



Statement of Principles of the KSports GmbH

The KSports GmbH assumes responsibility for its impact on society - this includes environmental, social and economic aspects.

In order to respect fundamental human rights and minimize negative effects on the environment we work close with all relevant stakeholders to align the textile supply and value chain of the KSports GmbH in a systematically, continuously and consistently sustainable manner. The KSports GmbH respects all internationally recognized human and environmental rights.

Our understanding of sustainability is based on the definition drawn up by the Brundtland Commission in 1987:

"Sustainable development is developing that meets the needs of the present without compromising the ability of future generations to meet their own needs."

We commit ourselves working towards to an authentic, transparent and progressively sustainable development of our textile supply and value chain. In this context stands the prevention, mitigation and compensation of adverse effects on the environment and people.

In particular, respect for and implementation of fundamental human rights is a top priority. Accordingly, we are committed 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)*.

We carry out a risk analysis to implement concrete and action-guiding goals for improving sustainability. The topics and risk areas to be considered are based on the OECD recommendations for the textile sector and the UN Guiding Principles.



As part of our country-specific risk assessment, we have identified the following vulnerable groups due to our business practices:

Ethnic and religious minorities as well as the hierarchical classification of people in the caste system, women, workers with disabilities, workers as members of a work organisation/ trade union, workers with a particular political conviction, international and national migrants, lesbian, gay, bisexual, transsexual, transgender, queer, intersexual and asexual people (LGBTQIA), homeworkers, migrant workers and indigenous peoples.

At the process-related level, the manufacturing and its upstream production steps such as finishing processes, yarn-, fabric- and fiber production, our risk areas relate to:

Child labour, forced labour, discrimination, gender-based violence at work-place, working hours and overtime, health and safety at work, collective bargaining, freedom of association, remuneration and a living wage, bribery and corruption, chemicals, water and energy management and emissions into the environmental compartments.

KSports GmbH strives to manage, reduce and avoid the identified risks in order to protect people and the environment. For this purpose, we compare and priorities the identified risks with regard to their content and derive measures accordingly. The methodology of our risk analysis is based on internal and external audits. The analyses are partly made possible by direct contact with suppliers and agents. On-site inspections of production facilities provide us with further information for identifying risks. However, audit reports or fiber and material certificates, photos of the facilities and interviews with employees also provide us with further information for the analysis. We continuously analyse, prioritise and document the results of direct and indirect audits. The risk prioritisation can be viewed transparently on the company's own homepage.

If, despite all our efforts, the direct business practices have a negative impact on people and the environment, KSports GmbH will actively work to make amends. Compensation will be provided either alone or in cooperation with other stakeholders. The type of compensation depends on the severity of the infringement. Financial or non-financial compensation is just as possible as active damage prevention, for example through injunctions and non-repetition guarantees.



KSports GmbH has set up a grievance mechanism that is equally accessible to all parties affected by the company's activities. The grievance mechanism is intended to provide a means of drawing attention to possible grievances and is at least fair, accessible and transparent. The grievance mechanism can be accessed via the homepage.

The prohibition of unauthorized subcontracting by our business partners is contractually regulated. Any subcontracting of cut-make-trim (CMT) or sewing work will be considered as subcontracting. Detailed information about these suppliers must be provided upon request. This is to ensure that all factories involved in the manufacturing process comply with the social requirements of KSports GmbH.

In order to put these standards and conventions into practice, we have implemented the *Code of Business Conduct* as a binding basis for our actions in all key areas. Compliance applies to all employees of KSports GmbH and its business partners.

In addition to the discussion of socially relevant issues, we also critically analyze the impact of our actions on the environment. In our *Environmental Policy* we set out the framework conditions of chemical, water and wastewater treatment and refer to the ZDHC MRSL and the REACH standard, which always form the basis for the responsible use of chemicals in production. Compliance with our guideline is binding for all business partners.

Through the manufacture of our products, we have an impact on the social foundation of life, for example through the utilization of resources and the influence on environmental compartments. We document our ecological criteria and aims for our supply chain and for our own company site in our *Environmental Policy*.

In all our business relationships, we work toward transparent cooperation. For us, transparency is significantly linked to our sustainability strategy. The management is responsible for implementing all the corporate due diligence obligations listed.

3.3.20

Date/Signature of managing director of the KSports GmbH

Date/Signature of responsible person of the supplier