned one subcontractor with parts of our FOB. The respective manufacturer was first audited in 2022. Since Pakistan is not a member of the FWF, this audit was executed by an external evaluation team which was, however, recommended by FWF. The audit included workers interviews and company inspections. Most of the corrective actions detected were related to "Safe and healthy working conditions", especially fire protection. Remediation was taken through first aid and fire protection trainings, adapted safety precautions, and overhaul of electricity systems. Many of the remedial measures were compiled and the remaining will be covered with the support of our CSR team in near future. The company now has an awareness team dealing with discrimination and harassment issues as well as educated first aid and fire protection personnel. All employees are well informed about the possibility of filing a complaint via the anonymous grievance hotline. However, no complaint has been recorded, yet.

3.3. – SUPPLIERS IN VIETNAM



Vietnam is currently one of the world's five largest garment exporters. The textile sector produces 15 percent of national economic output and employs around 2.7 million people, of whom more than 75 percent are women. In parallel to the strong export growth in the sector over the last decade, awareness of labor rights and social factors in textile production has also increased in Vietnam. There are still shortcomings, however, particularly in respect of 'Freedom of association and collective bargaining' and 'occupational health and safety, and environmental protection'. Regarding the first, there is only one trade union allowed in Vietnam, which is furthermore embedded in the national government. The combination of increasing place for social dialogue together with overdue implementations of actions regarding internationally accepted labor standards made wildcat strikes a popular weapon for workers to protect their own rights and bargain for better interests.



Impressions from our supplier of harnesses, backpacks, crashpads and chalk bags in Vietnam

Vietnam is our main intercontinental production country. Here, we currently source our products from four suppliers. To three of them, we maintain a direct business relationship whereas the fourth is a sub-supplier of the direct supplier to which we maintain a 13 years-lasting business relationship. The respective manufacturer produces all the different kinds of our harness, backpacks, crashpads, and chalk bags whereas the other two oversee the production of the trousers of our apparel line. The former was audited together with another FWF member. In the carried-out audit, non-compliances regarding the labor standards ‘Health and Safety’, ‘Reasonable Working Hours’ and ‘Payment of a Living Wage’ were detected. With the help of a continuous follow-up, we take remedial actions together step by step. A great share of corrective actions has already been implemented and verified with appropriate pictures or documentation. Our production site in Vietnam is unionised and a collective bargaining agreement (CBA) is available. However, workers representation shows space for improvement since representatives are usually from the management level, thus having conflicting interests, and are usually not elected by employees. The company is working towards an improvement with the initiation of company events. Some ‘Health and Safety’ findings could easily be solved, particularly findings regarding missing labelling of escape routes and electrical safety. Corrective actions requiring complex systematic changes, e.g., being related to compensation and overtime working, are still pending but our and the other FWF member’s CSR team is in frequent contact with the responsible management and accompanies the process of transition in their best intension.

A complaint filed in 2021 has also been followed up upon in the context of the audit: A worker complained that resignation was not approved. In the past, supervisors did not give resignation letters to HR department when they received them from workers due to various reasons. When HR department received resignation letters, the notice period in some cases were overdue. This subject was discussed in-depth in the 2022’s audit. Currently, resignation procedure has been optimized and supervisors need to give resignation to HR-department immediately after they have received the resignation and supervisors need immediately to acknowledge the resignation with signature so that workers can take a photo of it.

3.4 – SUPPLIERS IN CHINA

Globally, the People’s Republic of China is the largest producer and exporter of textiles and clothing. The activities of the country’s textile and clothing industry covers a wide spectrum, from the production of raw materials through to the manufacture of end products. Accordingly, a large part of China’s growth momentum is attributable to this industry sector. Our risk assessment provides evidence that several FWF CoLP, i.e. ‘Freedom of Association and the Right to Collective Bargaining’, ‘Payment of a Living Wage’, and ‘Reasonable hours of work’ are at high risk to meet internationally accepted labor standards in China’s garment industry. China has developed at an incredible pace over the last ten years, but it has also undergone major changes. As a result, the standard of living and gender equality has risen in recent years, especially in the urban centres. The payment of a living wage also adapted, however, rising wages in urban areas forced factories to relocate in cheaper regions. These developments entail a lower competitiveness of China in comparison to other garment producing countries. Regarding the ‘Freedom of Association and the Right to Collective Bargaining’ one must mention that only one trade union is permitted which is further part of the governmental hierarchy, i.e., no independent trade unions are allowed and neither the freedom of collective bargaining nor strikes. Working overtime is also especially challenging. In China, working overtime is culturally very accepted and common practice. This is supported by the employment of migrant workers who have a strong incentive to work overtime hours to send money to their families.



In China, we currently source our products from eight different production sites from which seven business relationships are direct while one of these suppliers maintain a contract with a sub-supplier. Most of the business relationships are relatively young. Only one relationship lasts since 2017 whereas the others were established between 2019 and 2022. The greatest share of FOB is attributed to the suppliers producing our climbing shoes. The remaining oversee the production of headwear, shirts, and jackets. In 2022, we did not conduct an audit ourselves, however planning one for the flowing year. Additionally, we asked our suppliers for audit results of other companies buying there.



COMPLAINTS PROCEDURE

Via the complaints helplines of the FWF, EDELRID is providing workers or worker representatives at our suppliers the possibility to complain about grievances. The FWF forwards the complaint to the brand or multiple brands sourcing there, and the brand(s) must notify the factory immediately and try to solve the complaint in cooperation with the factory management as soon as possible. FWF and its local teams will maintain contact with the complainant to assess whether, from the complainant’s perspective, the complaint is taken care of, and it is FWFs responsibility to verify whether a complaint has been fully remediated. All complaints are published on the website of the FWF for the public to see and provide insight into the status and remediation process of every incoming complaint.

To make sure workers at our suppliers are aware of this complaint mechanism, it is mandatory for our suppliers to visibly post worker information sheets in the relevant local language in their manufacturing hall. To verify this, we demand pictures of the posted information sheets of every supplier, and we check them during on-site visits as well.

In the past financial year, we didn't receive any complaints. As mentioned before, the complaint from a worker in one of our Vietnamese production sites received in 2021 was followed up upon in the corresponding audit in 2022. The procedure which has been implemented to ensure that the problem will not happen again was further optimized based on the input of the auditor. It is our intention to resolve any complaint to the satisfaction of the complainant and to agree on appropriate and practical preventive measures with our suppliers.

TRAINING AND CAPACITY BUILDING

5.1 – ACTIVITIES TO INFORM STAFF MEMEBERS

Every employee of EDELRID should have the opportunity to get a general impression of our CSR activities. Therefore, a CSR introductory session is offered to every new employee within the onboarding process. Our commitment to FWF is part of this. To be able to really implement responsible practices, every department and every single employee must be involved.

Furthermore, we provide information on the intranet (EDELnet) and update our executive management during biannual meetings on news and current topics. Staff members working closely together with the relevant suppliers, e.g., the Development Teams or the Category Management, are updated on more detailed information concerning working conditions at our suppliers and FWF membership on a regular basis by the CSR team.

5.2 – ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

Within our first year as a FWF member, we informed all existing partners about our new membership and explained the purpose of the FWF via the announcement letter, the CoLP and the FWF Questionnaire. Suppliers with whom we are entering a new business relationship receive these documents as well.

As mentioned before, we have instructed all our suppliers to post the FWF Workers Information Sheet at all production sites including subcontractors. We request images of the sheets in place and check this as well on-site when we visit the suppliers.

We did not have any supplier trainings in 2022, but as mentioned already before, two audits have been conducted.

6

TRANSPARENCY AND COMMUNICATION

EDELRID's mission is to understand every detail about the development, the use and the impact of our products and make it publicly available. In order to share our knowledge regarding the social aspects connected to the manufacturing of our products and our progress on implementing the CoLP, we aim to publish the annual Social Report and the year's BPC results on our website. Furthermore, we inform our customers and the public about our FWF membership through social media posts and on our website.

STAKEHOLDER ENGAGEMENT

Additional to our engagement with the FWF in regard to social performance and working conditions, we are also part of a group called the Audit Alliance Hard Goods (AAHG) with the purpose of combining outdoor brand's business power and good practices to assess the risks specific to, and improve social practices within, the hard goods supply chain. It is a subgroup of the European Outdoor Group's (EOG) Hard Goods Working Group and together with seven other brands we are having a closer look at shared suppliers in the hard goods field since 2019. The starting point has been hardware factories in Taiwan; just last year helmet suppliers in China were taken onto the agenda as well.

FWF's country studies on China, Vietnam, Portugal, and Pakistan as well as the FWF webinars were great resources to stay up to date in the area of country specific risk assessments as well as developments concerning human rights due diligence on a global and legal level.

Regarding ecological aspects at our suppliers, we are a system partner of bluesign system since 2009 and are in constant dialogue with them concerning chemical and environmental management topics within the sup

GERMANY

EDELRID GmbH & Co. KG

Achener Weg 66

883 16 Isny im Allgäu

Phone: +49 7562 981 0

Fax: +49 7562 981 100

For further questions, please contact our CSR-Team:

csr@edelrid.de