



Declaration of Compliance

KSports GmbH is an internationally working company that operates in an industry which is repeatedly criticized for its negative impact on people and the environment. We, at KSports GmbH, are aware of our social and environmental responsibility and take care for our impact on society; this includes ecological, social and economic aspects.

In order to fulfil this responsibility KSports GmbH commits itself to the Guiding Principles on Business and Human Rights and the Agenda 2030 for Sustainable Development of the United Nations, the Universal Declarations of Human Rights (AEMR), the Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD), the Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector and the Basic Principles and Core Labour Standards of the International Labour Organization (ILO).

To put above mentioned norms and conventions into practice we have implemented the following set of rules we ask our employees and business partners to respect:

Code of Business Conduct

Our *Code of Business Conduct* sets a framework of certain non-negotiable minimum standards of behavior in key areas all employees commit to.

Environmental Policy

Our *Environmental Policy* provides the guidelines for environmental issues related to our business.

This *Declaration of Compliance* describes the minimum social and environmental requirements we ask our suppliers to comply with. We define criteria for respectful, safe and fair working conditions in our textile supply chain and focus on a responsible approach to the environment.



Code of Business Conduct

Compliance with the law

All relevant and applicable laws, regulations and rules must be complied with. This compliance has the highest priority and must never be compromised.

Human- and labor rights

We respect internationally recognized human rights and support their observance. This includes a ban of any kind of child, forced, bonded, servitude or indentured labor. The right of collective bargaining and social partnerships is also respected as the freedom of association. We respect and implement the fundamental human right of non-discrimination as fair compensation, equal pay for people for work of equal value, continued pay in case of illness and paid leave, maternity protection and adequate working hours. These requirements presuppose, that all employees are provided with written and understandable information about their human and labor rights.

Prohibition of discrimination

Any form of discrimination against employees must be avoided and actively prevented. In particular, no one may be discriminated against because of their skin color, gender, age, religion or ideology, social background, state of health, ethnic origin, nationality, membership of workers' organisations, political affiliation or political opinion, sexual identity and sexual orientation. This applies both to the recruitment of employees and to their further training, promotion and remuneration.

Prohibition of forced labour and slavery

The use of forced labour is prohibited. This includes any work or service that is demanded from any person under the menace of any penalty (physical, mental, financial or otherwise) and for which that person has not offered himself voluntarily. All forms of slavery, slavery-like practices, servitude or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation, are also prohibited.

All employees must be granted the right to terminate their employment relationship in compliance with the contractually agreed or statutory notice period. It is prohibited to withhold identification documents from employees. Employees, especially migrant workers and migrants must not make unlawful payments or deposits to obtain a job. If there are legitimate payments for job placement or for obtaining documents required for employment, such as work permits, visas or health checks, these must be borne by the employer.



Wages and benefits

Wages and benefits paid for a standard working week must at least meet the legal or industry minimum standards and must always be sufficient to meet basic needs of employees and their families and to ensure a certain level of disposable income. Deductions from wages for disciplinary measures shall not be permitted, nor shall any deductions from wages not provided for by national law be permitted. Deductions may never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the details of their wages, including wage rates and pay periods.

Occupational Health and Safety

Compliance with all legal regulations for the protection of people and the environment is of highest priority. All employees must be treated with dignity and respect. Sanctions and other penalties may only be carried out in accordance with applicable, national and international standards of Human Rights. Physical abuse, threats of physical abuse, disciplinary measures or unusual punishment, sexual and other harassment and intimidation by employees are strictly prohibited.

Ensure a hygienic and safe workplace and promote best practice for health and safety in the workplace. Effective regulations shall be implemented to prevent accidents and minimize health risks as far as possible. Employees must be regularly trained to ensure safe and hygienic working conditions.

Grievance mechanism

KSports GmbH has established a grievance mechanism that must be equally accessible to all parties affected by the company's activities. All direct suppliers are obliged to inform their workers accordingly: A fair, accessible grievance mechanism requires that all employees are informed of this grievance mechanism in an understandable manner.

A grievance can be defined as any concern, unhappiness or discontent that arises in the workspace. This may refer to: Infrastructure, personal relations, contractual rights, human and labor rights, and customary rights. In the event of any harm or damage resulting from KSports GmbH's business practices, business partners must inform KSports GmbH immediately so that appropriate remediation and compensation can be provided.

Contact: <https://www.derbe-hamburg.de/beschwerdeformular/>



Subcontracting

Subcontracting is only permitted with prior written permission of KSports GmbH. Any transfer of cut-make-trim (CMT) or sewing work will be concerned as subcontracting. Detailed information about these subcontractors must be provided upon request. This is to ensure that all factories involved in the manufacturing process respect KSports GmbH's social requirements.

Ban of cotton from Xinjiang, Uzbekistan, Turkmenistan and Syria

We are committed to eliminating any risk of child labour, forced, bonded, servitude or indentured labor within our supply chain and require the same from our business partners. As cotton from Uzbekistan, Turkmenistan, Syria and Xinjiang is associated with human rights violations, the sourcing of cotton and cotton products from these regions is prohibited.

Fair Competition

Agreements and concerted practices between competitors are prohibited if they have as their object or effect the prevention or restriction of competition.

Corruption

Corruption, embezzlement, extortion or antitrust violations are not tolerated. We prohibit our employees from engaging in any form of bribery. While dealing with business partners, they must never demand or accept anything of value, which could be constructed as an attempt to influence business activities.

Animal Welfare

We expect a considerate treatment of all living beings, which implies animal welfare. We believe that animals should be treated with respects. We promote a sustainable and ethical way of doing business and therefor do not support any unethical treatment of animals.

Conflict of Interest

Employees are expected to act in the interest of KSports GmbH. Own personal demands should not in any way influence the professional task.



Privacy and Data Protection

We declare that we fully respect and protect the privacy of our employees, consumers and stakeholders. All personal data collected and held will be processed carefully and in compliance with the locally applicable data privacy laws. Confidential employee, consumer or stakeholder information shall not be disclosed to anyone outside the company without appropriate authorization, unless required by law.

Commitment and Zero tolerance issue

The commitment to this *Code of Business Conduct* is a prerequisite for any business relationship. Major breaches of this code will lead to immediate follow-up action and in severe cases to termination of business relations. In addition, the KSports GmbH defines following 'zero tolerance issues'.

Zero tolerance issues

Child Labor

Workers who are younger than 15 years old.

Workers younger than 18 who are subjected to the worst forms of child labor (prostitution, pornography, forced labor and illegal activities).

Bonded Labor and inhumane treatment

Not allowing workers to leave the workplace against their will, including when they are forced to work overtime against their will.

Use of violence or the threat of violence to intimidate workers to force them to work.

Inhumane or degrading treatment, corporal punishment (including sexual violence), mental or physical coercion and/or verbal abuse.

Occupational Health and Safety

Occupational health and safety violations that pose an imminent and significant threat to workers' health, safety and/or lives.

Unethical behaviour

Attempted bribery of auditors.

Intentional misrepresentation in the supply chain (e.g. hiding production sites, violating any elements of this code or fake certifications)



Environmental Policy

This *Environmental Policy* is binding for all textile and garment manufacturing processes of KSports GmbH. It sets a framework for nonnegotiable minimum standards of environmental responsibility throughout our supply chain.

Compliance with the Law

The *Environmental Policy* of KSports GmbH does not replace applicable national environmental or workplace safety restrictions. Compliance with the legal requirements to protect humans and the environment in all geographies is of highest priority and must never be compromised. Environmental relevant and applicable laws, regulations and rules must implicate in all manufacturing processes.

General Commitment

We are committed to taking a responsible role in environmental protection. Above and beyond legal requirements, we ask our business partners to be conscious and respectful to nature and to minimize process-relevant inputs in soil, water and air as far as possible.

Waste

The best waste is no waste. We ask our business partners to collect separately, so waste can be recycled.

Soil and Air Pollution

Continuous monitoring of emissions into the air and soil is mandatory for all textile finishers.

Energy

We ask all our business partners to be conscious with energy.

Education

We ask all our employees, partners and members to learn preventive environmental and work safety measures, as well as measures for saving resources at manufacturing processes and also in private sphere.



Chemicals-, Water- and Wastewater Management

Prohibited lists are used to control dangerous substances or groups of substances. For the use of chemicals, this is the Manufacturing Restricted Substances List (MRSL). The Restricted Substances List (RSL) lists substances or groups of substances that can only be detected to a limited extent or not at all in the product. Compliance with the substances and groups of substances restricted according to the ZDHC MRSL has the highest priority when using them. Within the framework of REACH and the corresponding risk management, appropriate documents and certificates are to be presented upon request of KSports GmbH. According to the ZDHC MRSL, the use of the following substances and groups of substances is restricted:

- Alkylphenol (AP) & Alkylphenol Ethoxylates (APEOs); including all isomers
- Bisphenol
- Chlorobenzenes & Chlorotoluenes
- Chlorophenols
- Dyes - Allergenic Disperse Dyes
- Dyes - Azo (forming restricted amines)
- Dyes - Navy Blue Colourant EC No. 405-665-4
- Dyes - Carcinogenic or equivalent concern
- Ethoxylated Tallow Amine
- Flame Retardants containing bromine, chlorine and phosphorus
- Formaldehyde
- Glycols / Glycol Ethers
- Halogenated Solvents
- Organotin Compounds
- Miscellaneous Chemicals
- Polycyclic Aromatic Hydrocarbons (PAHs)
- Per- and Polyfluorinated Chemicals (PFAS)*
- Phthalates; including all other Esters or Ortho-phthalic acid
- Short-chain Chlorinated Paraffins (SCCP)
- Total Heavy Metals (arsenic, cadmium, lead, mercury, chromium (VI))
- Volatile organic compounds (VOC)

For detailed information follow the current version of the ZDHC MRSL and REACH standard, which always must be base of all chemical input.

Chemicals must be stored in accordance with the instructions as stated in the chemical manufacturer's safety data sheet. Safety data sheets for all chemicals (stored and used) must be available, up-to-date, easily accessible always and written in understandable language.

* KSports GmbH emphasizes the relevance of the ZDHC MRSL in terms of the per- and polyfluorinated alkylated substances: The use of any formulation based on, or including PFAS is not permitted.



Responsible use of water is indispensable and necessary throughout our supply chain. We urge all our business partners to include the economical use of water into their production-processes. For that all contributors should be regular trained in a responsible water management (e.g. reuse of last rinsing baths and dye baths, use of counter current for continuous washing, use of cool water as process water where possible).

First step in preventing wastewater contamination is for facilities to avoid the use of restricted chemical substances by using chemical formulations that confirm to the ZDHC and its MRS. Our business partners should then ensure wastewater is treated prior to discharge in a way that either removes the chemical physically or by chemical reaction or biological degradation. To ensure the responsible use of the authorised chemicals, recognized test procedures for corresponding wastewater analysis must be carried out. The document ZDHC Wastewater Guidelines - The Roadmap to Zero Programme must be used as a basis.

Business Integrity

The supplier shall ensure that its activities and its group structure as well as its services are truthfully and accurately documented and in accordance with applicable regulations and industry standards. The supplier shall conduct its business ethically and without bribery, corruption or any kind of fraudulent business practices and shall at least comply with national laws and regulations.

Obligation to report violations of human rights and environmental protection

The supplier is obliged to report any violation of the human rights and environmental protection listed in this Declaration of Compliance. Reports can be made to nachhaltigkeit@derbe-hamburg.de or directly via the complaints system <https://www.derbe-hamburg.de/beschwerdeformular/>

22. September 2024

Date/Signature of the person responsible