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1. FOREWORD BY SVEN SERENA

KJUS HAS BEEN PURSUING UNCOMPROMISING PERFORMANCE SINCE IT LAUNCHED ITS FIRST COLLECTION. THIS VISION HAS BECOME THE BRAND PHILOSOPHY AND A CONTINUAL DEMAND ON US TO PRODUCE THE BEST SKI CLOTHES. NOT ONLY THE FINISHED PRODUCTS SHOULD BE UNCOMPROMISING, BUT ALSO THE ETHICAL PRINCIPLES OF THE COMPANY. CONSEQUENTLY, KJUS BECAME A MEMBER OF THE FAIR WEAR FOUNDATION IN APRIL 2012.

Textile production is a very labor-intensive industry. Social responsibility in the supply chain is an important goal for KJUS. KJUS not only wants to be a fair and attractive employer to his own employees, but we also feel obligated to guarantee fair working conditions to the people who produce our products. It is a must for KJUS to know its producers and only work with partners who share our criteria with respect to modern and fair working conditions.

What is the Fair Wear Foundation?

The FWF is an independent non-profit organization dedicated to improving working conditions in the textile industry. The independence of this initiative is guaranteed by a multi-stakeholder board composed of business and textile associations, unions and non-government organizations (NGOs).

Independent verification and evaluation of KJUS production

As an independent monitoring body, the FWF verifies the progress of member companies in the implementation of the Code of Labor Practices. This is done through factory audits, interviews with factory workers and management, and assessments of KJUS' internal processes and workflows on which the monitoring is based.

Why the Fair Wear Foundation?

There are many initiatives regarding a fair production chain. What convinced KJUS to join the Fair Wear Foundation was the credibility, independency and the comprehensive approach of this initiative. From process approach to transparency and multi-level verification, this system is based on a pragmatic management system that allows optimization in various fields.

Another very important factor for KJUS joining the FWF was the high number of other sports brands being members of the FWF. Synergies in terms of joint audits and know-how transfer are very valuable for KJUS. And last but not least, it is only through cooperation that industry wide improvementy for fair working conditions can be realized.

Sven Serena, Head of Production & QC



Sven Serena, Head of Production & Quality Control



2. ABOUT KJUS

OUR MISSION IS TO DESIGN THE BEST UNCOMPROMISING SKI, GOLF AND OUTERWEAR. IN PREMIUM QUALITY. RELIABLE, DURABLE, AND WITH OPTIMUM PERFORMANCE.

KJUS products are the most technically advanced, made of lightweight stretch fabrics, offering superior comfort and fusing function with modern styling.

Product Divisions

KJUS is an all-year brand offering three technical collections:

Skiwear Collection

The best high-tech skiwear, defining the standard of performance, superior comfort, and modern styling.

Golf Collection

The best high-tech golf wear. Finest workmanship, low-noise stretch fabrics fusing superior comfort with modern styling.

Active Lifestyle Collection

Technical apparel for outdoor sports and everyday use, incorporating the know-how of the KJUS ski collection and offering lightweight weather protection and superior comfort fused with modern styling.

Facts & Figures

Brand established in 2000

Headquarters

LK International AG, Switzerland CH-6331 Hünenberg Rothusstrasse 24

Employees

85, of whom 63 are based at the Swiss headquarters in Hünenberg.

Distribution

Worldwide via selected retailers in 32 countries.





3. SUMMARY: GOALS & ACHIEVEMENTS 2012

IN APRIL OF 2012 KJUS JOINED THE FAIR WEAR FOUNDATION (FWF) IN THE FIRM BELIEF THAT WE MUST AND WANT TO ACCEPT SOCIAL RESPONSIBILITY VIS-À-VIS OUR PRODUC-ERS AND FACTORIES AS A BRAND AND AS AN EMPLOYER. IT IS OUR INTENT TO ACTIVELY PRACTICE AND COMMUNICATE OUR PHILOSOPHY THAT "TOP PERFORMANCE ALLOWS NO COMPROMISE" THROUGHOUT THE COMPANY AND TO EVERYONE ASSOCIATED WITH OUR BUSINESS.

As a first step, all producers and factories were informed in writing that we have joined the FWF. This was followed by personal meetings with the manufacturers to discuss the details and initial actions. To KJUS it is imperative that the producers are involved from the very beginning, because it takes all of us working together to reach the objectives we have set for social standards. The primary topic during the initial discussions was the understanding of the Code of Labor Practices (CoLP), details on page 20, the related training and subsequent implementation of the CoLP. The CoLP was adopted by all our suppliers and posted at an easily accessible, highly visible place within their production plant. One manufacturer refused to sign the CoLP and requested a modified version (details on the section "Challenges").

In August 2012 the first audit was completed in China in cooperation with three other FWF members. The pos-

sibility of using synergies and sharing an audit with other members is enormously valuable. On the one hand, this enables us to reduce the workload and on the other hand, the manufacturer also benefits by being confronted with only one audit, as in this case, rather than multiple audits.

In October 2012 audit nos. 2 and 3 were successfully completed in China and Vietnam. In each case, it was overseen by a local FWF team and supported by our CSR officers. The results of the reports were basically very favorable, not least because we had developed a long-term, transparent partnership with the factories. In addition, the suppliers are highly sensitive to social aspects and well informed about the requirements and policies.

Successes

In summary, KJUS has had a successful first year. We participated in trainings and seminars arranged by the FWF. Three audits were complet-

ed and KJUS took part in the Outdoor Study (more on this on page 22). With the three audits KJUS exceeded the volume of 40% required for first-year members. A very encouraging fact is, of course, that no complaints were filed by factory workers.

Challenges

A minor deficiency in 2012 was that one manufacturer in China refused to post the CoLP in its standard form. However, there is no tolerance in the wording of the CoLP and therefore KJUS will visit the factory together with the FWF. A training seminar will be held to illustrate the importance of social position and address any questions and concerns. Since KJUS has maintained a long-term relationship with this manufacturer, we are confident that the CoLP will be accepted and implemented in 2013.

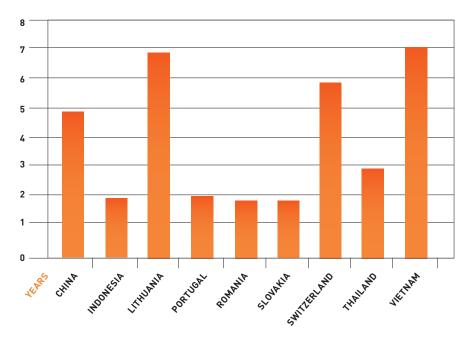
4. SOURCING STRATEGY

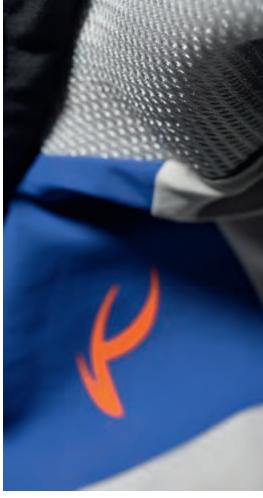
4.1. Sourcing strategy & pricing

KJUS has been focusing on a sustainable supply chain since the beginning. Being a premium brand, KJUS highly depends on top quality rather than the most competitive price. A healthy giveand-take relationship with suppliers was developed from the outset when

KJUS started the brand, as the company greatly depends on long-term partners. Having a stable and high production quality is key to success. Therefore KJUS tries to keep the same suppliers and focus only on a few partners.

Average collaboration per country





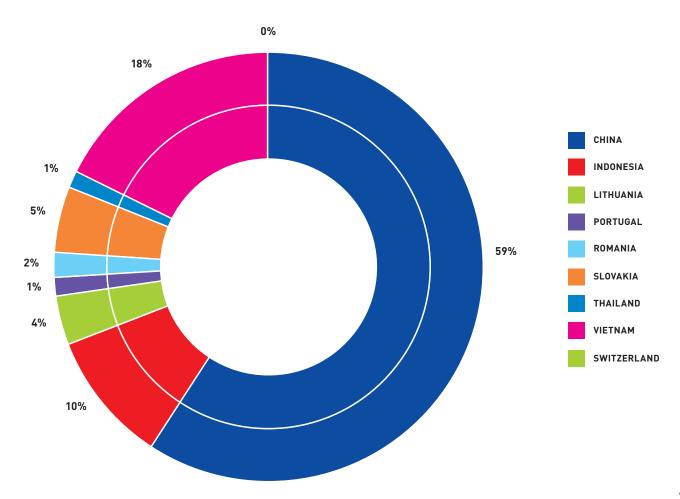
Pricing:

KJUS is a premium brand. Hence, price is secondary to quality and performance. Nonetheless KJUS feels the price pressure more, as soaring manufacturing costs in Asia have been decreasing the margins for several years now. There is a fierce price battle, especially with regard to the outdoor products. If KJUS misses its

target prices, it usually tries to find solutions together with its manufacturers by adjusting the workmanship and by negotiating the FOB price. In fact, KJUS continuously gathers information about the cost of living in every production country and the resulting labor wages. For that reason, KJUS works closely with its manufacturing partners on the efficiency of the

styles, which will ease the price pressure again. The workers' know-how and KJUS's planned possibilities in the sample room, planned for 2013 in Hong Kong, provide a lot more details and understanding of the cost composition. This knowledge also helps to increase the efficiency on the production line, which in turn helps to come closer to the target price.

Production location based on FOB 2012 volume in %

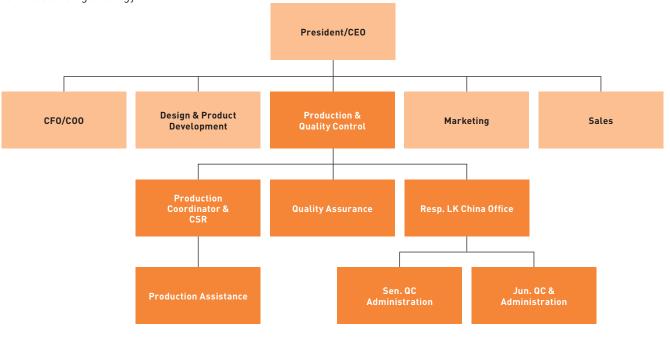


4.2 Organization of the sourcing department

Responsibilities:

The head of production, as member of the management board, is responsible for the sourcing strategy.

Our sourcing department is combined with the production department and has a total of seven employees in Switzerland and China.



4.3 Production cycle

- KJUS launches one winter and one summer collection per year. Of the combined turnover, 84.2% is generated by the winter collection and 15.8% by the summer collection. In the coming years a potential growth for the summer collection is expected.
- · According to business and collection plans, KJUS starts with the factory allocation and informs suppliers about the styles and foreseen quantities for the upcoming produc-

tion season. The suppliers then need to block production capacity between March and June for the winter production and between November and January for the summer production. Based on internal forecasts, KJUS orders raw materials. Once the first official forecasts have been received from distributors and sales agencies, KJUS will pass these numbers on to the suppliers to enable them to review their planning and capacity reservations. On

- the other hand, this is a security tool for KJUS to recheck the orders for materials.
- When KJUS places the official garment orders (winter 2-3 purchases) with suppliers, they receive all materials within two months. Once all materials have arrived in the factory, the supplier needs an average production time of two months which also includes quality control and packaging.

4.4 Supplier relations

Factories are evaluated by their ability to produce high-quality products and are asked to complete a standard evaluation form from KJUS. KJUS also monitors the brands for which the manufacturer is currently producing garments. Secondly, a clear commitment to develop innovative products together with the KJUS internal team is required. If a company provides these points, KJUS will make a counter sample to evaluate its price level. Additionally, KJUS monitors its lead time history as well as its past delivery performance. In order to keep up-todate KJUS holds an annual suppliers'

meeting in Switzerland with the most important manufacturing partners.

KJUS enjoys long-lasting relationships with its partners. KJUS has only been on the market for 11 years, but has had some of the same suppliers for 6 or 7 years. Over time more suppliers have entered the supply chain. The current manufacturers have been working with KJUS for an average of 4 years.

Agents / Intermediaries:

KJUS prefers to work directly with the factories. In some countries, however, like Portugal, work processes are bro-

ken down considerably and therefore KJUS works with an agent as its partner. Also, in accessories businesses, such as headwear, KJUS usually works with an agent. All agents and intermediaries are required to disclose their production sites.

4.5 Integration monitoring activities and sourcing decisions

KJUS is in the fortunate position of not having had to evaluate any new manufacturers in 2012. KJUS intends to hold on to the strategy of long-term partnerships and strictly opposes a sourcing policy based on invitations to bid where the lowest cost manufacturer is selected for one production season. With its exceptionally high quality requirements, KJUS depends on long-term partnerships. This is the only way to enable both parties to grow and benefit from one another.



5. COHERENT SYSTEM FOR MONITORING AND REMEDIATION

THE FOLLOWING TABLES PROVIDE AN OVERVIEW OF THE AUDITS CONDUCTED ON SUPPLIERS ACTIVE IN 2012.



5.1 Supplier Overview

П	т	D	C	83	⊳	PORTUGAL	Þ	LITHUANIA	⊳	INDONESIA	_	-	Ξ	G	П	т	D	n	8	Þ	CHINA	Factory
2011	2011	2011	2011	2011	2010		2006		2011		2008	2011	2007	2010	2011	2008	2007	2010	2007	2002		Collabo- ration starts
2013	2013	2013	2013	2013	2013															2013		Collabo- ration ends
Yes	Yes	Yes	Yes	Yes	Yes		Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Supplier informed about FWF
Yes	Yes	Yes	Yes	Yes	Yes		Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes	Z o	Yes	Yes	Yes		CoLP posted
Yes	Yes	Yes	Yes	Yes	Yes		Yes		No		N _o	N _o	N _o	N _o	N _o	Z °	Z o	No	Z o	Z °		Low risk origin
Low risk country	Low risk country	Low risk country	Low risk country	Low risk country	Low risk country		Low risk country		2013		n/a	n/a	n/a	n/a	n/a	2012	2013	2013	2012	Collabora- tion ends 2013		Date of audit
0.50%	0.34%	0.16%	0.23%	0.07%	0.10%		3.69%		9.91%		0.90%	0.36%	0.35%	0.91%	0.03%	3.67%	3.39%	4.41%	24.68%	20.60%		Volume in % 2012
January 2013	January 2013	January 2013	January 2013	January 2013	January 2013		December 2012		January 2012		December 2012	n/a	n/a	n/a	April 2011	July 2012	January 2013	July 2012	January 2013	January 2013		Last factory visit
Yes	Yes	Yes	Yes	Yes	Yes		Yes		Yes		Yes					Yes	Yes	Yes	Yes	Yes		Discussion FWF - CoLP - CAP
N _o	Z _o	Z o	Z _o	Z _o	Z _o		N _o		Z _o		Z o	N _o	N _o	N _o	N _o	Z o	N _o	N _o	Z o	Z o		Complai- nents
n/a	n/a	n/a	n/a	n/a	n/a		IMO Con- trol- Jan. 2013		WRAP - Jan. 2013		SA8000 - Jan. 2010	n/a	WRAP	n/a	n/a	FWF - Aug. 2012	Planned 2013	CSC9000T - 2008	FWF - Oct. 2012	n/a		Latest Audit
																Detail in next para- graph			Detail in next para- graph			Findings of audit outcomes
																Yes			Yes			Corrective action plan (CAP
							n/a		n/a		n/a	n/a	n/a	n/a	n/a	n/a	will follow	will follow	will follow	n/a		Other monitoring Activities

С	В	⊳	VIETNAM	⊳	THAILAND	⊳	SWITZERLAND	⊳	SLOVAKIA	Þ	ROMANIA	Factory
2001	2007	2009		2010		2007		2011		2011		Collabo- ration starts
										2013		o- Collabo- ration ends
Yes	Yes	Yes		Yes		Yes		Yes		Yes		Supplier informed about FWF
Yes	Yes	Yes		Yes		Yes		Yes		Yes		CoLP posted
N _o	Z o	Z _o		N _o		Yes		Yes		Z o		Low risk origin
n/a	2012	2013		n/a		Low risk country		Low risk country		collabora- tion ends 2013		Date of audit
0.02%	16.90%	1.08%		0.89%		0.11%		4.96%		1.75%		Volume in % 2012
n/a	October 2012	January 2013		December 2012		n/a		December 2012		January 2013		Last factory visit
	Yes	Yes		Yes				Yes		Yes		Discussion FWF - CoLP - CAP
Z o	Z o	Z o		Z o		N _o		N _o		Z o		Complai- nents
n/a	FWF - Oct. 2012	Planned in 2013		Planned in 2013		n/a		n/a		n/a		Latest Audit
	Detail in next para- graph											Findings of audit outcomes
	Yes											Corrective action plan (CAP
n/a	n/a	n/a		n/a		n/a		n/a		n/a		Other monitoring Activities

5.2 Audits 2012 and findings of labour standards

China:

One of the two audited factories in China is a major supplier of KJUS. For six years, KJUS has maintained a very close relationship with this company, which has continued to intensify over the years. The result of this audit report is favorable. It contained a few issues which were immediately addressed and improved and two findings that will take some more time, discussion and training. They primarily involve the problems of overtime during the peak season and minimum living wages. KJUS is working closely with this factory in order to meet these requirements step by step.



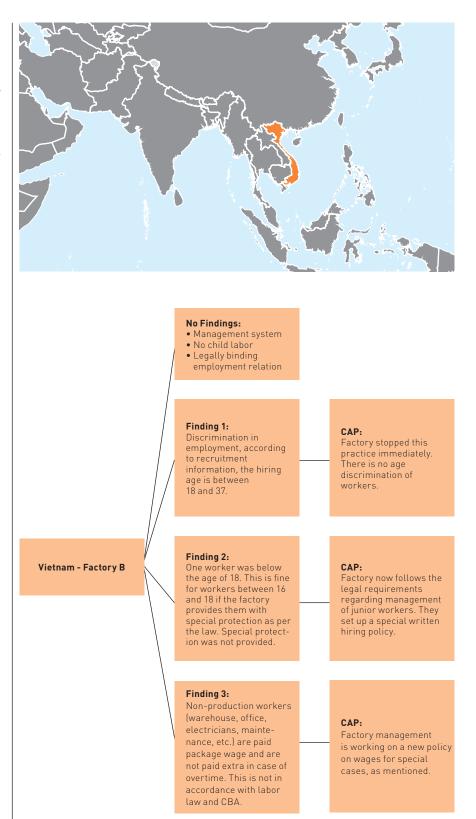
No Findings: Monitoring systemEmployment is freely chosen • No discriminaton • No child labor • Legally binding employment relation Finding 1: Together with the factory we Factory pays above are working on an minimum wage but below living wage. plan to reach living , wages step by step. The audit of our supplier E poses greater challenges. KJUS and four China - Factory B other FWF members are faced with the task of solving a number of issues Factory management Finding 2: that the audit has brought to light. The informed it should be Factory requested overtime. possible to meet the problems are mostly related to false FWF requirements of payroll and attendance records, which monthly working hours. is disputed by the management. However, with the impact of five FWF members and a total buying volume of over CAP: Finding 3: Factory management 70% KJUS is confident that the prob-Healthy working conditwill take this topic into lems will be solved by the end of 2013. ions, no ergonomic serious consideration. program, workers are not However, there are some provided with chairs with environmental limitations back support. on space per workplace. No Findings: • Employment is freely chosen No discrimination • No child labor Together with four other Finding 1: FWF members we are Management system, checking and trying to audit team finds that clarify and find a solution. payroll and attendance Further discussions records provided by are needed as factory management are management disputés falsified. this finding. Ongoing process Management stated they China - Factory E Finding 2: did not coach workers Audit team finds that but according to off-site workers were coached worker interviews they by management to give were coached. Further favorable information to discussions between members and factory the workers' interviewer. are urgently needed. Ongoing process. CAP: Finding 3: Excessive overtime Factory management stated they never during peak season and request wokers to work Sunday work. Factory should meet the requireon Sunday. This is under review and discussion ment of the FWF for

by all five FWF members.

less than 60 working hours a week.

Vietnam:

Factory B in Vietnam is another long-term partner of KJUS. The audit was also very successful and highly educational for the manufacturer. A few points were raised, of which the management of the manufacturer or the responsible department heads were not aware. Some were not adequately informed about the relevant laws and policies. A few of these points were immediately resolved. Factory B also poses a challenge with regard to minimum living wages and overtime.



5.3 Supplier of the Year

In October of every year, KJUS invites its producers to the headquarters in Switzerland.

KJUS uses this opportunity to familiarize its suppliers with the core of our corporate philosophy: "uncompromising performance". Naturally, a review of the past production season is also part of the program. Based on infor-

mation sheets generated by the product development, production, quality control, logistics, and accounting departments, problems are jointly and specifically addressed so as to alleviate them for the next production season.

The producer with the best performance throughout the year in terms

of workmanship, quality, social assurance, lead times and delivery dates, communication, innovation, and proactivity is awarded the title KJUS Supplier of the Year and receives the KJUS Supplier of the Year trophy.



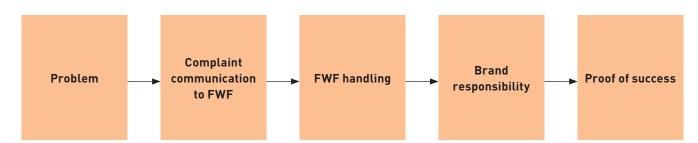
This is our supplier of the year 2012: Factory A from Lithuania

6. COMPLAINTS PROCEDURE

THE COMPLAINTS PROCEDURE IS AN IMPORTANT ELEMENT OF THE COLP. TO ENSURE THAT THE EMPLOYEES ARE FAMILIAR WITH THIS PROCEDURE, KJUS HAS ASKED ITS SUPPLIERS TO EXPLAIN IT IN CONJUNCTION WITH THE COLP AND PROVIDE THE LOCAL TELEPHONE NUMBER.

Not all manufacturers are embracing this step equally. For example, there are some that only provide minimal instructions to the workers and merely post the CoLP. However, most manufacturers explain the CoLP in teams. KJUS will make use of the FWF's offer and try to arrange training with the factories and the FWF in some cases. KJUS believes that this will result in a increased sensitivity to social and safety-relevant aspects. While 2012 was a season without complaints for KJUS, we must be organizationally prepared to respond if complaints are received in the future.

Complaints procedure:



Problem: If a person is unsure if she/he can file a complaint about something, then the person should call the local service number mentioned below each CoLP.

Complaint communication to the FWF:

The worker is asked to explain the problem to the contact person as detailed as possible. The person will also be asked to forward or provide more information or documentation.

FWF handling: The FWF in turn tries to consolidate as many requests as

possible. The FWF decides whether a complaint needs further investigation, whether the complaint is justified or whether a claim cannot be handled. In this case the FWF will explain the reason.

Brand responsibility: Once all necessary details are available, the FWF forwards the claim to the responsible person at the brand. KJUS is asked to contact the supplier's person in charge or management of claim procedure. KJUS will explain the event and advise the supplier on the CoLP policies as well as the law.

KJUS will ask them to seek a fair resolution to the problem with the person involved.

Proof of success: After a few days, the FWF will contact the person to see if the problem has had a successful outcome. If it has been solved, the complaint is completed; otherwise the FWF will review the details again with the FWF brand member to clarify with the management and reiterate the urgency of solving the problem.

7. TRAINING AND CAPACITY BUILDING

7.1. Activities to inform staff members

In April the KJUS CSR team traveled to Amsterdam to attend a two-day training session and the annual FWF meeting.

The entire team was informed at the time KJUS joined the FWF. To achieve an even better and deeper understanding, KJUS arranged for in-house training with the FWF to discuss the following topics in greater detail:

- Basics
- FWF Code of Labor Practices
- Complaints procedure
- Guidelines for monitoring factories
- Social Report
- FWF communication

The KJUS employees of the China Office also attended the FWF in-house training. The reason why this is enormously important is that they are in continuous contact with and frequently visit the factories. This will prepare them even better to identify social and safety-related issues.



7.2. Activities to inform agents

The communication with agents follows the same line as communication with the producers. KJUS knows each individual producer working for an agent and is also in a position to discuss potential problems during a site visit. In principle, however, we will instruct the agents to ensure that every partner has signed and posted the CoLP. We will inspect compliance with this from time to time when we visit the factories.

7.3. Activities to inform manufacturers and workers

The FWF is always an important agenda item for any supplier visit. Since KJUS regularly visits its suppliers, this results in a constructive ongoing dialog about current projects, improvements, any claims that may have been filed, and the opportunity to provide additional training.

For the coming year 2013, KJUS is planning to arrange its own FWF training at a few selected factories where a FWF person will instruct workers from various areas, such as garment sewers, warehouse workers, office employees, as well as managers.



8. TRANSPARENCY & COMMUNICATION

Transparency is crucial for our credibility and accountability regarding the production process. In 2012, KJUS used the following tools for external communications:

- KJUS website
- KJUS E-newsletter B2B & B2C
- KJUS B2B & B2C catalogue
- Press releases

KJUS clearly communicates the policies of the FWF Code of Labor Practices to the outside. The Code is provided in English and in the local language to all manufacturers. These are required to sign and post it at an easily visible place, which is accessible to anybody. KJUS supports the internal factory training of the CoLP to ensure that all employees of every factory are familiar with the policies.

FWF Code of Labour Practices

The Code of Labour Practices is based on the conventions of the International Labour Organisation (ILO) and the Universal Declaration on Human Rights. In the text below, references are made to specific conventions. Where clarifications of ILO Conventions are required, FWF follows ILO Recommendations and existing jurisprudence.

Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)

There is no discrimination in employment

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)

















Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98) The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from Fair Wear Foundation – Code of Labour Practices 2 / 2 wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

No excessive working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

Legally-binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

9. STAKEHOLDER ENGAGEMENT



Payment of a living wage is a key point in the FWF Code of Labor practices – and one of the most difficult elements to improve. Therefore, the European Outdoor Group, together with the FWF and seven members of the Fair Wear Foundation, launched this living wage study. KJUS is proud to have participated in this study.

Wages are linked to the prices that brands negotiate with factories; however, several complex questions need to be addressed to ensure that workers see actual improvement. The Fair Wear Foundation-European Outdoor Group Living Wage Study is designed to address one of the main questions: What is the relationship between product pricing and wage levels. The study will examine what happens to prices of typical products when wages are increased to meet a variety of living wage benchmarks.

KJUS and six other FWF participants from the outdoor industry provided actual cost data on a variety of products to the FWF for analysis. This is a significant milestone. The ability to forecast the impact of wage increases on the costs of real products will provide clear guidance to the entire outdoor industry on the actual effects of moving towards living wage benchmarks. Important elements of the study will also be applicable to other apparel markets. The willingness to participate and share such sensitive information indicates a serious level of commitment to the issue.

The study will be published by the FWF in spring 2013.

10. CORPORATE SOCIAL RESPONSIBILITY

WE STRIVE FOR PASSION AND FREEDOM EVERY DAY AND CREATE HIGH-QUALITY PRODUCTS FOR THOSE WHO SHARE THESE IMPORTANT VALUES WITH US. WHILE DOING SO WE ARE FULLY AWARE THAT THIS KIND OF FREEDOM IS NOT AVAILABLE TO EVERYONE - ESPECIALLY NOT TO MANY CHILDREN.

Therefore KJUS is committed to supporting charitable activities granting children access to sports activities. KJUS supports the "Turtle Ridge Foundation" (Turtleridgefoundation.org) of our brand ambassador Bode Miller. Furthermore, KJUS – and Lasse Kjus personally – support organizations, such as "Right to Play" (Righttoplay. com). Like Bode, Lasse and "Right to Play", we strongly believe that through the power of sports and play it is possible to create a healthier and safer environment for children.

KJUS is also a member of the "Helfetia" organization, a foundation dedicated to skiing and winter sports, giving kids and teens the opportunity to learn skiing and introduce them to the sport that we all love so much.

