SOCIAL REPORT 2025

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Cover photo - Factory 5843 in Bangladesh

1981 Oberalp Group Spa is founded

1990 Oberalp acquires SALEWA; a multi-specialist for mountain & alpine sports

2003 Oberalp acquires Dyanfit; the most important global brand for ski touring gear and equipment

2011 Oberalp acquires Pomoca; the global leader in ski skin manufacturing

2012 Oberalp acquires Wild Country; an insider brand for climbing apparel & equipment

2013 Salewa, Dynafit & Wild Country become Fair Wear Foundation members

2016 Salewa, Dynafit & Wild Country become Fair Wear Foundation LEADERS

2019 Oberalp acquires Evolv; an American brand for climbing shoes

2020 Oberalp launches a new mountain sports brand for women only

2022 Oberalp acquires Droker, a high-end shoe factory located in Romania

2024 Salewa, Dynafit, Wild Country & LaMunt are awarded GOOD by Fair Wear Foundation

Headquartered in the heart of the Dolomites

in Bolzano, Italy, the **Oberalp Group** is a leading provider of outdoor, technical apparel and equipment for mountain sport enthusiasts.
Today, it owns six brands, **Salewa, Dynafit, Pomoca, Wild Country**, **Evolv**, and **LaMunt** and also acts as EU distributor for other internationally recognised sports brands.

In today's globalised economy, businesses play a crucial role in upholding human rights throughout their supply chains. This report provides an overview of Oberalp's human rights due diligence (HRDD) activities, conducted in accordance with the Organisation for Economic Co-operation and Development (OECD) six-step framework. This structured approach helps businesses to identify, prevent and address human rights risks, ensuring responsible business conduct throughout the supply chain. The report outlines the measures implemented to integrate human rights considerations into supply chain management and the methodologies used for risk assessment. It also details the actions taken to mitigate adverse impacts, with a particular focus on the textile supply chain and T1 (finished garments) suppliers.

Adhering to the OECD's six-step due diligence process str-engthens transparency, accountability and ethical business practices, thereby fostering a more sustainable and rights-respecting supply chain.

First, this report will describe the Oberalp supply chain and detail each step of the OECD framework, highlighting the integration between HRDD and sourcing. It will then provide an overview of the collaborations and actors that support us in promoting, protecting and remediating human rights impact challenges, before finishing by underlining the challenges and areas for continued improvement.

2025 has been a year of transformation, challenge, and renewed commitment to human rights due diligence. Building on previous years' experience, we intensified our efforts to strengthen responsible sourcing practices and reinforce the systems that allow us to monitor and improve working conditions across our supply chain. Through strategic initiatives and enhanced due diligence processes, we continued to adapt to a rapidly evolving regulatory landscape, refining our methodologies and expanding the scope of our interventions to ensure that workers' rights remain at the centre of our decision making.

A major advancement this year was the Living Wage Serious Pilot in Myanmar, a cornerstone initiative aimed at monitoring wage levels, ensuring fair compensation, and developing a risk based oversight model capable of responding to both contextual challenges and regulatory expectations. The pilot allowed us to deepen our understanding of wage structures, identify systemic gaps, and collaborate more closely with factories to promote fair remuneration. Our extensive analysis led to measurable improvements: in factories representing 70% of our production volume where we gathered enough data to run the analysis, the lowest paid workers now earn at least 30% above the legal minimum wage; in factories representing 30% of the production volume, wages meet recognised living wage benchmarks. These results demonstrate the tangible impact of sustained engagement and data driven decision making.

Perfecting our risk scoping and assessment procedures further strengthened our due diligence architecture. By refining methodologies, clarifying roles and responsibilities, and improving internal coordination, we enhanced our ability to identify areas requiring remediation, highlight structural weaknesses, and align our practices with the six step OECD due diligence framework. This alignment not only reinforces our commitment to internationally recognised standards but also ensures that our approach remains robust, transparent, and capable of addressing emerging risks.

A substantial portion of our efforts this year focused on Myanmar, where the complexity of the operating environment demands heightened vigilance. Our work centred on wage fairness, freedom of association, access to effective grievance mechanisms, prevention of forced labour, responsible purchasing practices, security risks, and the avoidance of any ties to military entities. These priorities guided our monitoring activities and ensured credible information gathering, enabling us to report transparently and intervene where necessary. In parallel, we continued advancing the Employment Injury Scheme (EIS) pilot, aimed at improving workplace safety and injury compensation. This initiative addresses unacceptable risks faced by workers and companies alike, contributing to a safer and more resilient supply chain.

Our ability to resolve non conformities was strengthened by long term partnerships with suppliers, 85% of whom have collaborated with us for five years or more. These relationships foster trust, facilitate continuous improvement, and enable more effective remediation. In 2025, 90% of our textile production took place in medium, high, or very high risk countries, requiring rigorous monitoring and sustained engagement. Our operations spanned 17 countries worldwide, five of which are considered higher risk, underscoring the importance of a structured and proactive due diligence system.

This year, we also formalised a comprehensive onboarding and monitoring process for human rights due diligence in the supply chain. The new system provides clear expectations for suppliers, strengthens accountability, and ensures that risk assessment and mitigation measures are consistently applied from the earliest stages of collaboration. Additionally, we intensified our efforts in child labour remediation and prevention, reinforcing our zero tolerance approach and supporting a factory where a case was found to implement stronger safeguards.

Overall, the progress achieved in 2025 reflects both our pride in the work accomplished and our awareness of the responsibilities we hold toward workers and ethical corporate governance. Despite the challenges, we remain committed to refining risk assessment, improving labour conditions, and driving meaningful change in the global garment industry. Our journey continues, guided by the conviction that responsible business conduct is not only a regulatory requirement but a fundamental expression of our values.

> We were able to improve our risk assessment system and follow the six step of the OECD due diligence process.
> It makes us proud,
> and at the same time **it signifies more knowledge on our responsibilities.**

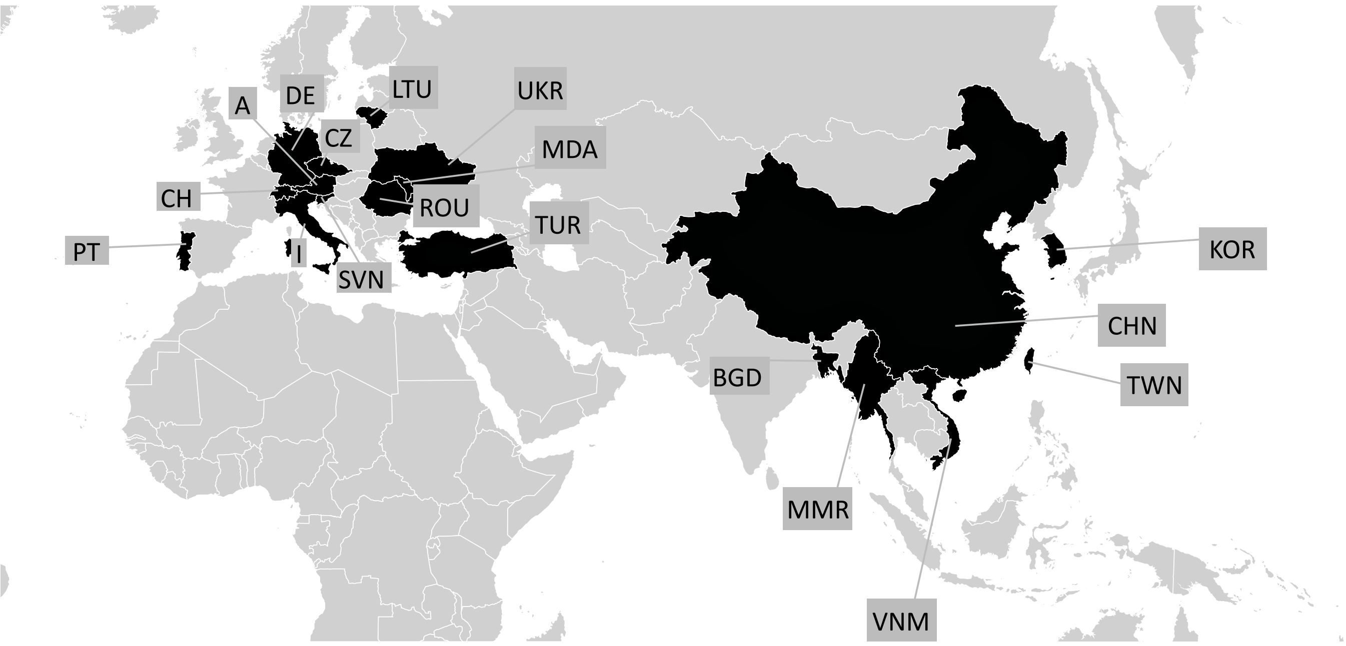
SOURCING & PRODUCTS

We own the factory that produces our ski touring skins in Switzerland, a footwear facility in Romania and a factory for the production mohair velvet for our ski touring skins in Germany.
The rest of our products are manufactured at external facilities, and this means we have to pick our production partners carefully and make sure we install fruitful and long- term partnerships.
Our broad product range for all brands is broken down into 4 key divisions: apparel, footwear & technical equipment, skis & bindings, and skins. The textile divisions are based in Italy and shared between offices located in the Dolomites and in Montebelluna. Dynafit ski-touring bindings, skis and a part of the brand's equipment are managed from our German offices in Aschheim, and Pomoca skins in Chavornay, Switzerland.
The FOB volume we purchase is mainly of textile products, an industry where the risk of labour issues is relatively high. Thus, the focus of our Social Compliance and Human Rights Due Diligence (HRDD) efforts is allocated to the factories where cut and sewn goods are produced by third parties, especially if located in Asian countries. This report share details of the efforts and results achieved in the textile factories used to make for Salewa, Dynafit, Wild Country and LaMunt products.
Planning, sourcing, and purchasing activities are conducted independently by the different divisions. Each division has its own internal structure, sourcing strategies and partners; *however, common to all is the integration of due diligence and social compliance responsibilities throughout each of the respective teams, and with all suppliers, whether they be the factories directly, or agents who act as intermediaries between us and the factories.* In cooperation with the Sustainability Compliance & Strategy team, Sourcing and Costing managers are regularly briefed about local living costs, potential hazards and risks, and actual working conditions so they are empowered to make informed decisions.

Our 4 Key Divisions

APPAREL (menswear, women´s wear, accessories, denim, knitwear)
FOOTWEAR (shoes and boots) **& TECHNICAL EQUIPMENT** (tents, backpacks and bags, sleeping bags, cords, ropes, slings)
SKIS & BINDINGS
SKINS

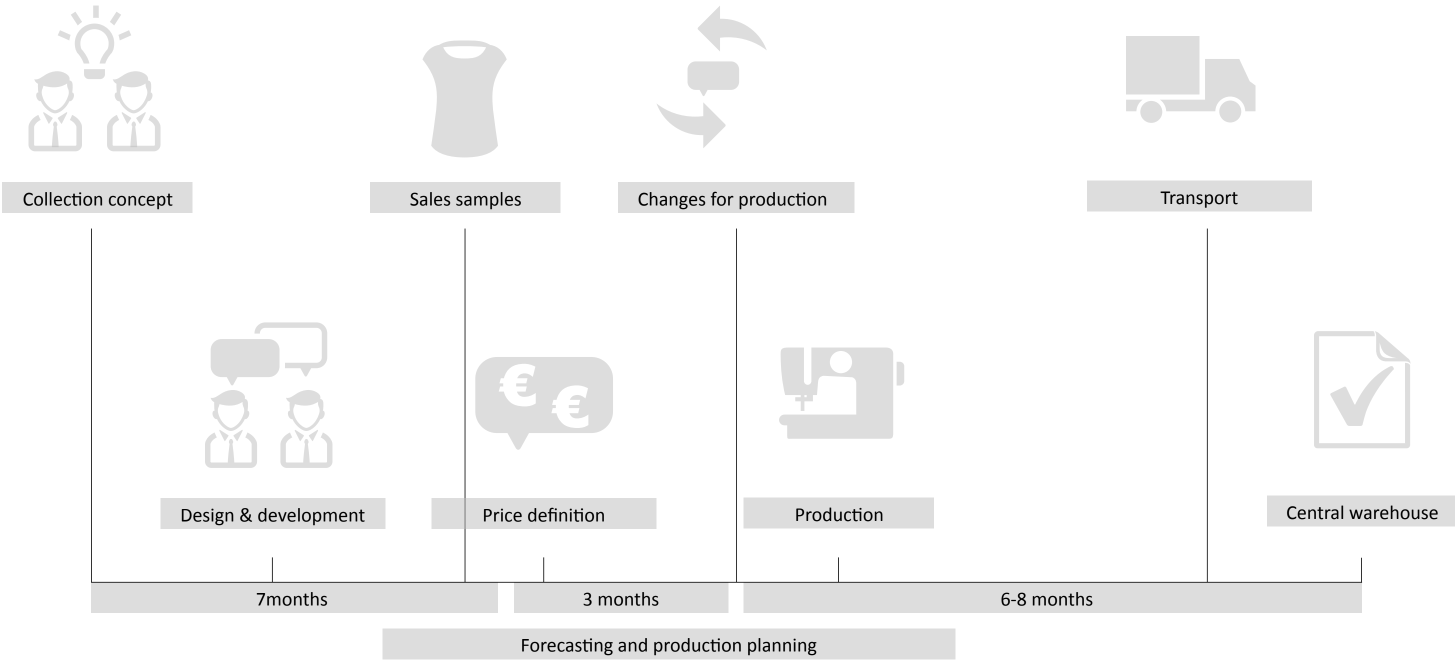
Production Countries



In 2025, our textile production took place in **17 countries** across the globe.

Production Cycle

Our production planning is informed by the **production capacity** of the factory, and is also based **according to style**. This allows for **substantial and flexible lead times** to avoid undue pressure to fulfill delivery dates. Furthermore, if / when the occasion arises we **accept delays** and **share the responsibility** if need be.



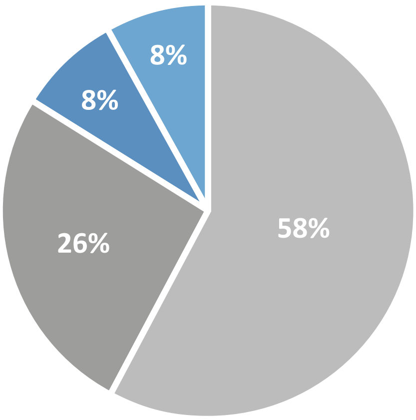
In agreement with our partners, we define a reasonable timeline including room for delayed fabric and accessory deliveries and considering important events and local holidays.

Holiday	Dates (2025)
Chinese New Year (China, Vietnam)	28 January - 03 February
Eid ul Fitr (Bangladesh)	26 March – 02 April
Thingyan Festival in Myanmar & Burmese New Year	13 – 17 April
Easter	20 April
Labour Day Holidays (China)	01 – 02 May
Dragon Boat Festival (China)	31 May – 02 June
Eid ul Adha (Bangladesh)	06 – 08 August
Mid-Autumn festival (China)	06 October
Golden Week (China)	01 - 07 October

Supplier Relations

Long & stable Supplier Relationships - One of our primary objectives in regard to supply chain management, is to establish long-lasting relationships with our suppliers, with the aim for the maximum mutual benefits. This year, almost 85% of our total FOB volume came from factories we've been working with for more than 5 years. To grow successfully as a company, it is important that we cooperate with partners who also continually strive to grow and improve. Those that, like ourselves, aim to better their social and environmental standards in their own operations and beyond. We see it as our role to encourage and facilitate dialogue that seeks to align our own values and goals with those of our suppliers, internally and in their business relationships with their partners. This on-going process is central to our social compliance efforts and demands our constant monitoring and evaluation.

In 2025, 85% **of our total FOB** volume came from factories where we hold **long-term relationships**



	2021	2022	2023	2024	2024
More than 10 years	29%	34%	36%	36%	58%
5 to 10 years	40%	36%	36%	54%	26%
2 to 4 years	27%	24%	23%	6%	8%
1 year or started in 20	4%	6%	5%	4%	8%

Photo - Factory 5843 in Bangladesh

Human Rights Due Diligence

We are aware that our sourcing strategy (beginning, maintaining and ending the collaboration with our suppliers) and all our decisions affect the workers employed in our supply chain and the communities they live in. As a company active in the garments and footwear industry, we have to get deeper knowledge on the partners involved in the making of our goods to identify and address the actual and potential adverse impacts we could cause or contribute to in the supply chain.

To achieve this, human rights due diligence (HRDD) and the sourcing process need to be integrated, so that the first can inform and influence the decisions of the second, and the second can provide input on objective and perceived risks so that due diligence can be refined, commensurate and actions can be better prioritized.

Having structured and effective due diligence procedure and sourcing strategy is essential to prevent and minimize risks and violations. This is particularly important in our case because the supply chain we work with is fragmented, externally owned and located in many countries, with different cultures and political systems, with uneven coverage or guarantees on legal protection and social security measures, and especially with different degrees of dialogue and circumstances enabling equal treatment or advancement of workers' living standards. The UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector set the basis of the direction we are committed to following. A six-step framework has been developed by the OECD to help the companies in creating their own due diligence process,

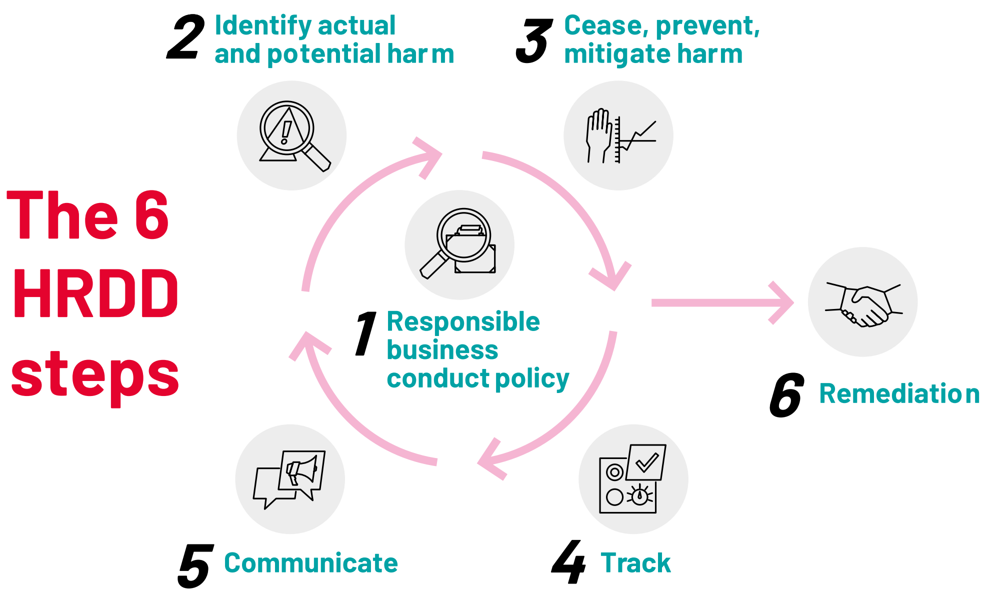
Step 1 – Embed a Responsible Business Conduct (RBC) into policies and management systems: we are progressively tailoring our internal policies and management systems to better respond to the risks in our supply chain; and integrate them in our sourcing practices;

Step 2 - Identify and assess actual and potential adverse impacts: we have created a three levels scoping exercise The fist level helps us in identifying the countries we should focus more on basing on the general situation of the area analysed, the second enables us to get more information on the most frequent risks in the footwear and garment sector of the countries, the third one make us aware of the individual risks we find in the factories; Step 3 - Cease, prevent and mitigate adverse impacts: depending on the severity and likelihood of risks identified in the previous step, we prioritise the ones that need our attention and create a plan to limit the adverse impacts;

Step 4 - Track implementation and results: the results of the risk-assessment and the actions taken to minimize risks and violations are tracked, for continuous improvement;

Step 5 - Communicate how impacts are addressed: we report on the risks and impacts, prioritisation criteria and processes, and actions and outcomes to address impacts against targets. We share the challenges, efforts and results in our annual Social Report and their evaluation can be found in the Brand Performance Check carried out by Fair Wear Foundation. Both documents can be found on the company and brands' websites.

Step 6 - Provide for or cooperate in remediation: we participate in remediation for impacts that we have caused or contributed to.



The 6 HRDD steps – framework used by Fair Wear

The global supply chain is subject to various changes linked to the geographical area and the political and economic system, so it is important that due diligence is integrated not only into sourcing but also into the company's management system and in a corporate policy. This needs to be updated and regularly revised to reflect and address the risks at each stage of their development, always with the aim of eliminating, preventing or mitigating them.

Step 1: Responsible Business Conduct Policy & Policies

Responsible Business Conduct Policy

The important role of due diligence in the corporate structure needs to be formalised in a clear policy that guides current and future efforts, illustrates the principles that inspire the company and the methods it uses to assess and manage risk, and reiterates priorities, commitment and accountability: the Responsible Business Policy. We operate under a Responsible Business Conduct (RBC) policy as intended in the OECD's "Due Diligence Guidance for Responsible Business Conduct". It reflects the company's commitment to protecting and respecting the environment, the human rights and the dignity of every individual and community we come into contact with, within our supply chain. The policy acts as a guide that supports us in improving living conditions while preventing, mitigating, and remediating any negative impact we might cause, contribute to, or are directly linked to.

Even though our possibilities are limited, because of geographical distance and economic circumstances, such as our size compared with our suppliers', we are convinced that good management practices on our side, open discussion about shared values and social standards that must be upheld, and collaboration with competitor brands and stakeholders who want to improve workers' lives, lead to change for the better.

Our RBC refers to the five core principles of the Common Framework for Responsible Purchasing Practices, which guide our purchasing practices. We are continuously integrating these principles into our systems and processes in order to establish an equal and long-term partnership with selected suppliers who share Oberalp's values and goals, promote cooperation for mutual benefit, and support fair payment conditions through sustainable costing.

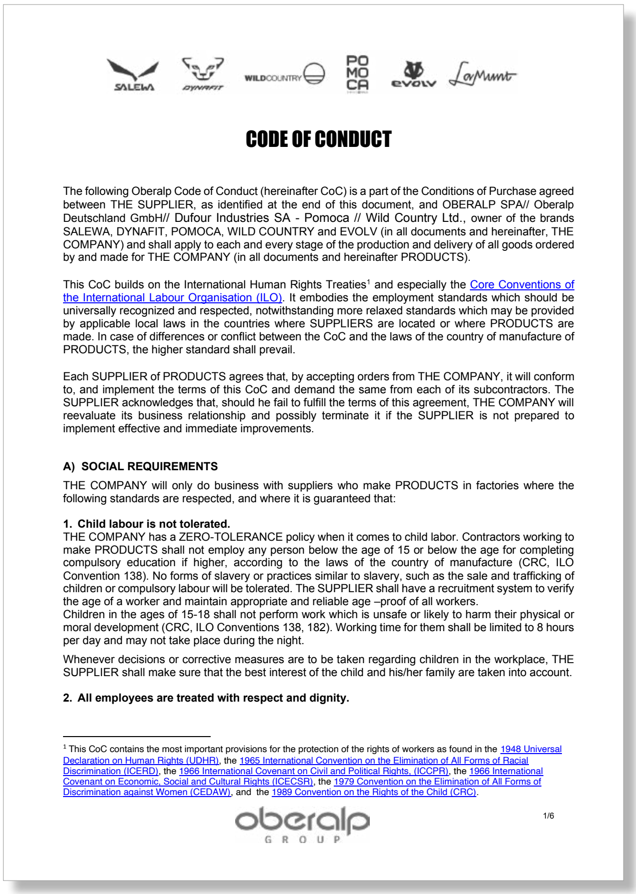
Code of Conduct

Our RBC policy is complemented by the Oberalp Code of Conduct (CoC). Building on the most relevant International Human Rights Treaties, particularly the Core Conventions of the International Labour Organisation (ILO), and in line with FW's Code of Labour Practices, our own Code of Conduct sets forth the guiding principles and backbone of our company and all of our business relationships. At its core it's the shared responsibility, both on our part and expected from our suppliers: geared towards sustainability and compliance, as well as ethical behaviour towards all workers at all stages of our business and supply chain. Moreover, it is an information tool for making all employees and suppliers aware of their rights and duties.

Both our RBC and CoC prescribe that our business with suppliers and in turn, their business practices be free from corruption, direct or indirect, including planned, attempted, requested or successful transfer of a benefit as a result of bribery or extortion.

Another important principle stated in our CoC is that subcontracting is not permitted. Suppliers or production units must not subcontract any part of the manufacturing process without our prior written consent. This means that all subcontractors must be disclosed by the supplier in writing and evaluated and approved by us. This applies to both bulk production and salesman-samples: orders must be placed with facilities that have been approved by us in advance and committed to implementing the CoC.

Additionally, our suppliers should implement an effective program and a system to tackle environmental issues in the factory, taking a precautionary approach. We address environmental risks in our supply chain establishing a processes to better tackle, improve, track and report issues at suppliers: from the identification and assessment of risks, through to devising ways of addressing or remediating them in collaboration with our competitors and our suppliers, and ceasing, prevention or mitigation of these risks.



CODE OF CONDUCT

The following Oberalp Code of Conduct (hereinafter CoC) is a part of the Conditions of Purchase agreed between THE SUPPLIER, as identified at the end of this document, and OBERALP SPA// Oberalp Deutschland GmbH// Dufour Industries SA - Pomoca // Wild Country Ltd., owner of the brands SALEWA, DYNAFIT, POMOCA, WILD COUNTRY and EVOLV (in all documents and hereinafter, THE COMPANY) and shall apply to each and every stage of the production and delivery of all goods ordered by and made for THE COMPANY (in all documents and hereinafter PRODUCTS).

This CoC builds on the International Human Rights Treaties[1] and especially the Core Conventions of the International Labour Organisation (ILO). It embodies the employment standards which should be universally recognized and respected, notwithstanding more relaxed standards which may be provided by applicable local laws in the countries where SUPPLIERS are located or where PRODUCTS are made. In case of differences or conflict between the CoC and the laws of the country of manufacture of PRODUCTS, the higher standard shall prevail.

Each SUPPLIER of PRODUCTS agrees that, by accepting orders from THE COMPANY, it will conform to, and implement the terms of this CoC and demand the same from each of its subcontractors. The SUPPLIER acknowledges that, should he fail to fulfill the terms of this agreement, THE COMPANY will reevaluate its business relationship and possibly terminate it if the SUPPLIER is not prepared to implement effective and immediate improvements.

A) SOCIAL REQUIREMENTS

THE COMPANY will only do business with suppliers who make PRODUCTS in factories where the following standards are respected, and where it is guaranteed that:

1. Child labour is not tolerated.
THE COMPANY has a ZERO-TOLERANCE policy when it comes to child labor. Contractors working to make PRODUCTS shall not employ any person below the age of 15 or below the age for completing compulsory education if higher, according to the laws of the country of manufacture (CRC, ILO Convention 138). No forms of slavery or practices similar to slavery, such as the sale and trafficking of children or compulsory labour will be tolerated. The SUPPLIER shall have a recruitment system to verify the age of a worker and maintain appropriate and reliable age –proof of all workers.
Children in the ages of 15-18 shall not perform work which is unsafe or likely to harm their physical or moral development (CRC, ILO Conventions 138, 182). Working time for them shall be limited to 8 hours per day and may not take place during the night.

Whenever decisions or corrective measures are to be taken regarding children in the workplace, THE SUPPLIER shall make sure that the best interest of the child and his/her family are taken into account.

2. All employees are treated with respect and dignity.

[1] This CoC contains the most important provisions for the protection of the rights of workers as found in the 1948 Universal Declaration on Human Rights (UDHR), the 1965 International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), the 1966 International Covenant on Civil and Political Rights, (ICCPR), the 1966 International Covenant on Economic, Social and Cultural Rights (ICECSR), the 1979 Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and the 1989 Convention on the Rights of the Child (CRC).

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Our Code of Conduct

- Child labor is not tolerated
- All employees must be treated with respect and dignity
- Employment must be based on ability and no discrimination is tolerated
- Employment must be freely chosen
- Payment of a living wage must be guaranteed
- Hours of work must be reasonable; overtime exceptional, voluntary and duly paid.
- Working conditions must be decent and safe
- Freedom of association must be guaranteed
- The employment relationship must be formally established by means of a written contract

Step 2: Identify an assess adverse impacts

The global supply chain presents different risks, some specific to each country or region and others common to all factories.

After having mapped our operations and chain of activities, we have divided our risk assessment into three layers: country rights indicators, risk scoping (country level) and risk assessment (factory level).

It also helps us in prioritizing the factories with the most severe actual and potential adverse human rights outcome, following the UNGP No. 24: "Where it is necessary to prioritise actions to address actual and potential adverse human rights impacts, business enterprises should first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable."

We collaborate with many factories, and it is not possible to identify all potential and actual negative impacts at once, and work to prevent, mitigate and remediate them all simultaneously.

Therefore, each identified risk is assigned a different degree of likelihood and severity, and we focus more on the risks that have higher values. Likelihood is a measure that identifies the degree of probability that a given event will occur and is measured on a scale of 1 to 5, with 5 being certain.

Severity is another useful measure for understanding how to prioritise, as it measures the seriousness of the impact. It has three sub-indicators: scale (gravity of the impact), scope (how many people may be affected) and irremediability (inability to remedy over time).

Country rights indicators

The first risk analysis step researches the countries we work with through the combination of four indices - the World Bank Governance Indicators, the United Nations Development Programme (UNDP)'s Human Development Insights, the International Trade Union Confederation (ITUC)'s Global Rights Index and the World Economic Forum's Gender Gap Index – while taking into consideration the number of Core International Labour Organisation (ILO) Conventions ratified by the countries and the rate of inflation of average consumer prices, as measured by the International Monetary Fund.

The World Bank Governance Indicators (WGI) is a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. The data are gathered by a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms and report on six broad dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence/Terrorism; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption.

A statistical tool, called Unobserved Components Model, is used to construct a weighted average of the data from each source for each country.

The resulting measure is a percentage that goes from 0% (minimum) to 100% (maximum) which enables a broad cross-country comparison; moreover, looking at the evolution of the indicators over time, it is useful to evaluate broad trends.

The UNDP'S Human Development Indicators (HDI) is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. The health dimension is assessed by life expectancy at birth, the education dimension is measured by means of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age. The standard of living dimension is measured by gross national income (GNI) per capita. The HDI uses the logarithm of income, to reflect the diminishing importance of income with increasing GNI. The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean.

The result is a percentage that reflects the human development classification of a certain country. From 0% to 54% is low; from 55% to 69% is medium; from 70% to 79% is high and from 80% to 100% is very high.

The World Economic Forum's Gender Gap Index (GGI) benchmarks the current state and evolution of gender parity across four key dimensions: Economic Participation and Opportunity, Educational Attainment, Health and Survival, and Political Empowerment. It is the longest-standing index which tracks progress towards closing these gaps over time since its inception in 2006.

Economic Participation takes into consideration the male and female unemployment levels, levels of economic activity, and remuneration for equal work.

Economic Opportunity analyses the duration of maternity leave, number of women in managerial positions, availability of government-provided childcare, wage inequalities between men and women. Political Empowerment measures the gap between men and women at the highest level of political decision making through the ratio of women to men in ministerial positions and the ratio of women to men in parliamentary positions.

Educational Attainment captures the gap between women's and men's current access to education through the enrolment ratios of women in primary-, secondary-, and tertiary-level education.

Health and wellbeing provide an overview of the differences between women's and men's health and the effectiveness of governments' efforts to reduce poverty and inequality, adolescent fertility rate, percentage of births attended by skilled health staff, and maternal and infant mortality rates.

The Global Rights Index (GRI) is a world-wide assessment of trade union and human rights by country, made by the International Trade Union Confederation (ITUC). The given ratings are based on 97 indicators derived from the labour standards of the International Labour Organisation (ILO), and specifically violations of trade union rights, such as limitations on collective bargaining and the right to strike, inhibiting trade union membership, state surveillance, violence and killings against trade unionists and restrictions on freedom of speech. The index analyses the compliance with collective labour rights by governments and employers , and assigns a rating per country

Photo - Factory 11333 in Vietnam

on a scale from 1 through to 5+, where 1 means “sporadic violations of rights”, 2 “repeated violations of rights”, 3 “regular violations of rights”, 4 “systematic violations of rights”, 5 “no guarantee of rights” and 5+ “no guarantee of rights due to breakdown of the rule of law”. The number of **Core International Labour Organisation (ILO) Conventions** ratified by the countries and the rate of inflation of average consumer prices, as measured by the International Monetary Fund, complete the dataset for the risk scoping overview. The economic situation in different countries can have a major impact on workers' rights, and monitoring its evolution through the inflation rate informs us when to step up accordingly to prevent impacts on child labour, forced labour, working hours and contract conditions.

Inflation is a powerful lens through which we can observe a country’s economic health and its social implications. When prices rise rapidly, people’s purchasing power decreases, disproportionately affecting the most vulnerable segments of the population. The most frequent impacts are in the following areas:

- Living conditions: High inflation can make essential goods such as food, housing, and healthcare less accessible, threatening fundamental rights like the right to a decent standard of living.
- Inequality: If wages don’t rise proportionally, the gap between rich and poor widens, generating tensions and possible violations of economic and social rights.
- Freedom and stability: In some contexts, uncontrolled inflation can lead to political crises, undermining democracy and civil rights, with governments resorting to authoritarian measures to contain its effects. Observing inflation trends is not just an economic exercise but an analysis of living conditions and social justice dynamics within a country.

The ILO Core Conventions list the rights of human beings at work which serve as a precondition for all the others. Those are:

1. Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
2. Right to Organise and Collective Bargaining Convention,1949 (No. 98)
3. Forced Labour Convention, 1930 (No. 29)
4. Abolition of Forced Labour Convention, 1957 (No. 105)
5. Minimum Age Convention, 1973 (No. 138)
6. Worst Forms of Child Labour Convention, 1999 (No. 182)
7. Equal Remuneration Convention, 1951 (No. 100)
8. Discrimination (Employment and Occupation) Convention, 1958 (No.111)

The ratification of the ILO Core Conventions is crucial because of several reasons:

1. Promoting Fundamental Rights: The Core Conventions address essential principles like freedom of association, elimination of forced labour, abolition of child labour, and non-discrimination in employment
2. Strengthening Legal Frameworks: Ratification commits countries to incorporate these standards into their national laws and practices, ensuring better protection for workers
3. Enhancing Global Reputation: It demonstrates a country's commitment to social justice and decent work, boosting its image internationally
4. Encouraging Fair Competition: By adhering to universal labour standards, countries prevent unfair practices like lowering labour costs at the expense of workers' rights
5. Facilitating International Cooperation: Ratification fosters collaboration between nations to address labour issues collectively

In order to provide an overall assessment of the countries, taking into account all the indices analysed, we convert each score for each indicator to a scale of 1 (low) to 4 (exceptional). In the case of the GRI indicator, we have used the same scale as the research itself, with the sole exception of converting the score to 6 points if the risk is 5+. For the other three indicators, we used a logic similar to that of the HDI, where a percentage between 80% and 100% indicates a very high degree of development, which we translated into a low risk.

We have then aggregated the results as in the table below.

The vast majority of countries have a precise indicator for all the aspects; where the indicator is not available, we conduct further research to exclude that the missing measure would impact the risk level of the country.

The table below gives details of the values assigned and the resulting average of the indicators by country.

Risk level	Min % of index	Max % of index	Risk measure
Low	70%	100%	1-2
Medium	55%	69.99%	3
High	30%	54.99%	4-5
Exceptional	0%	29.99%	6

At the end of this first level of risk assessment, we are able to classify each country's level of risk based on its performance in terms of a living wage, health, education, freedom of association and access to remedy, gender and discrimination, politics, stability and corruption.
Assigning risk levels enables us to focus our attention on areas where the system is less prepared to tackle violations or where they are more likely to occur.

By mapping the risk areas, we can be more precise in the subsequent steps. Knowing which areas present a higher degree of risk guides our due diligence work in the factories. We carry out a broad risk analysis on the different labour standards, but knowing which rights are most likely to be violated, we focus on understanding whether these risks are also present in the factories.

We maintain production partnerships around the world. The global supply chain presents different risks, part of them specific to each region. The countries are classified into 5 levels of risks according to the results of our fist layer risk-assessment in regard to Social Compliance.

Exceptional and High Risk: Bangladesh, China, Myanmar, Turkey, Vietnam

Medium Risk: Moldova, South Korea, Taiwan, Ukraine

Low risk: Austria, Czech Republic, Italy, Lithuania, Portugal, Romania, Slovenia, Switzerland

In 2025 our products were made in the following countries:

Medium, High and Very High risk:

Factory country	Percentage of our total FOB	Number of factories
Vietnam	39,35%	13
Bangladesh	18,34%	4
Myanmar	14,21%	2
China	12,29%	10
Turkey	2,70%	2
Moldova	2,04%	1
Ukraine	1,03 %	1
South Korea	0,10%	1
Taiwan	0,03%	1
TOTAL	90,08%	35

Low Risk:

Factory country	Percentage of our total FOB	Number of factories
Romania	6,35%	1
Switzerland	0,26%	1
Italy	2,17%	7
Czech Republic	0,51%	1
Slovenia	0,33%	1
Portugal	0,25%	1
Lithuania	0,02%	1
Austria	0,02%	1
TOTAL	22,35%	14

	Low	Medium	High	Exceptional
% Factories	32%	6%	57%	4%
% FOB	22%	32%	72%	14%

Risk scoping – country level

Following the priority given by the results of the country risks indicators (exceptional and high risk countries first and medium and low risk countries second), we deepen the analysis focusing on risk scoping, the process of identifying the most significant human rights risks in our operations and supply chain.

The goal is to obtain a matrix where we can easily see which and where human rights risks are more likely to be present in the different countries we source from, only by considering the general country context, the industry practice and relevant pattern we see in the factories we source from. Since 2025, we have strengthened our risk scoping approach by adding a gender lens where we have enough information, allowing us to capture risk information that may be perceived or experienced differently depending on gender. Different source of information supports us in the risk identification: Fair Wear inputs, third-party research and countries social performance.

Fair Wear Inputs

Where possible, we use Fair Wear extensively to inform our risk identification process. As a Fair Wear member brand, we have access to the Member Hub, a platform where expertise is collected and shared in various forms. More information can be found in the Stakeholder & Collaboration chapter.

- Fair Wear risk scoping tool: it provides a detailed analysis of potential harms at the labour standards level and their likelihood in each country where they have a field team conducting country studies.
- Due diligence requirements: depending on the countries and the specific context, Fair Wear may share additional due diligence expectations. These help us to understand the most significant risks to labour standards in particular countries.
- Webinars and LMS (Learning Management System): Fair Wear offers its members access to a learning platform where information about HRDD and international labour standards is shared, as well as knowledge about how to implement meaningful actions in the supply chain, through webinar recordings and interactive modules.

Third- party research

Reports from NGOs or other stakeholders provide us with data and information on countries where our main stakeholder is not present. The main source of information we use is the CSR Risk Check developed by MVO Nederland. This tool gives us an indication of the risks we may face when doing business in the textile sector abroad. News is another valuable source of information about risks and changes in the political or economic context that could affect labour rights. We regularly monitor various channels (magazines, newsletters, websites, podcasts) to keep abreast of the latest developments in the economic, political and social context that may affect labour standards. The sources we consult most frequently are Human Rights Watch, Business & Human Rights Resource Centre, ILO publications.

Countries social performance

We also take into consideration our direct experience in the sourcing countries and factories when identifying risks. To avoid bias, we do not focus on potential risks or findings relating to specific facilities, but instead consider the bigger picture. We look for patterns or structural risks present in most facilities in a given area. This information is gathered through audits, visits, discussions with experts, stakeholders and other brands, and questionnaires.

By merging the results of the country indicators with the labour standards risk identification, we found the most salient risks and the countries that have the biggest priority, as shown in the table below.

Cluster	Area	Priorities
Labour practices and working conditions	Wages	Bangladesh, Myanmar
	Working hours	Bangladesh, Myanmar
	Health and safety	Bangladesh
	Child labour	Bangladesh, Myanmar
	Forced labour	Myanmar
	Employment contracts	Myanmar, Vietnam
Discrimination and harassment	Gender-based violance and equality	Bangladesh
	Migrant workers	Taiwan, Turkey, South Korea
Social Dialogue	Freedom of association	Bangladesh, Myanmar, Turkey

Wage
The compensation workers receive for their labor, which should be fair, sufficient to meet basic needs, and in compliance with legal standards. Unfair wage practices (e.g. insufficient wages, delayed payment) can lead to economic hardship and violate workers' rights.

Working hours
The duration of time employees are expected to work, which should adhere to laws and regulations to prevent excessive hours that may lead to exhaustion, reduced quality of life, and health risks.

Health and safety
The protection of individuals from workplace hazards that can cause injury, illness, or death. It includes policies and regulations ensuring safe working conditions, proper training, measures to prevent occupational risks and accidents, and mechanism for reporting hazards.

Child labour
The employment of children in work that deprives them of their childhood, potential, and dignity, and that is harmful to their physical and mental development. It often interferes with their education and violates international standards set by organizations such as the ILO.

Forced labour
Work or services that individuals are compelled to perform under threat,

coercion, or deception, often with restricted freedom and little to no compensation. This includes modern slavery, human trafficking, and bonded labour, violating basic human rights. Forced labour might be a difficult risk to detect, the ILO has listed a series of indicators that represents most common sign and clues of possible existence of forced labour: abuse o vulnerability, deception, restriction of movement. isolation, physical and sexual violence, intimidation and threats, retention of identify documents, withholding of wages, debt bondage, abusive working and living conditions, excessive overtime.

Employment contracts
Employment contracts are formal agreements between an employer and an employee that define the terms and conditions of the working relationship. These contracts can vary widely depending on the nature of the job, the duration of employment, and the legal framework of the country or organization. Contracts are often designed to prioritize flexibility and cost-efficiency for employers, sometimes at the expense of fair treatment for workers. One major concern is the use of precarious or short-term contracts, which can limit job security and reduce access to benefits like health coverage, paid leave, or severance.

Gender-based violence and equality
Gender-based violence includes physical, psychological, or economic harm inflicted on individuals based on their gender. Gender equality refers to the fair treatment and opportunities for all, regardless of gender, ensuring non-discrimination in workplaces and society.

Migrant workers
Individuals who move from one country or region to another to seek employment. They often face challenges such as discrimination, poor working conditions, legal uncertainties, and vulnerability to exploitation.

Freedom of association
Many textile and garment workers have limited access to freedom of association.
According to the International Labour Organization (ILO), the traditional business model of the garment industry hinders the formation of unions.
Suppliers often feel that trade unions are not beneficial to their enterprise, and there is a high level of distrust. Workers are often unaware of their rights and do not understand how freedom of association and collective bargaining could benefit them. Without a structured and recognised mechanism for negotiating workplace conditions and wage improvements, exploitation and unsafe working conditions may result.

Risk assessment – factory level

The final step is the risk assessment which consists of assessing human rights risks at the factory level.
The aim of this step is to understand whether the risks identified at the country level are also present at factory level to consequently make inform decisions about the actions to take to cease, prevent and mitigate them. For each of them, we input a likelihood and a severity based on the information collected from: desktop review, on-site factory assessment and stakeholder consultation.

Desktop review

Once again, Fair Wear and other third parties provide valuable insights to support our risk assessment at factory level, such as country studies, risk assessments, research and due diligence requirements. This step also involves collecting and evaluating the factories' policies and organisational charts, and checking standard due diligence information.

On-site factory assessment

On-site factory assessments are crucial for identifying human rights risks in the supply chain because they provide direct insight into working conditions, labour practices, and compliance performance. Social questionnaires and visits reports covering the eight labour standards are extremely valuable for conducting screenings of potential risks. Third-party audits enable us to gain a more detailed understanding by providing an external perspective that can assess working conditions, wages, health and safety, and compliance with labour laws. These audits are important for evaluating any gaps and identifying whether the risks we have flagged have materialised, or if there have been violations that we did not anticipate. As soon as we identify an issue in a report, we update the factory's risk profile to indicate a negative impact and analyse which other labour standards may be affected. We rely on third-party social audits conducted on behalf of other brands or requested by the factory. If we deem it necessary to investigate an issue further, we commission audits from the Fair Wear Foundation's audit teams. During site visits, email conversations and phone calls, we ask additional questions to understand whether risks are present or not, whether they are more or less likely to occur, and whether there are processes in place to identify them before they occur.

Stakeholder consultation

This is one of the most valuable sources of information that we can use to improve our understanding of human rights risks and their potential impact. Talking directly or indirectly with affected stakeholders can provide a different perspective that is fundamental to identifying concerns in our supply chain and prioritising action.
We consult stakeholders via surveys of workers employed in the factories we source from, engagement with NGOs, MSIs, and local and external organisations, as well as through human rights-related controversies and complaints received via the Fair Wear hotline, factories' internal grievance mechanisms, and other sources such as the specialised press and NGOs.

This third layer risk helps us to name the risks and to identify where we should focus our efforts in our supply chain. Without it, a fundamental part of our risk assessment would be missing. We believe that if we carry out a proper and complete risk assessment, we will also be able to anticipate and mitigate the risks in the specific factories, or even decide that a business relationship cannot continue because the risk of adverse impact is too great or the mitigation efforts have failed. The HRDD Specialist, who sits on the Sustainability, Compliance and Strategy team, is responsible for conducting human rights due diligence in our supply chain, oversights the connected policies and procedure, and managing the relationship with the Fair Wear Foundation. Any severe risks of harm identified are communicated to the relevant colleagues and management team, including the Operations Department and Vice President. An action plan is then designed to tackle the potential harms.

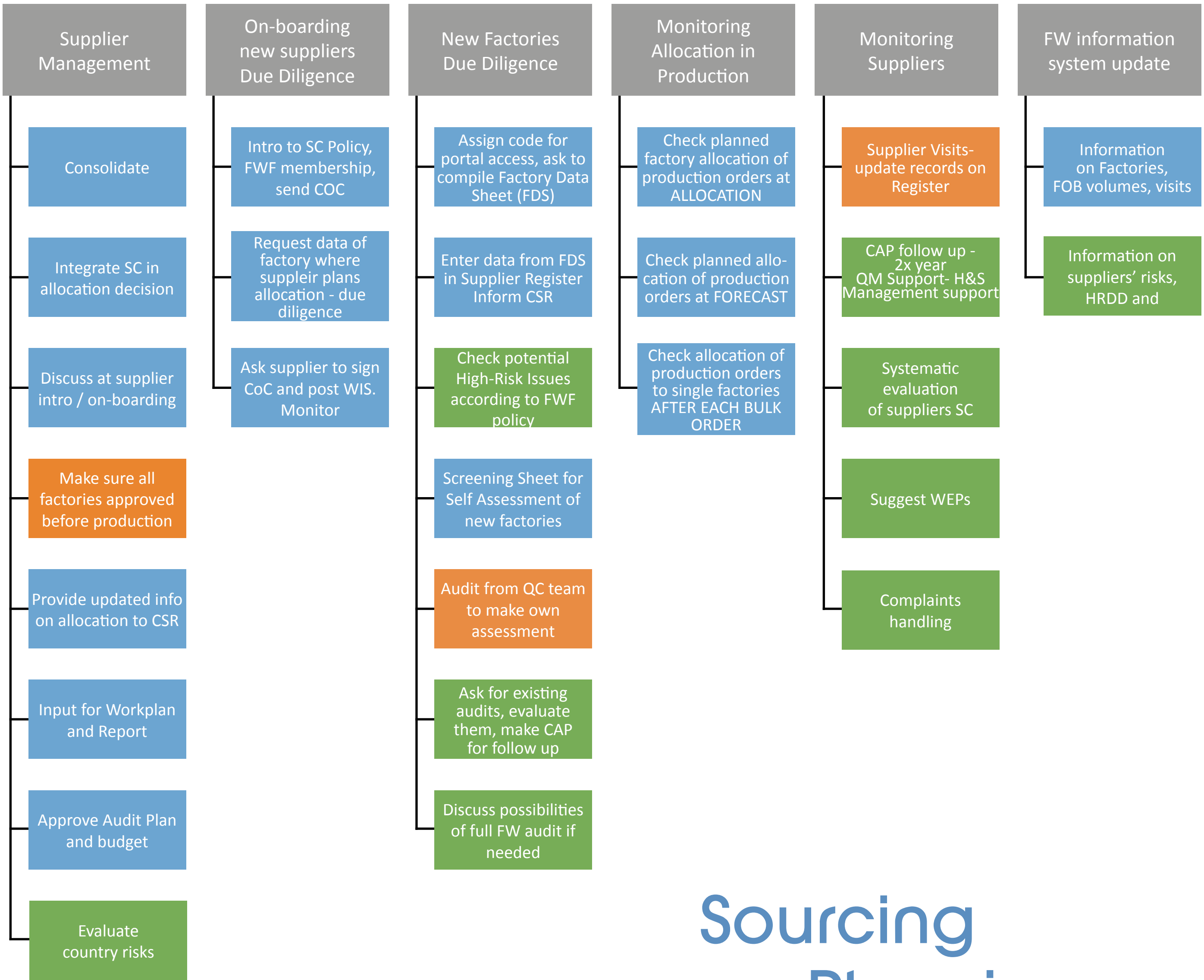
The risk scoping and assessment tools are not static; they need to be updated twice per year to reflect the evolving context in the countries and the violations. At the same time, we are committed to updating the structure of the tool to include more sources of information that will lead us to more accurate results.
The due diligence process is not always the same, it varies according to the likelihood and severity of an adverse impacts that may or have occurred. The greater the likelihood and severity (i.e. scale, scope and irremediability), the higher the priority and the more extensive the due diligence.
With the results of the risk scoping and assessment, we can prioritise where to focus our efforts to ensure that preventive or mitigative actions to stop or reduce the potential impact are directed where they are needed the most.

Step 3: Cease, prevent and mitigate

After conducting a risk scoping and risk assessment exercise, a lot of information about potential and actual harm is collected. The next step is to take action. Potential harms can be prevented from having a negative impact, while actual harms can be mitigated or stopped, depending on whether the aim of the actions is to reduce the severity of the risk or to stop it from causing or contributing to adverse impacts.

Effective collaboration between departments is crucial for preventing, mitigating and stopping human rights risks in the supply chain.

Integrated Monitoring Activities & Sourcing Decisions



Sourcing
Planning
Purchasing
Quality Management
Sustainability

Due diligence, and the subsequent efforts to cease, prevent and mitigate the risks described in the previous step, begins with the selection of our suppliers and the onboarding process, and concludes with the exit strategy.

Starting relationships with new suppliers

There are occasions when it becomes necessary to start a business relationship with a new supplier. This decision generally occurs for several different reasons, or a combination of different factors. In some cases, it is motivated by our own quality or technical requirements, or in others, we have to replace a supplier who did not meet our standards or is the results of a strategic decision. Existing suppliers are evaluated at least twice a year on all aspects of their performance including: results obtained in audits and monitoring, cooperation to observe corrective action plan remediation, the implementation of our CoC, innovation and quality performance, and timeliness of deliveries.

Unfortunately, when actual working conditions do not meet basic health and safety standards, and/ or the supplier is unwilling or un-able to demonstrate genuine change, it becomes imperative that we look for an alternative. The final decision to work with a new supplier is the result of an in-depth discussion between the division managers, the sourcing staff, costing and production managers, the quality department, production managers and developers, and the Sustainability Compliance & Strategy team.

There are also instances where the decision to begin cooperation with a new supplier is not of our initiative, and this may happen for three reasons: our partners may shift their production by opening new factories, close down their facilities or end the business relationship with us.

In 2025, we began working with five new factories and placed new orders with one supplier who had been on standby the previous year. In two cases, we needed to develop a specific product that could not be produced within our existing supply chain. One of these factories was already used by another Oberalp brand and was therefore familiar with our requirements. In another case, one of our long term suppliers decided to invest in a new production site and close the previous one, resulting in our production being relocated to the new facility. For the remaining two new partnerships, the decision was strategic: we wanted to distribute production volumes across two factories. In the first case, since the supplier was already working with us and familiar with our requirements, our role was limited to checking and approving the factory. For the other new collaboration, we followed the standard onboarding process. Because this supplier was already considered a potential long term partner, we looked for a factory with experience in the specific product category and already working with other Fair Wear brands. This ensured awareness of social compliance requirements and enabled effective collaboration on human rights due diligence to support continuous improvement in working conditions.

When the need for a new collaboration arises, the sourcing department informs the Sustainability Compliance & Strategy team in good time and, in the case of a new sourcing country, requests information on the general context of working conditions and the likelihood of human rights abuses. The Country Rights Indicators are used as a first general check, and websites such as the Business & Human Rights Resource Centre are searched for allegations or information on potential human rights violations. To deepen the research, brands sourcing from the same region are contacted to cross-check if the data collected is applicable to the apparel and footwear sector and if there are any specific red flags to look out for in our scouting and discussions with the new supplier.

This information is very useful and enables the sourcing department to be prepared for the initial discussions with potential suppliers, when the importance of the brands' Fair Wear membership and the expectation to conduct HRDD and improve working conditions are shared as key commitments.

Once we have agreed to work with a supplier, we send the Responsible Business Policy and the Code of Conduct, stating that we will only start working with them once they have signed the documents. We also ask them to complete a questionnaire and to display a poster on the factory premises listing workers' rights and the number or e-mail address of an external complaints mechanism.

To collect additional data on the factory's social performance, we ask for existing audit reports and to complete a social performance assessment questionnaire covering several areas such as freedom of association and social dialogue, gender equality, wages, and child and forced labour.

Depending on the results of this initial analysis, we assess whether additional actions and a specific meeting are needed to better introduce social compliance requirements and conduct more comprehensive HRDD as part of the onboarding process.

In 2025, we formalised a dedicated onboarding and monitoring process for Human Rights Due Diligence, establishing a structured pathway through which suppliers enter our system and are assessed from the very beginning of the business relationship. This process now provides a consistent framework for evaluating risks, clarifying expectations, and ensuring that suppliers understand the standards, responsibilities, and continuous improvement commitments required to work with us.


Photo – Factory 5843 in Bangladesh

All factories we on-boarded in 2025 **fulfilled our due diligence requirements**

All new suppliers go through the following **due diligence process and fulfil the following requirements:**

- Sign our RBC and CoC and commit to their implementation;
- Complete a self-assessment on CoC compliance, provide full supplier and factory data, with an overview of their structure and other factories they work with – whether owned or subcontracted.
- Provide past audits done by third party organizations;
- Pass a QC inspection from our staff before production starts;
- Post FW's Worker Information Sheet (WIS) see point 1: a document containing the main 8 Labour Standards in local language for employees to view, and an address where workers can directly contact FW to raise complaints which they deem they cannot solve in the factory;
- Bangladesh: show serious commitment to guaranteeing workers safety in the factory by agreeing to our 'Bangladesh sourcing policy', being audited by RMG Sustainability Council (RSC) and working on the findings. These requirements became even more stringent following the signing of the International Accord for Health and Safety in the Textile and Garment Industry in November 2022.

Ending collaborations

The motives for ending the cooperation are linked to our wish to consolidate the allocation of our products, the supplier's difficulties to meet our requirements or other inefficiencies. Before phasing-out from a facility, we try to find a common solution to continue the collaboration, but in some cases the only possibility is to terminate the partnership. When it happens, we communicate our decision to the supplier enough time in advance and to make sure that our choice to move elsewhere does not have a notable negative impact on the workers. Closing relationships is a balancing act between our desire to consolidate the supply chain and provide stable economic conditions for factories.

Between 2024 and 2025, we stopped sourcing from four factories. In one case, we decided to discontinue a product category, which led to exiting the supplier that had been producing it. In another case, the change resulted from a consolidation process initiated in recent years. A strategic decision linked to product development and economic constraints ultimately led to the termination of our partnership with two factories. In all cases, the decisions were communicated well in advance of the last order to allow the suppliers to adapt, whether the reasons were related to performance or to an alternative source of supply for us. Supply chain consolidation remains at the heart of our sourcing strategy.

We will continue to work towards having fewer suppliers, which will enable us to achieve two key goals: improve the quality of our communication and follow-up in the factories, and an increase in our influence, leading to a greater chance of successfully making changes for good in the workplace.

Actions

Actions can be linked either to an entire category of factories based on their location or on a risk detected at labour standard level, or to specific facilities. These are part of our due diligence procedures.

Area	Action
Wages	Wage analysis and Purchasing Practices
Working hours	Purchasing Practices
Health and safety	Employment Injury Scheme Pilot
Child labour	Assessments
Forced labour	Assessments
Employment contracts	Assessment
Gender-based violance and equality	Questionnaire and data gathering
Migrant workers	Audit Alliance Hard Goods
Freedom of association	Questionnaire and data gathering

Photo - Factory 14381 in Myanmar

Wage Analysis

In 2025, like every year since 2019, we applied the target wage ((legal minimum wage + 30%) and external living wage benchmark (e.g. WageIndicator, Global Living Wage Coalition) as parameters to evaluate wages in the audits conducted in the previous year, complemented by the wage data that we have collected for the past 2 years - after this timeframe, we don't consider wage data reliable. Our standard procedure in this analysis is as follows: as soon as we receive a new audit or assessment report or an external verification, we check the information on wages and replace the data we had gathered

beforehand, to make sure we are using the most updated information. In some cases the information provided is not enough to enable a good level of analysis; in those cases we do not rely on the information and use older data, if it's of better quality. In other cases, the degree of detail of the data is limited, but it allows us to carry out our analysis. Our goal is to ensure that the target wage is paid to each worker. For this reason, even when wage data is limited, we focus on calculating the gap for the most disadvantaged category, namely the lowest paid workers. At the same time, we take into account the earnings of the mode workers, meaning the wage level earned by the largest group of workers in the factory. Including this information allows us to understand how wages are distributed across the workforce and prevents the analysis from being influenced by exceptional or atypical cases.

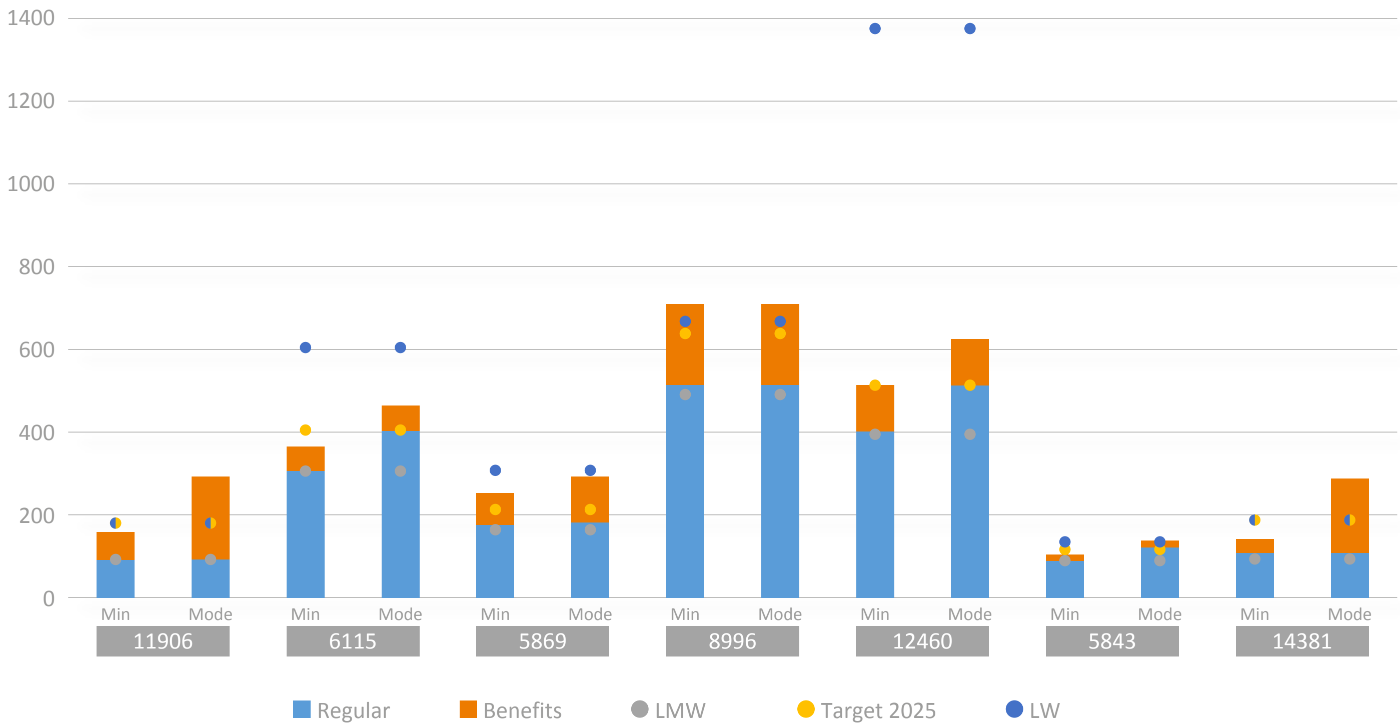
Considering the mode wage also helps us identify whether the majority of workers are concentrated around a wage that remains below the target, which would indicate a structural issue rather than isolated underpayment. It gives us a more realistic sense of where the "centre" of wages lies and whether the factory's wage practices systematically keep most workers at a low level. This perspective also strengthens the accuracy of the data we receive, since comparing the lowest wage with the most common wage helps us detect inconsistencies or anomalies in reporting. Finally, analysing the mode wage offers insight into wage progression: it shows whether workers tend to move up the wage scale over time or remain stuck at the most common wage level.

In sum, in 2025 we were able to conduct a more accurate analysis by cross-referencing the salary data of the lowest paid and mode workers with the target wage. Our analysis shows that, considering only the factories for which we were able to obtain reliable and granular wage data, 28% of our FOB volume already meets the target wage for the mode workers through regular wages alone. When we include bonus payments, which is appropriate, since bonuses are also considered in the calculation of the living wage, the target wage is reached by all mode workers. Under the same conditions, the least paid workers also reach the target wage in the factories that produce 70% of our FOB volume.

Considering the living wage benchmarks set by the Global Living Wage Coalition, the WageIndicator Foundation and local stakeholder estimates, our analysis shows that these benchmarks are met in the factories that produce 60% of our FOB volume for mode workers. When we look at the least paid workers, the benchmark is reached in factories representing 30% of our FOB volume.

We will continue to perform this analysis with our suppliers, taking into account the best-quality information we are able to get in terms of wage data.

WAGE ANALYSIS - DATA 2025

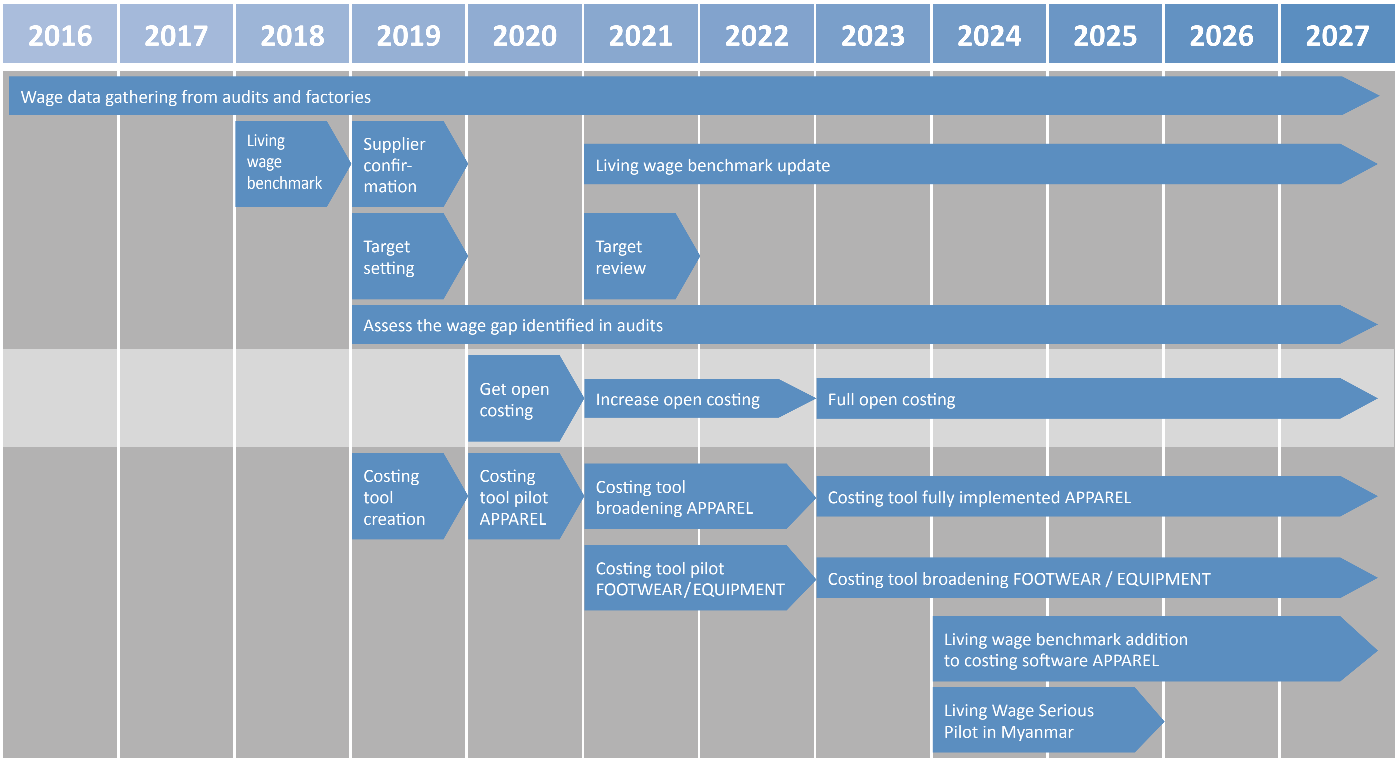


However, this is not enough for making sure that we are paying a living wage. The information we obtain from suppliers and audits is likely to be only limitedly and not permanently reliable or verifiable . The only thing we can control 100% and make sure of, is the fact that we are paying prices that enable the factories to compensate their workers with a living wage.

With this in mind, in 2019 we decided to embark on a new journey: determining a labour cost which would cover a living wage, and incorporating into our price structure and negotiations with suppliers for the single items.

The result was a Costing Tool designed and implemented by the former Costing Manager of the Apparel Division, which allows for a thorough cost breakdown calculation per style. Developed between 2019 and 2020, it establishes a relationship between the "labour costs" declared by our suppliers on costing sheets, and available living cost benchmarks in each of the countries where our products are manufactured. The tool enables us to make a reverse calculation, whereby the abovementioned "labour costs" are put in relation with into "labour minute cost" at living wage rates, with standard working days and hours in each country, and assumed working time (SAM) depending on the complexity of the garments, and taking into account the technical setting of the factory (breakdown between direct and indirect labour) and other specific features. It thus enables us to check if the prices we are paying the supplier for the single items are enough for him to pay the workers adequately. In 2020 we began to implement this tool and were able to confirm that this is the case. In 2021 and 2022, the tool was shared with the Footwear and Equipment Divisions and we began to introduce and test it in the pricing structure of the Divisions for the upcoming collections. We continuously update the living cost and wage benchmark in each country with the latest information available from expert stakeholders and institutions.

In 2024, to streamline and optimize communication with our suppliers and the pricing process itself, we have introduced a new Costing Tool in our Apparel Division, called C.L.I.M.B. (= Collaborative Linking Interface Manufacturers and Buyers). In 2025, we began evaluating the integration of labour cost data, labour minutes cost and living wage figures into the software, so that these elements are systematically considered during the pricing phase. Our intention is to make sure that the prices we negotiate fully reflect the cost of paying a living wage and that no part of the wage structure is overlooked. By embedding these figures directly into the tool, we aim to ensure that living wage coverage is not treated as an external or optional calculation, but as an integral component of responsible costing and sourcing.



In 2025, we continued a comprehensive data analysis focused on the two production facilities in Myanmar from which we source finished products. This initiative was driven by the findings of your risk assessment, which identified low wages as one of the most pressing socioeconomic challenges in the country. Many workers struggle to meet their basic needs due to stagnant wages, a situation exacerbated by the economic downturn following the 2021 military coup. Myanmar's legal minimum wage was last revised in 2018, when it was set at MMK 4,800 per day. In an effort to address wage stagnation, an adjustment was introduced in October 2023 in the form of an additional daily allowance of MMK 1,000. Furthermore, on August 1, 2024, workers are entitled to an additional allowance of MMK 1,000 per day and on October 1, 2025, another MMK 1,000 per an wight-hour work shift were given.

Recognizing the critical importance of fair wages, we have ensured that our two suppliers pay at least a daily basic wage of MMK 7,800. In addition, we have stipulated that this base wage be used as the reference point for calculating overtime pay—even though, under existing regulations, suppliers are only required to use the official legal minimum wage of MMK 4,800 for such calculations.

To deepen our understanding of wage practices in Myanmar, we carried out a detailed analysis of the wage structure in the two factories. We examined how different components of remuneration were organised and applied, starting with the bonus system, such as skill based bonuses and attendance bonuses, and continuing with the various allowances, including housing and transport. Our aim was to understand not only the amounts paid, but also the underlying logic of these payments and the broader remuneration policies in place. This included assessing how quickly workers could move from a lower wage tier to a higher one, which is an important indicator of wage progression and of the opportunities available to workers to improve their earnings over time.

Three times during the year, we conducted a two step analysis. First, we reviewed the wage components and amounts received by the least paid workers to obtain an initial indication of the wage gap. After this preliminary assessment, we moved to a more comprehensive analysis of all workers' wages. This allowed us to identify trends, understand how workers were distributed across different wage bands, and evaluate the overall structure of remuneration within the factories. By examining minimum, maximum, mode, average and median wages, we were able to build a clearer and more reliable picture of wage dynamics and the extent to which workers progressed within the wage scale.

Our objective was to determine the actual daily earnings of these workers without factoring in overtime payments and compare them with the living wage benchmark set by trade unions in 2025, which was established at MMK 15,609 per day and MMK 468,291 per month.

Through this comprehensive data analysis, we have not only gained valuable insights into wage structures but also fostered a more constructive dialogue with the factory management. We have provided a solid foundation for discussions aimed at improving wage policies and enhancing transparency in compensation frameworks. This collaborative engagement has enabled us to address key concerns regarding fair remuneration while reinforcing our commitment to ethical labour standards that we will follow-up in 2026.

Min	10.167 MMK
Mode	12.347 MMK
Max	54.106 MMK
Average	13.058 MMK
Median	12.276 MMK

Photo - Factory 14381 in Myanmar

Purchasing Practices

As a company that sources from different factories, it is essential that we adopt responsible purchasing practices in order to shape supply chain resilience and stability, avoid reputational damage, and prevent and mitigate human rights risks. Over the years, we have refined the strategies and behaviours we adopt when sourcing goods to ensure that human rights are respected. These practices aim to minimise negative impacts on workers and communities by ensuring fair pricing, reasonable lead times, ethical sourcing and labour rights compliance among suppliers.

Our purchasing practices are underpinned by a sense of responsibility, embedded in the various policies and processes we have in place. For example, during the onboarding phase, we ask our suppliers to share information such as production capacity, number of workers and working days, number of machines, and processes performed to mitigate the risk of subcontracting, forced overtime, and excessive overtime. All our suppliers sign a Conditions of Purchase Agreement, setting out detailed information about payment terms and penalties prior to order placement. Our commitment to responsible purchasing practices is also stated in our RBC policy, in which we declare that the five core principles of the Common Framework for Responsible Purchasing Practices guide our purchasing practices. We are continuously integrating these principles into our systems and processes to establish equal, long-term partnerships with suppliers who share Oberalp's values and goals. These partnerships promote cooperation for mutual benefit and support fair payment conditions through sustainable costing.

Employment Injury Scheme Pilot

We are part of this pilot to mitigate the Health & Safety risks in Bangladesh contributing with 0.019% of RMG orders we place in the country.

A decade after the Rana Plaza disaster, worker protection in Bangladesh remains inadequate. It is the only top 20 readymade garment-exporting country without social protection meeting international standards.

In 2023, recognizing this gap, we joined the Pilot on Employment Injury Scheme (EIS) to help address the risks posed by weak work-related injury protections for both workers and businesses.

The EIS Pilot covers all 4 million workers in Bangladesh's export-oriented readymade garment (RMG) sector. It provides monthly compensation for permanently disabled workers and dependents of deceased workers, supplementing lump-sum payments from the national institution.

These pensions are funded through voluntary contributions from international brands, including us.

Additionally, the EIS Pilot is working towards the establishment of a permanent solution.

Photo - Factory 5843 in Bangladesh

Martine Riblan
Human Rights Due Diligence Oberalp

Anne Marie La Rosa
Principal policy and legal specialist adviser to the ILO and EIS pilot coordinator

Why did Oberalp decide to participate in the EIS pilot?

Three reasons drove the decision: responsibility, scale and limited cost. We believe that we can use our purchasing power, even if limited, to enable transformative change and improve working conditions.

Once the gap between the current lump sum paid in the event of death or permanent disability following a work-related injury and international standards became clear, we incorporated this risk into our risk assessment and decided to act on it by joining the pilot.

The pilot goes beyond our partners in Bangladesh as it covers the entire industry: 4 million workers contributing to Bangladesh's export-oriented RMG sector. The impact in terms of the number of people covered is huge and far greater than if we were to organise actions with our suppliers.

It shifts the focus from specific monitoring and prevention activities and standards verification to the bigger picture.

The funding required is very limited. Only 0.019% of Bangladesh's garment orders are needed to support the pilot on an annual basis. It is an example of how a small contribution can have a big impact, creating a powerful protection for workers.

How many other brands are contributing and what is the effort involved?

Around 60 international brands and retailers are contributing to the pilot. The effort required is financial and more involvement is optional. We have a monthly call to update the number of injury cases and commuting accidents that have been processed and paid. In recent months, we have seen more brands willing to get involved in the technical aspects of national implementation and lead the way in worker protection.

How is the pilot working?

Without EIS, workers' compensation in Bangladesh is slow, unpredictable and inadequate. But with full participation in EIS, the system becomes strong and effective and in line with international labour standards.

Injured RMG workers and the families of deceased workers receive monthly pensions, not just a one-off payment.

Once accidents are reported and claims verified, beneficiaries are paid through 100% traceable systems. The amount to be paid is calculated on the basis of the degree of permanent disability, age and last salary earned. This is the standard practice in social insurance.

When will the pilot end and what happens next?

The EIS pilot will end in July 2027 and transition to a national institution with a legal framework applicable to all workers in Bangladesh.

While still running, the EIS Pilot is preparing the country for the establishment of a national employment injury insurance scheme through data collection and capacity building, with the aim of collecting sufficient and reliable data on work-related injuries that will allow for a more accurate calculation of the cost of a full-fledged, comprehensive occupational injury insurance scheme.

The vision is to provide comprehensive social insurance coverage for workers against work-related accidents and occupational diseases, ensuring their medical care, financial compensation, rehabilitation and prevention of such accidents and diseases, with a progressive extension approach.

What is the key to success?

We are at an advanced stage of the pilot, this is the last mile. To make it work for the future, we need two important elements: more brands to join and demand a national injury scheme, and working with the government of Bangladesh to create a functional and financially viable system transitioning from employers’ liability system to a sustainable, nationally funded, wage-based social insurance scheme for work-related injuries.

Audit Alliance Hard Goods

Migrant workers are often charged high fees by employment agents both in their home country and the country they become employed in. They can also face language barriers, poor accommodation, restricted personal freedoms and health and safety abuses. The combination of these factors put these workers at a High-risk of forced or bonded labour. The recruitment of migrant workers is common practice in Taiwan. The workers are primarily recruited from Indonesia, Thailand, Vietnam, and the Philippines.

In July 2019, a subgroup of the European Outdoor Group's (EOG) Hard Goods Working Group was established with the purpose of combining outdoor brand's business power and good practices to assess the specific risks and improve social practices in the metal supply chain. Together with five other brands, we founded the Audit Alliance Hard Goods (AAHG) aimed at tackling human rights issues in Taiwanese hardware factories.

Assessments

Regular assessments are conducted at the facilities to ensure compliance with our Code of Conduct and local labour laws. These assessments must be carried out by an external, objective, trained third party who can evaluate management practices, working conditions and interview workers. The goal is to gain an accurate picture of the situation in the factories in order to correctly identify any actual harm and check whether there are any areas in which we can intervene to mitigate negative impacts. Factors that determine which factory to audit include whether we have received complaints, whether it is a long-term supplier with which we have an ongoing relationship, whether we have identified major risks, whether we have significant influence, and whether there have been no previous audits.

Questionnaire and data gathering

Some risks are more difficult to detect than others. Questionnaires and data-gathering exercises are crucial for identifying human rights risks related to gender discrimination and freedom of association. These methods provide structured, evidence-based insights into workplace conditions, enabling potential areas of inequality or violation to be detected that might otherwise go unnoticed. This data forms the basis for informed decision-making, ensuring that policies addressing these issues are based on real-world evidence rather than assumptions.

Beyond detection, these tools refine our approach to prevention and mitigation. Once specific risks have been revealed, such as wage disparities, unequal access to leadership roles or restrictions on worker representation, we can implement targeted interventions. These interventions may involve revising hiring practices, enforcing equal pay policies, or facilitating independent worker representation. Regular data collection enables us to track progress over time and ensure that implemented solutions are effective. Without these structured assessments, efforts to eliminate discrimination and safeguard freedoms would be reactive rather than proactive, making sustainable change nearly impossible.

Step 4: Track the actions and the results

Tracking and monitoring the implementation and effectiveness of due diligence measures is essential to ensuring that we are not only identifying and mitigating risks but also assessing the tangible impact of our actions. A structured, data-driven approach allows us to refine our processes continuously, adjust risk prevention and mitigation strategies, and confirm that any harm identified within our supply chain has been effectively addressed and remediated.

Each year, we enhance our system for tracking and evaluating human rights risks, implemented actions, and obtained results. This process involves a combination of data collection methods, including the Fair Wear platform, which helps us scope country-specific risks, and our internal system, which analyzes country risk indicators and factory-specific risk assessments. These tools provide valuable insights into potential vulnerabilities across our supply chain, allowing us to prioritize corrective measures effectively.

To strengthen our monitoring efforts, we implement Action Plans following on-site visits, third-party audits and assessments, questionnaire results or complaints. These evaluations help identify systemic gaps that could increase the risk of human rights violations, and we subsequently develop action plans that outline remediation requirements. The Action Plans specify targeted improvements, assign responsibilities to relevant stakeholders, and establish deadlines for corrective measures. Once finalized, these plans are communicated to the factories to ensure prompt implementation.

Corrective actions may include workforce training initiatives, infrastructure improvements, policy revisions, and collaborations with external organizations to enhance compliance with ethical and legal standards. Verification of these improvements occurs through photographic evidence, which helps assess whether tangible changes—such as enhanced health and safety measures—have been enacted. Additionally, we use document reviews, including training reports, updated policy documents, and records of compliance, along with on-site visits and direct discussions with stakeholders via email or calls. The level of proof required varies based on the severity of the risks identified, ensuring that our approach remains proportionate and effective.

To determine the long-term effectiveness of our remediation efforts, we conduct third-party follow-up audits and assessments. These evaluations allow us to verify whether previously identified risks have been sufficiently mitigated or if additional intervention is necessary. If gaps remain or corrective actions prove insufficient, we analyze the root causes of these shortcomings to refine our strategies further, ensuring continuous improvement in our risk management framework.

To support informed decision-making and improve oversight, we have established an internal evaluation system designed to track progress and measure the success of implemented measures in preventing and remediating human rights violations. Factories are rated based on their compliance performance, progress in addressing findings, and the level of cooperation exhibited throughout the remediation process. The results of these assessments are then reviewed by senior management to guide strategic decisions and strengthen supply chain accountability.

By integrating rigorous tracking mechanisms, continuous reassessment, and stakeholder collaboration, we reinforce our commitment to ethical business conduct while driving meaningful improvements across our global operations. Through transparent reporting and ongoing refinement of our due diligence efforts, we aim to ensure that our supply chain remains aligned with international human rights standards and best practices.

Step 5: Communicate

Transparent communication regarding the human rights due diligence process is essential to fostering trust, ensuring compliance, and reinforcing corporate accountability. This includes identifying risks, prioritizing actions for high-risk suppliers, implementing mitigation and remediation measures, and systematically documenting results. Maintaining open dialogue on these efforts strengthens transparency and reinforces our commitment to ethical business practices.

Human rights due diligence is an ongoing process, and each year we strive to expand the scope of our disclosures. Clear and accessible communication about our social compliance and human rights initiatives is integral to our approach. One of the primary ways we inform customers, employees, and stakeholders about our progress is through the publication of our annual Social Report—which you are currently reading—and the Brand Performance Check results for the year. These reports are available on the websites of each of our brands, as well as the Oberalp Group website, providing a comprehensive overview of our achievements and challenges in a format tailored for a broad audience.

In addition to the Social Report, our group-wide Sustainability Report serves as another key communication channel, offering insights into our broader sustainability initiatives and collaborations with Fair Wear. Furthermore, we provide a variety of in-store materials designed to educate customers and employees about our efforts to uphold human rights standards throughout our supply chain. These resources include informational plaques at cash registers, fact cards displayed in stores, and Fair Wear logos on shopping bags.

To ensure accessibility and clarity, both our Code of Conduct and Responsible Business Conduct Policy are published on the Oberalp website, with further details available within the Social and Sustainability Reports. By publicly sharing our progress, outcomes, and challenges, we not only strengthen transparency but also continuously refine our strategies for future improvements.

We take great pride in the work we are doing, and we remain committed to informing and engaging our stakeholders in our journey toward responsible and ethical business practices.

Photo - Social Reprot 2025

Step 6: Remediate

We strive to anticipate and mitigate potential risks within our supply chain, but no system is entirely flawless. Despite our best efforts, adverse impacts may still occur. When such issues are identified, our priority is to address them through effective remediation measures. Additionally, these incidents serve as valuable insights, helping us refine our risk assessment processes, identify previously undetected risks, and enhance preventive actions.

Access to remedy

Providing access to remedy is a fundamental component of responsible business practices. It ensures that individuals affected by adverse impacts within our supply chain have the opportunity to raise concerns and receive fair resolutions. Before entering any new partnership, we conduct a thorough assessment to verify the existence and functionality of internal grievance mechanisms.

To further support workers, all textile factories in our supply chain display posters outlining their labor rights and providing contact information for submitting grievances through Fair Wear. Fair Wear facilitates direct worker support by offering a structured complaints process. Workers or their representatives can formally file complaints against their employer via Fair Wear’s hotline. Once a complaint is received, Fair Wear forwards it to the respective brand, which must promptly notify the factory and work towards a resolution. After verifying the facts, the factory is required to implement remediation measures, and we provide guidance on preventive actions to avoid recurrence. Upon completion of the process, Fair Wear publishes the complaint on its website to maintain transparency.

We take all complaints seriously and have a dedicated team member responsible for addressing incidents as they arise. Whenever possible, we collaborate with other sourcing brands to investigate reported issues and identify solutions that serve the best interests of all stakeholders.

In 2025, we received two formal complaints through the Fair Wear hotline. Our commitment to continuous improvement ensures that we learn from each case and strengthen our approach to responsible supply chain management.

Complaint #1

Factory 5843, Bangladesh – May 14, 2025

A worker raised concerns regarding the behavior floor in-charge and a supervisor stating that they regularly engaged in harassment of female workers, resulting in a number of workers leaving their employment.

The complaint requested support in ensuring a safe and respectful working environment where all workers can perform their duties without fear.

Even though the factory’s initial internal investigation did not substantiate the allegations, we wanted to make sure that the environment was safe for female workers, and we asked Fair Wear to conduct an inspection. The investigation confirmed the validity of the claims. During the off-site investigation, additional allegations were identified, including further individuals reportedly involved in harassment and workplace violations.

Following the grievance and subsequent investigation, factory management implemented corrective measures.

Fair Wear maintained extended follow-up to verify full remediation. During this process, it was confirmed that one perpetrator had left the factory, while another demonstrated behavioral improvement. Disciplinary actions were also taken against additional individuals identified during the off-site investigation. Fair Wear cross-checked this information and validated their resolution.

Complaint #2

Factory 5843, Bangladesh – May 14, 2025

A worker reported that factory management requires excessive overtime. Weekly rest days are frequently used for overtime work, and although workers are unwilling to do so, management continues to request it. Workers are required to perform daily 12 hour shifts, from 08:00 to 20:00, and are often asked to stay until 21:00–22:00. Continuous work without adequate rest was described as physically exhausting.

The following month, an external assessment was conducted at the factory. Excessive overtime was confirmed, although it was not classified as forced. We immediately required the factory to limit overtime and to ensure that one full rest day after six consecutive days of work is respected. In the meantime, we continue to monitor overtime levels to ensure compliance with legal requirements. We are also waiting for worker feedback to verify that the remediation has been implemented properly and that workers feel they can rest adequately.

Remediation

The primary objective of remediation is to restore affected workers to the conditions they would have experienced had the adverse impact not occurred. Remediation encompasses various corrective measures, including rehabilitation, compensation, restitution, apologies, and sanctions, depending on the nature and severity of the issue. These actions not only serve to rectify the immediate harm but also reinforce our corporate accountability and ethical business practices.

Once remediation measures have been implemented, we take several key actions to ensure the effectiveness of the response and continuously improve our due diligence practices.

First, we reassess the levels of associated risk by analysing whether the harm was due to an undetected risk or if previous preventive measures were insufficient. This reassessment allows us to adapt the strategies and processes we have in place, ensuring that future risks are better managed. Additionally, we track remediation and prevention actions to confirm that they have had the desired effect. Monitoring the outcomes of corrective measures ensures that affected workers receive fair and adequate resolutions while also providing insights into whether systemic issues are being effectively addressed.

The final step is strengthening preventive mechanisms to mitigate the likelihood of similar harms occurring again. This includes revising workplace policies, improving grievance mechanisms, enhancing worker protections, and fostering collaboration with our suppliers to reinforce compliance with ethical and legal standards. It is fundamental to investigate and act on the root causes that enabled the harm to happen. Ultimately, remediation is not just about rectifying past harms; it is about learning from them and using those lessons to create a fairer supply chain.

Remediation is never a one size fits all process. It depends on the factory, the workers involved and, above all, the severity of the issue. In 2025, we worked on several remediation cases, but one required immediate attention and serves as a reminder that even when we believe certain risks are not present in our supply chain, continuous monitoring remains essential: child labour.

In 2025, two cases of child labour were identified at one of our production sites in Myanmar during an assessment conducted by MADE in Myanmar. The underage workers, aged fifteen and fourteen, had used their older sisters' identification documents to obtain employment due to financial pressures within their families. As soon as the cases were detected, we activated our standard child labour remediation procedure in close collaboration with MADE in Myanmar and ProEthics Solutions, an organisation specialised in addressing child labour situations.

A root cause analysis revealed that the factory's age verification system was not functioning effectively, making it necessary to strengthen internal procedures and reinforce accountability. We then focused on the wellbeing and future prospects of the two children. Both were offered the opportunity to continue their education; one accepted and was supported in re enrolling in school, while the other chose not to pursue further engagement, and her decision was respected. We also met with the families to understand their circumstances and ensure that the remediation approach addressed their needs in a realistic and respectful way.

To compensate for the loss of income resulting from the children's withdrawal from work, the supplier is required to provide monthly financial support to the families until the children reach legal working age, as well as cover all educational expenses. Once they reach legal working age, each child will be offered reinstatement in the same factory, ensuring a safe and decent employment opportunity that does not penalise their future prospects. Throughout the process, the factory cooperated fully, and preventive measures were implemented to eliminate the risk of recurrence.

In 2025 we carried out third-party assessments across several factories in our supply chain and initiated remediation processes for the harms identified. Each case required a tailored approach, as the nature and severity of the issues varied significantly from one facility to another. Some remediation activities have already been completed, while others are still ongoing due to their complexity or the need for longer-term follow up with workers and factory management. The table below summarises the progress made so far and provides an overview of the remediation status for each category of labour practice and working condition assessed.

		Wages	Working hours	Health and safety	Child labour	Forced labour	Employment contracts	Gender-based violance and equality	Migrant workers	Freedom of association
Bangladesh	5843	57%	50%	75%	100%	100%	88%	75%	NA	80%
Vietnam	5869	40%	100%	86%	NA	100%	33%	0%	NA	83%
Romania	8996	0%	NA	60%	NA	NA	NA	NA	NA	0%
Turkey	12460	0%	0%	0%	NA	NA	0%	0%	NA	NA
China	5472	0%	0%	29%	NA	NA	NA	NA	NA	0%
China	6115	0%	100%	0%	NA	NA	NA	NA	NA	NA
China	5450	NA	0%	0%	NA	NA	NA	NA	NA	NA

Both factories in Myanmar were analysed in greater depth, given the complexity of the context and the need for closer and more frequent monitoring. Each facility was visited by the MADE team, allowing for a more detailed understanding of the level of implementation achieved so far and of the structural challenges that continue to hinder progress. During the first follow up assessment visit, the MADE team evaluated the factory's progress in implementing the recommended corrective actions. At this stage, only 8% of the corrective action plans related to labour rights and 15% of those concerning environmental, health and safety requirements have been implemented. While these figures represent an initial step forward, the overall level of implementation remains limited and indicates that substantial efforts are still required to ensure alignment with the recommendations.

The annual follow up visit for the Social Compliance Program at the second factory was also conducted by the MADE team to verify ongoing improvements, assess adherence to ethical practices, and confirm the implementation of previous recommendations. The factory showed positive cooperation throughout the three day assessment, during which four MADE assessors carried out a comprehensive review of all key areas. During the visit, many new recommendations were identified, and some previously resolved issues were re opened. Significant improvements are needed in working conditions, electrical safety, recruitment processes and general management systems. The assessment also highlighted limited human resources capacity, particularly in HR management and social compliance, which may affect the factory's ability to continuously monitor and implement corrective actions, company policies and legal requirements.

Photo - Factory 5843 in Bangladesh

STAKEHOLDERS & COLLABORATION

Collaboration is essential for conducting effective HRDD and making informed decisions. Engaging with diverse stakeholders ensure that our business gain a comprehensive understanding of potential harms and vulnerabilities, verify compliance with international standards and implement the correct preventive and remediation actions.

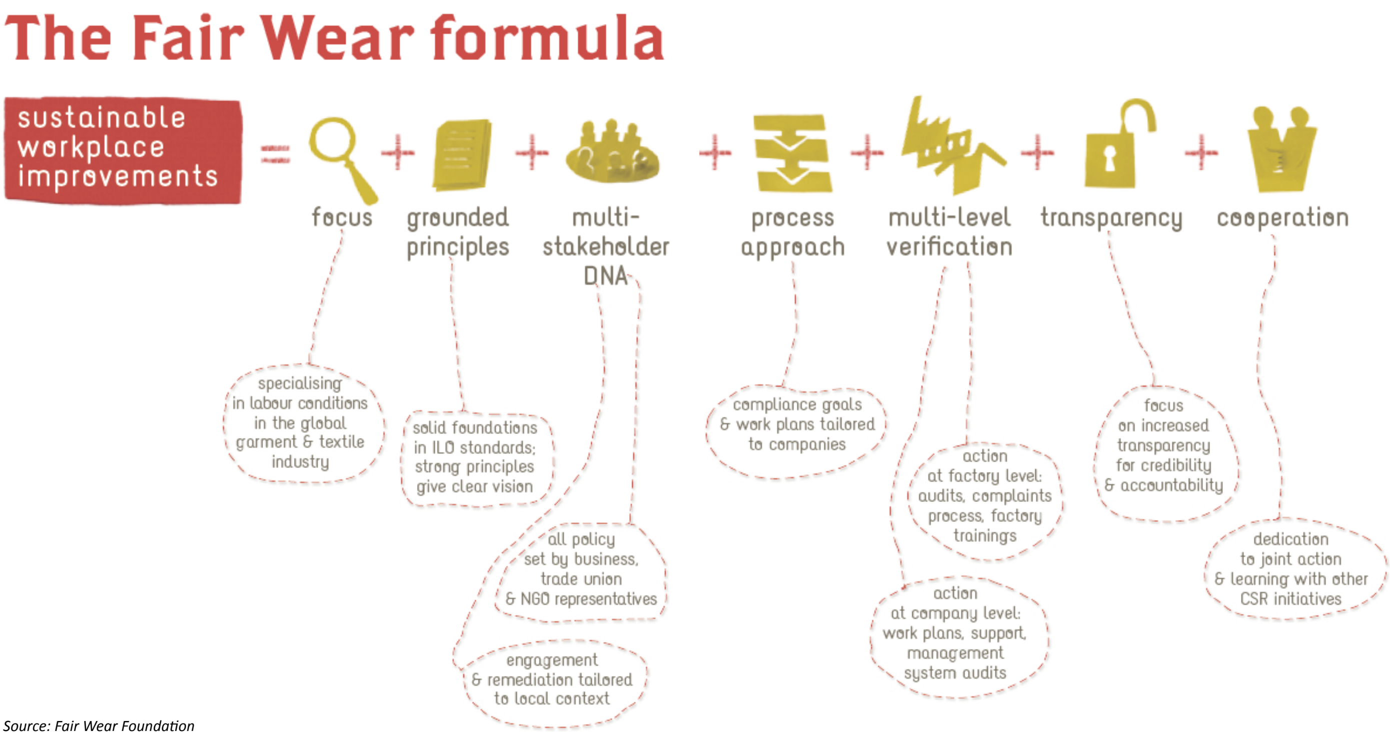
Fair Wear

Our most important partner in the improvement of workers' wellbeing in the factories is Fair Wear. Dedicated to transparency and improving working conditions in our supply chain, Oberalp has been a member of Fair Wear since 2013. Within the framework of the Fair Wear system and the collaborative approach and the constant evaluation it entails, we have been able to make good progress. An important recognition of this came in 2016, when Fair Wear granted us the Leader status as a result of our concerted effort to support and integrate social compliance into our operations via ongoing due diligence, informed sourcing and purchasing practices, monitoring and remediation activities, internal and external training and capacity building, information management, and efforts towards greater transparency. The brands that are covered by Fair Wear membership are Salewa, Dynafit, Wild Country and LaMunt.

Fair Wear Foundation is a multi-stakeholder initiative that supports garment, textile and footwear companies in implementing human rights due diligence in their supply chains. Membership facilitates identifying, and mitigating, remediating human-rights risks and harms, promoting access to remedy for workers, and tracking and communicating progress. Membership is not a product or factory certification and does not guarantee a risk or harm-free supply chain. At present, the Fair Wear concentrates its efforts in 10 apparel producing countries in Asia, Europe, and Africa – Bangladesh, Bulgaria, India, Indonesia, Macedonia, Myanmar, Romania, Tunisia, Turkey, and Vietnam.

Fair Wear assessed in September 2025 our human rights due diligence systems and practices and awarded us a 'Good' rating, the most common outcome for Fair Wear members. Our responsible purchasing practices and the processes we have in place to identify continuous human rights risks were found to exceed many Fair Wear standards, while we need to focus more on the improvement and the prevention of harms.

The full report, including areas where Fair Wear expects us to improve, is publicly available:
https://www.fairwear.org/brands/salewa/



Source: Fair Wear Foundation

Cooperation in the framework of our Fair Wear membership entails the monitoring of all factories making our products in the implementation of the Code of Labour Practices:

Source: Fair Wear

Employment Injury Scheme Pilot

An employment injury scheme (EIS) is a social insurance system. It includes compensation by in-cash benefits for income loss caused by occupational injuries and in-kind benefits for medical treatment and rehabilitation services. In Bangladesh, a pilot of an EIS is being implemented. Launched by the International Labour Organization and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and funded by more than 70 international brands, it covers all 4 million RMG workers and provides stable compensation in case of work-related injuries that results in permanent disability or death. We have been part of the EIS Pilot since 2023.

EuroCham Myanmar

We are member of the European Chamber of Commerce in Myanmar since 2023. Thanks to their regular updates and guidance on the factories and country situation, we are able to undertake a heightened due diligence on our Myanmar factories, incorporating the latest information and recommendations fit for the evolving local context and risks. Its European company members receive daily updates on the situation on the ground (security, economic, and political updates) and have the opportunity to participate in monthly industry meetings and thematic events with external stakeholders, such as the EU Ambassador, OECD, World Bank. As we are active in the textile industry, we participate in the EuroCham Myanmar Garment Advocacy Group, which brings together 35 European brands sourcing in the country.

European Outdoor Group

The Euopean Outdoor Group (EOG) is an association that represents the common interests of the European outdoor industry. EOG undertakes a wide range of activities, including market research and insights, corporate social responsibility and sustainability initiatives, outdoor retail collaboration, organising and supporting industry events and trade fairs, and representing our sector and its interests to the European Commission, other formal institutions, NGOs, and other stakeholders.

International Accord

The International Accord go Health and Safety in the Garment and Textile Industry is a legally binding agreement between garment brands and trade unions to ensure worker health and safety in the textile and garment industry.

Serving as a framework, the agreement facilitates the implementation of the Accord’s Country-Specific Safety Programs (CSSPs), currently in Bangladesh and Pakistan, and lays the groundwork for potential future programs in other garment- producing countries.

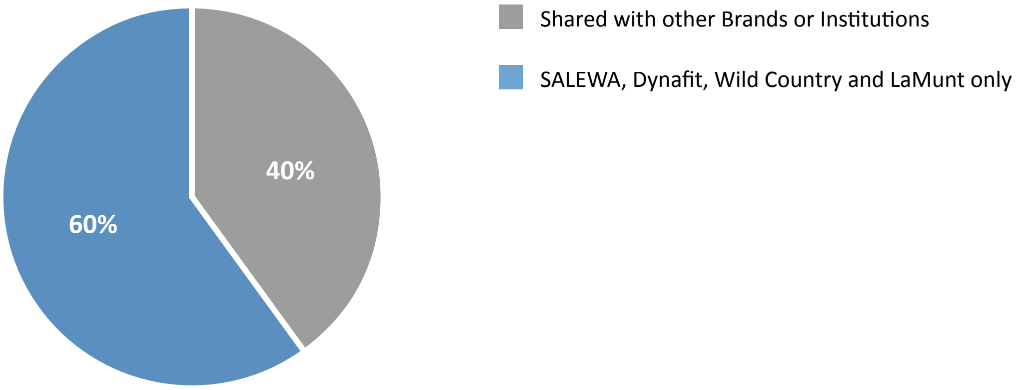
MADE in Myanmar

The Multistakeholder Alliance for Decent Employment in Myanmar (‘MADE in Myanmar’) is a four-year project (December 2022-December 2026), formally launched in March 2023, which is primarily funded by the European Union with the objective of strengthening responsible business practices in the textile, clothing and footwear sector, achieving critical industry improvements and protecting livelihoods of hundreds of thousands of families.

It runs three parallel programs: the SMART Factories Programme which has the goal to uphold and monitor human rights, social and environmental standards through assessments, advisory programmes and workshops; the Forum on Supply Chain Conduct that brings together in a structured dialogue international and local business associations, workers and their representatives, and civil societies to cooperative on industry-level issues; and the Centres for Advancement of Women that provides enhanced support to women workers on nutrition, re-skilling in unemployment, safe migration and awareness of legal rights.

Their highly experienced and professional staff (social compliance auditors, electrical, mechanical and textile engineers, apparel industry chemical management specialists, trainers and a medical doctor) enabled us to make an informed decision not to leave Myanmar and to listen to the workers' voices to better assess the conditions and protection of human rights to really confirm that we are improving the lives of the workers.

In 2025, **40%*** of our audited volume was covered with shared audits.



Audit Alliance Hard Goods

In 2016, we began gathering more information in order to extend our monitoring work to technical hardware factories, building on the knowledge gained from our experience in the textile industry. In July 2019, a subgroup of the European Outdoor Group's (EOG) Hard Goods Working Group was established to combine the business po wer and good practices of outdoor brands in order to assess specific risks and improve social practices in the metal supply chain. Together with five other brands, we founded the Audit Alliance Hard Goods (AAHG), which is aimed at tackling human rights issues in Taiwanese

hardware factories. The group has grown to eight brands, and we now conduct joint audits and follow up on corrective actions, focusing on migrant workers.

Photo – Fair Wear Member Day 2022

As we look ahead, the coming months will be dedicated to deepening and expanding the foundations we have built over the past years.

The rapid proliferation of directives and regulations governing corporate responsibility and human rights due diligence has made it clear that our work must evolve in parallel with these expectations. We intend to use the next year to refine, strengthen, and broaden our due diligence and social compliance systems, ensuring that our approach remains systematic, integrated, and capable of addressing both longstanding and emerging risks.

A central priority will be the development and implementation of a new HRDD system that consolidates data collection, reporting, and risk analysis into a single, centralised platform. This system will allow us to aggregate geopolitical, socioeconomic, business model, and product related risk factors, while also tracking performance indicators in real time. By integrating advanced analytics, dashboards, and automated alerts, the platform will help us identify emerging threats more quickly and visualise the effectiveness of our mitigation strategies through clear metrics and feedback loops. It will also support the creation of structured protocols for reporting and responding to identified risks, including escalation pathways for severe violations, ensuring that our interventions are timely, consistent, and aligned with international standards such as the OECD framework.

Strengthening internal alliances will be equally important. We aim to reinforce collaboration across departments so that social compliance considerations become an integral part of sourcing decisions, supplier evaluations, and long term planning. Our quality control teams, who visit factories frequently, will receive dedicated training on social compliance, enabling them to identify risks more effectively and contribute to a more holistic monitoring system. Staff working directly with suppliers will also be trained to support responsible purchasing practices and to integrate HRDD principles into everyday interactions.

In parallel, we will invest in studies to improve our risk assessment methodologies and expand the availability of reliable data. Pilot projects will be launched to analyse gender discrimination in factories, building on previous research on freedom of association and social dialogue. Ensuring that workers have a voice remains a priority: the past decade has shown how essential it is to guarantee meaningful representation and respect for workers' rights. We will continue raising awareness on rights, payslips, and workplace issues through information cards, training sessions, and targeted communication efforts, especially in factories where representation structures are absent or underdeveloped.

Our work on living wages will continue to evolve. After years of piloting and scaling the costing tool developed by our Apparel Costing Division, we aim to integrate this feature into the new costing software and expand its use across divisions. This will support more transparent and responsible price negotiations and contribute to further wage increases, particularly in Myanmar, where our commitment to staying in the country requires heightened vigilance and stronger due diligence. We will continue working closely with EuroCham Myanmar, the MADE in Myanmar Project, and other brands sourcing in the region, ensuring that our efforts are informed by expert, well funded, and active local stakeholders.

We will also advance our Sustainability Strategy, particularly the pillar dedicated to working with best in class factories. By enriching our evaluation tool with more comprehensive data, we will gain a clearer picture of factory performance and share more in depth analyses with our Sourcing Department, ensuring that purchasing decisions reflect not only product quality and cost but also compliance levels and suppliers' commitment to improvement. Additional efforts will be directed toward increasing social compliance in our footwear factory in Romania and continuing our collaboration with the Audit Alliance Hard Goods.

The months ahead will therefore be a period of consolidation and forward momentum. We will build on what we have learned, strengthen what we have created, and expand what we have begun. Our goal is to ensure that human rights due diligence becomes ever more embedded in our operations, guiding our decisions, shaping our partnerships, and driving meaningful change across the global supply chain. The challenges remain significant, but our commitment is stronger than ever, and the path forward is clear: to continue advancing, with determination and responsibility, toward a supply chain that protects workers, promotes fairness, and reflects the values we stand for.

ANNEX – FULL FACTORY LIST

(In alphabetical order)

Austria

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
8484	2021	apparel	Salewa	0.02%			

Bangladesh

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
5843	2014	apparel	Salew Dynafit	13.66%	✔	FW 2024 - 2025	
12454	2018	apparel	Salewa Dynafit LaMunt	1.61%	✔	FWF 2023	
34343	2022	apparel	Salewa Dynafit	0.71%	✔		
34336	2022	apparel	Salewa Dynafit	2.36%	✔	SMETA 2023	

ANNEX – FULL FACTORY LIST

(In alphabetical order)

China

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
3267	2002	apparel technical equipment	Dynafit	0.06%	✔	SLCP 2023	2016
5023	2014	apparel technical equipment	Salewa LaMunt	0.14%	✔	SLCP 2023	
5450	2014	apparel	Salewa Dynafit Wild Country LaMunt	0.59%	✔	BSCI 2025	
5472	2011	apparel	Salewa Wild Country LaMunt	7.84%	✔	FW 2025	2019
6115	2015	apparel	Dynafit	0.22%	✔	FW 2025	2022
12093	2016	apparel	Salewa Dynafit Wild Country	0.40%	✔	BSCI 2024	
34944	2022	apparel	Salewa Dynafit LaMunt	1.37%	✔	BSCI 2024	
35143	2022	technical equipment	Salewa Dynafit Wild Country	1.54%	✔	FW 2023	
35146	2022	footwear	Dynafit	0.09%		BSCI 2024	
36099	2023	footwear	Salewa	0.05%		BSCI 2024	

Czech Republic

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
12059	2017	technical equipment	Salewa	0.51%			

ANNEX – FULL FACTORY LIST

(In alphabetical order)

Italy

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
5416	2005	footwear	Dynafit	0.61%			
5451	2010	apparel	Salewa Wild Country LaMunt	0.04%			
5459	2005	apparel	Salewa Dynafit	1.06%			
9728	2012	apparel	Salewa Dynafit	0.02%			
9729	2015	apparel	Salewa Dynafit	0.33%			
36318	2025	apparel	Salewa	0.06%			
36715	2025	apparel	Dynafit	0.06%			

Korea (South)

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
36207	2025	technical equipment	Wild Country	0.10%			

Lithuania

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
3854	2011	apparel	Dynafit	0.02%			

Myanmar

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
11906	2020	apparel	Dynafit LaMunt	1.34%	✔	MADE 2025	2024-2025
14381	2019	apparel	Salewa Dynafit	12.86%	✔	MADE 2025	2024-2025

Republic of Moldova

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
36305	2024	apparel	Salewa Dynafit LaMunt	2.04%	✔		

Portugal

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
5412	2022	apparel	Wild Country	0.25%	✔		

ANNEX – FULL FACTORY LIST

(In alphabetical order)

Romania

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
8996	2019	footwear	Salewa	6.35%	✔	FW 2025	

Slovenia

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
2959	2009	apparel	Salewa Dynafit	0.33%			

Switzerland

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
5417	2007	skins	Dynafit	0.26%	✔		

Taiwan

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
2997	2008	technical equipment	Salewa	0.03%	✔	SLCP 2023	

Turkey

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
12460	2017	apparel	Wild Country	0.40%		FW 2025	
34341	2021	apparel	Salewa Dynafit LaMunt	2.29%		ELEVATE 2024	

Ukraine

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
34342	2021	apparel	Salewa Dynafit	1.03%			

ANNEX – FULL FACTORY LIST

(In alphabetical order)

Vietnam

FWF factory code	Partner since	Division	Brand	% FOB	Visited in 2025	Audit / Year	WEP/Training
4568	2013	apparel	Salewa Dynafit	0.32%	✔	FW 2023	2017
5414	2007	footwear	Salewa Dynafit	10.86%	✔	FW 2023	2018
5421	2013	technical equipment	Salewa Dynafit Wild Country	3.49%	✔	FW 2024	
5645	2012	footwear	Salewa Dynafit	14.54%	✔	FLA 2023	2019
5869	2025	footwear	Salewa	2.98%	✔	FW 2025	
11333	2016	technical equipment	Salewa Dynafit	1.88%	✔	BSCI 2025	2019
12250	2018	apparel	Salewa	0.06%	✔		2022
14390	2019	technical equipment	Salewa	0.09%	✔	SLCP 2024	
34532	2023	apparel	Salewa	0.30%	✔		2024
35172	2007	footwear	Salewa	2.28%	✔		
35650	2023	apparel	Dynafit	0.19%	✔	SLCP 2023	
36204	2024	technical equipment	Salewa	0.09%	✔	SUMATIONS 2024	2025
36714	2025	apparel	Dynafit	2.12%	✔		2025