

**WE TAKE
RESPONSIBILITY**

THE FUTURE OF SPORTS

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WE TAKE RESPONSIBILITY

Companies have a social responsibility. For people, for the environment, for society. In order to fulfil this responsibility, it is essential to do business successfully. At Maier Sports GmbH, we face this complex challenge with our two brands Maier Sports and GONSO. In the challenging times of a pandemic, it becomes clear that what is particularly important is to act sustainably.



Sustainable not only in terms of the materials used, production and delivery processes. But sustainable above all when it comes to interacting fairly with one another. We are pleased to be able to make our commitment to sustainability transparent at various levels in this CSR report.

For transparency is an important factor in connection with sustainable action. Almost every corporate decision has an impact on the sustainability of our products and processes. That is why we also consider the medium- and long-term consequences for the environment as well as for our employees when evaluating our decisions. We can often make progress very quickly this way. However, we have experienced that there are processes that require a lot of patience. This is the case, for example, with our project to develop single-origin clothing. The aim is to ensure that our products can be recycled in the long-term. Irrespective of this, wherever possible, we promote processes that help to continuously improve working conditions for employees and the ecological footprint in all our operations. This also applies in particular to our suppliers in critical countries. For many years, we have been manufacturing in our own production facilities in Turkey and in joint ventures in China. Since the beginning of our cooperation, it has been important for us to ensure that fair working conditions prevail in these factories. We are committed to the pledge of our company founder to uphold high social standards. We do not accept discrimination and do not tolerate child labour.

We are a member of the Fair Wear Foundation out of full conviction. The cooperation is an essential part of our commitment to the continuous improvement process. At the same time, we receive effective support in the implementation. Another example of how we perceive our responsibility for the environment in connection with products is our approach to new developments. We are always on the lookout for sustainable alternatives to conventional materials and manufacturing processes. This is reflected in the growing use of recycled polyester fabrics in the Maier Sports collection. At GONSO, various products are made from recycled polyamide yarns. Furthermore, we consider our products' longevity and our repair service in Köngen, which has been offered for decades and is very well received, to be further central to sustainability because repairing is better than throwing away.

A handwritten signature in black ink, reading "S. Mayer".

Simone Mayer
Chair of the Board of Directors
at Maier Sports GmbH

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THE MAIER SPORTS GMBH COMPANY

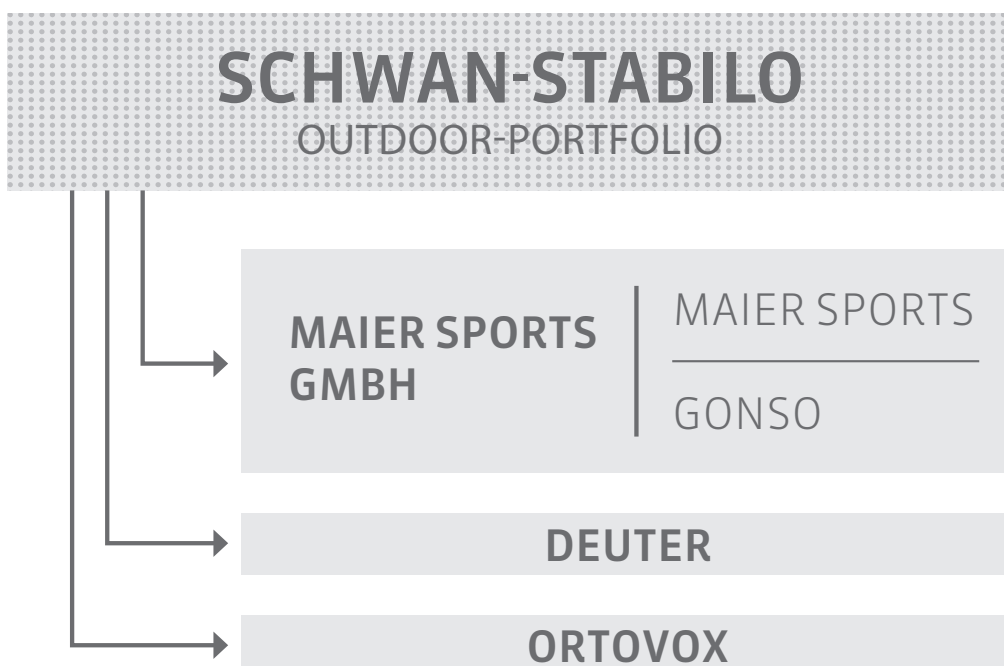
“Our employees all over the world are very important to us.”

Maier Sports GmbH, with its Maier Sports and GONSO brands, has been a part of the Schwan-STABILO Group since 2015. Maier Sports and GONSO have enriched the outdoor portfolio of the family business.

In addition to Maier Sports and GONSO, the backpack specialist Deuter and the mountaineering brand Ortovox are also part of the Schwan-STABILO outdoor brands. All four brands act independently and are pooled under the umbrella of Schwan-STABILO Outdoor GmbH. Die Marke GONSO gehört seit 2004 zur Maier Sports

The GONSO brand has been a part of Maier Sports GmbH since 2004. It relocated its entire team from where it was founded in Albstadt to the Maier Sports GmbH headquarters in Köngen in 2017. The aim is to pool the strengths of the Maier Sports and GONSO brands in one place.

Moreover, the new joint external logistics centre for both brands was opened in 2018.



OUR SUSTAINABLE PRODUCTION

Many years ago, the Maier Sports and GONSO brands committed themselves to ensuring responsible and sustainable processes at their production sites around the world. Aside from environmentally friendly produced products, we consistently apply the requirements and guidelines defined in our own internal Code of Conduct as part of this company philosophy.

Maier Sports GmbH developed the self-regulatory Code of Conduct in 2007 to protect employees, all resources and nature sustainably. This means that we act in harmony with people and nature in accordance with social and environmental standards.



Maier Sports is a company for team players, like our three Managing Directors Simone Mayer, Tanja Kohler and Lothar Baisch (from left to right).

This binding agreement – complying with local legislation as a minimum requirement – clearly sets out standards in areas such as pay, working hours, respect, ruling out child and forced labour, health, workplace safety and environmental protection.

This Code of Conduct is mandatory for every production partner. Every company working for Maier Sports GmbH and its brands must comply with this agreement at all times. We currently employ about 90 employees at Maier Sports and GONSO in Germany and about 500 at our production sites in Turkey and Asia.

Furthermore, Maier Sports GmbH, with its Maier Sports and GONSO brands, has been a member of the internationally renowned Fair Wear Foundation (FWF) since the beginning of 2011. For more information about the FWF, visit www.fairwear.org.

The FWF is an independent non-profit organisation whose aim is to improve global working conditions in the textile industry. The FWF is regarded as the organisation that goes the furthest when it comes to implementing and following up on fair working conditions, as formulated by the International Labour Organisation (ILO).

This co-operation highlights the sense of responsibility that Maier Sports and GONSO feel towards their employees at the production sites as well as their consistent and firm conviction to achieve their common goals: fair working conditions now and in the future.

Our membership of the Fair Wear Foundation brings us valuable support for the continuous improvement of working conditions in our supply chain.

This Social Report is proof of Maier Sports GmbH's assumption of its responsibility and insistence on transparency.

The responsible and respectful treatment of people and the environment is of great importance to Maier Sports GmbH. The concept of sustainability is deep-seated in the way all employees think and act.

PARTNERSHIP FOR SUSTAINABLE TEXTILES

When it comes to due diligence, Maier Sports and GONSO joined the Partnership for Sustainable Textiles, which was initiated by the German government, to make progress with duty of care and supply chain responsibility. Maier Sports GmbH regards its membership of the Partnership for Sustainable Textiles as a meaningful addition to its membership of the Fair Wear Foundation for its two brands.

1926

Founding of the GONSO family business to produce textiles and working clothes

1954

Construction of the first company building in Köngen

1980

GONSO launches the first synthetic cycling shorts with a seat pad in Germany and is pioneer in the development of today's functional cycling jerseys



1938

Founding of Imanuel Maier GmbH in Köngen

1970

Gerhard Maier assumes the management of the Maier Sports company. Focus on the product area of sportswear (including tennis wear)

2004/2005

Acquisition of brand rights from GONSO by Maier Sports

2010

Voted Rising Star of the Year by the trade journal outdoor.markt

2012

Gerhard Maier resigns from his management position and hands over the reins of the company to the trio Simone Mayer, Lothar Baisch and Tanja Kohler



75 Jahre Maier Sports

2011

Maier Sports joins the Fair Wear Foundation

2013

75th anniversary and introduction of the PFC-free production strategy

2015

Integration of Maier Sports and GONSO into Schwan-STABILO Outdoor GmbH

2014

25th anniversary of our Turkish subsidiary

2016

Patent for the long-distance hiking jacket and winner of the Plus X Award



2015

GONSO wins its first EuroBike Award in the company's history thanks to the innovation of 3D reflective stripes

2015

Relaunch of the Maier Sports logo

2020

Overcoming the challenges presented during the COVID-19 crisis: Employees work from their home offices; consumers discover their local outdoors and embrace their regional holiday destinations

20th anniversary of the first joint venture company in China

2018

Relocation of the logistics from Maier Sports and GONSO to the logistics centre BLG in Hörsel

The Maier Sports collection is complete PFC-free with delivery Fall/Winter 2018/19

Simone Mayer is named "Personality of the Year" by the trade journal outdoor.markt



2020

GONSO wins the prestigious Design & Innovation Award 2020 with the Bikepacking line

2019

Selected Outdoor Brand of the Year by the trade journal outdoor.markt

30th anniversary of our Turkish subsidiary

Maier Sports signed the Confidentiality and Disclosure Agreement with the FWF

2016

Maier Sports wins the German Brand Award 2016



**“MOVES ME.
MOVES WITH ME.”**



ABOUT THE MAIER SPORTS BRAND

*The pants specialist for a carefree outdoor experience
and the most unrestricted freedom of movement possible.*

THE MAIER SPORTS BRAND

For nearly 80 years, Maier Sports has been developing clothing in the South German town of Köngen, progressively establishing its position as a leading functional sportswear label. The company's high quality outdoor and ski clothing is sold primarily throughout Europe and Russia. Maier Sports is a brand with tradition and vision. Maier Sports is one of the few German clothing labels to combine its long history as an outdoor specialist with innovative functionality.

Since 1938, Maier Sports has been building on its key strengths of skilled know-how, design and state-of-the-art textile technology. Maier Sports places great emphasis on quality and the fair treatment of people and nature. Many years ago, Maier Sports committed itself to ensuring responsible and sustainable processes at our production sites around the world.

MAIER SPORTS KEEPS MOVING

Maier Sports is a pants and fit specialist and a major player in the outdoor and skiing sector. The range is divided into trekking and hiking, urban and travel, and alpine and Nordic skiing. By clearly structuring the collection this way, we can meet hiking, outdoor, and winter sports fans' needs and assist when choosing pants, shirts, and jackets. We classify based on the garments primary purpose, irrespective of the versatility of the pants and tops.

FITTING & PANTS SPECIALIST

Maier Sports is regarded as a pants specialist with an extensive range of well fitting sizes, which is unique in the sports industry. Maier Sports offers 36 men's and 25 women's sizes, various fits and cuts and a very diverse selection of models. The brand has now extended this successful pants concept to their jackets.



THE MAIER SPORTS COLLECTION LINES



Trekking

Trekking is Maier Sports' way of venturing into more sporty regions beyond the beaten track. Technically advanced products with a correspondingly high level of functionality are the hallmark of the brand. Made for people who want to enjoy nature, have fun and enjoy their personal adventure without risk, even on demanding tours.



Hiking

The Hiking line reflects the successful Maier Sports hiking concept. At the heart of the line are the long-standing test winners, the Nil/Lulaka pants models, which have been complemented with numerous additional variations to form a versatile product family. Characterised by fine-tuning and ongoing development, the line features a comprehensive NOS programme and an attractive range of base layers and mid-layers.



Urban & Travel

Whether on the way to a holiday or venturing into nature or the city: comfort, convenience and the latest trends characterise the styles that turn micro-adventures into a fun-filled experience.

Outdoor function in a modern urban look. The perfect outfit for micro-adventures in and around the city, for trips to the park, going on holiday or for a visit to the stadium. That's what the styles in our Urban Travel line aim for. Comfort, convenience and modern trends ensure the necessary fun factor for a wide range of activities.



Alpine skiing

Ski pants form an important core within our alpine ski line. Great fitting pants for everyone. This is what our fitting concept stands for, which offers 61 different pants sizes that can be perfectly combined in the three target group-oriented ski lines Alpine, Alpine Pure and Spirit. With these lines, we address the various experience types of ski enthusiasts in a differentiated way.



Cross Country

This line is aimed at people who want to enjoy the great winter scenery and the unencumbered pleasures of nature without the hustle and bustle or the crowds of people. Be it cross-country skiing, snowshoeing or extended winter hikes. The pants and tops are visually and functionally appealing and suitable for a wide range of uses thanks to their versatility.



**GONSO. PERFECT.
FIT.**



G ABOUT THE GONSO BRAND

Perfectly fitting and highly functional clothes for cycling fun

THE GONSO BRAND

GONSO, the expert for cycling shorts, has been known for its passion, innovation and tradition since 1926. As the oldest German brand for bike wear, GONSO created the first synthetic cycling shorts with a seat pad and revolutionised the cycling world.

GONSO is driven by its vision to develop and make products that maximise cycling joy and to motivate and encourage as many people as possible to get on their bikes. GONSO's innovative and functional details, coupled with the comfort of perfect fitting sizes (Men: S–6XL, Women: 34–54), stands true to the motto: GONSO. FITS. PERFECTLY.

CORE COMPETENCE: CYCLING SHORTS

As the inventor of functional cycling shorts, GONSO's core competence remains true to its beginnings. GONSO continuously and meticulously analyses, develops and tests its seat pads, which has clearly positioned the company as an innovation leader.

The GONSO SITIVO cycling shorts concept includes different pads that can be adapted to individual seated positions, pressure points and gender. The pads vary in volume, density and the location of the shock-absorbing Poron elements. 1 pair of cycling shorts. 3 versions. Perfect fit.

DAS SITIVO RADHOSENKONZEPT.
1 RADHOSE. 3 VARIANTEN. PERFEKTER SITZ.

The infographic illustrates the SITIVO cycling shorts concept, which offers three variants to provide a perfect fit for different riding styles and pressure points. The variants are represented by a circular graphic divided into three segments, each showing a cyclist in a different seated position:

- SITIVO BLUE**: AUFRECHTE SITZPOSITION (Upright seating position).
- SITIVO GREEN**: KOMPAKTE SITZPOSITION (Compact seating position).
- SITIVO RED**: SPORTIVE SITZPOSITION (Sportive seating position).

To the right of the circular graphic, the text **DIE DRUCKPUNKTE:** (The pressure points) is followed by three pairs of diagrams showing the distribution of shock-absorbing Poron elements in the seat pads for each variant. Each pair of diagrams is labeled with a male symbol (♂) and a female symbol (♀) to indicate the specific pressure point distribution for each gender.



BIKE COMMUTER

A perfect combination of function and urban lifestyle is demonstrated by the smart, straightforward designs, discreet labels and modern cuts of the GONSO Bike Commuter Collection. Functional features can be made visible or invisible as required. The perfect style for cycling to the office or university in the morning and conquering the city after work. GONSO. PERFECT. FIT.



BIKE TOURING

Trendy, stylish shorts, jerseys, and jackets combine innovative pocket solutions with minimalist designs - practical packing solutions that make the backpack almost unnecessary. The entire GONSO Bike Packing Collection was awarded the renowned and coveted Design & Innovation Award 2020. The ultimate garments for any classic bike tour - whether on the road or gravel terrain.



MOUNTAINBIKE

The trail is in sight, and your senses are sharpened – paired with smart details, sophisticated designs, robust materials and the perfect casual fit, you're ready to go. The GONSO Mountainbike Collection can cope with any weather and temperature – perfect for exploring new trails.



ROAD BIKE

Fashionable and functional cycling outfits for enjoyable training sessions. Everything fits perfectly - thanks to GONSO's high level of tailoring expertise and broad, tried-and-tested wide range of sizes. GONSO has developed an ingenious bib with the most innovative design, specifically for women. This product line is perfect for catching the first rays of sun in the morning, regardless of whether you enjoy the experience alone or together.



CORE COLLECTION

As cycling shorts are the focus of GONSO's activities, the „Core Collection“ is the heart of the collection. Thanks to the perfect fit, the high-quality material selection and the right seat pad for any route, every cyclist will find the right cycling shorts at GONSO. GONSO rounds off the „Core Collection“ perfectly with classic cycling jackets and jerseys.

COVID-19 CHALLENGE

*The COVID-19 pandemic presented us with significant challenges.
We reacted quickly and solution-oriented to the ever-changing conditions at short notice.*

PARTNER COMPANIES HAVE COME THROUGH THE CRISIS WELL.

We rely on long-term cooperation with our production partners, which also worked successfully in the challenging times of the COVID-19 pandemic. During the first wave of the COVID-19 pandemic, many companies in the traditional textile production countries, such as China, Turkey or India, experienced considerable difficulties. The reason was the large-scale cancellation of orders. In some cases, ordered deliveries had already been manufactured but were not or only partially paid for by the clients. Sometimes large retailers and brand suppliers passed on the cancellations of their retail customers directly to the manufacturing compa-

nies during the lockdown, which in some cases had catastrophic consequences for the companies and their employees, whose wages were subsequently no longer paid – despite the work that had been done.

At Maier Sports GmbH we have refrained from taking such measures in relation to our long-standing partners in production. Through rescheduling, later delivery dates and other actions, we avoided cancellations as far as possible and found satisfactory solutions for all parties involved in close coordination with the factories. For example, all goods already produced were accepted and order quantities were only reduced for goods not yet finished. For our China orders, the cancellation rate was unfortunately still 6 %, and in Turkey, it was 0.8 %.



GUIDELINES FOR RESPONSIBLE PURCHASING PRACTICES IN TIMES OF COVID-19

Recommended actions for short-term measures during the COVID-19 outbreak

The recommendations for action reflect the current state of the discussion in the Textile Partnership and are to be further elaborated. The recommendations offer an orientation and are thus not intended to rigidly prescribe what approach each company should adopt in every type of business relationship. Companies can, therefore – provided that the principles mentioned above are respected – choose to act in other ways.

HANDLING OF ORDERS AND RELATED PAYMENTS

- Orders that have already been completed are not cancelled, and the agreed payment terms are met. For orders currently in production or for which material has already been purchased, cancellation is avoided as far as possible. If necessary, another use can be found for material that has already been procured.
- Late deliveries that result from the impact of the COVID-19 outbreak will not be sanctioned.
- New order forecasts are communicated to the supplier at an early stage and regularly updated. Lead times and capacities should be closely coordinated with tier 1 and material suppliers. Delays should be anticipated, especially when production starts again after a lockdown.

IN DIALOGUE WITH THE SUPPLIER, IT IS TO BE EXAMINED:

- How costs already incurred can be covered if orders cannot be completed. At best, the company placing the order pays for material and wage costs.
- Where goods can be stored temporarily if they cannot be delivered or accepted at the moment, how costs can be split may arise and what other alternatives there are to avoid extra expenses (e.g. switching to slower means of transport).
- Whether wages can be paid and whether it is possible to make concessions to secure wage payments, e.g. by adjusting payment targets. Other

alternatives should also be examined, such as providing financial emergency aid for workers to cover the loss of wages or layoffs in cooperation with other actors/at the country level.

- What alternatives are there to avoid cancellations and changes in forecasts. The same applies to the final termination of business relationships.
- In the event of factory closure, workers should receive the wage and compensation payments to which they are entitled (see also the previous point on the provision of financial emergency aid).

DEALING WITH HEALTH RISKS AND THE RISK OF INFECTION IN PRODUCTION FACILITIES

In dialogue with the supplier, efforts must be made, e.g. by providing support or information/material, to ensure that:

- Suppliers implement adequate protective measures to reduce the risk of infection. This also applies to the transport of workers to and from the production site.
- Workers are informed of these protective measures and their rights to access worker/trade union representatives or other effective grievance mechanisms to raise concerns or complaints.
- Suppliers comply with government measures.

OUTLOOK

To avoid negative impacts on all the actors involved, particularly on workers in the supply chain, the current situation requires all parties involved to work in a spirit of mutual understanding and partnership and close communication and flexibility. The COVID-19 crisis can only be overcome together. Simultaneously, the current situation underlines what must apply now more than ever and in particular for the upcoming future: Fair and cooperative relationships between buyers and suppliers form the basis for stable global supply chains. Against this background, the guidelines outlined here will be further developed by members of the Textile Partnership to cover actions beyond the crisis situation's immediate time frame.

HOMEOFFICE

During the lockdown, the staff in Köngen completely moved their activities to the home office. Only the management was on site and made sure that motivation remained high and communication continued.



CUSTOMERS WERE KEPT UP TO DATE

The retailers were regularly informed about the delivery situation, adjustments in the supply of goods and longer payment terms via newsletters and letters.



COLLECTION ADAPTED

As a reaction to the worsening sales situation for retailers, we have adjusted the collection for the next order round and increased the number of successful all-season models to give our customers security and to minimise the risk of cancellations. At the same time, we are focusing on attractive innovations that will create new incentives for consumers to buy.



SUPPORT ON THE WEB

We have developed and made available online training via video and POS material for our partners' webshops to support retailers.

ONLINE SALES MEETING

Given travel and contact restrictions, the bi-annual sales meeting of Maier Sports and Gonso has taken place virtually. And we received enthusiastic feedback.





GONSO profitiert vom Fahrrad-Boom

THE SITUATION

*We build long-term relationships with
our production partners.*



The international clothing industry has been in a state of transition – literally – for many years. Production sites are being relocated from country to country, with destinations determined by the lowest wages. These low wages generally go hand in hand with poor social standards.

Organisations such as the International Labour Organisation, Amnesty International and the Clean Clothes Campaign consistently denounce inadequate practices. In response to this justified criticism, responsible companies are assuming their social responsibility by campaigning for fair working conditions and social standards in these critical countries.

Maier Sports and GONSO manufacture their products at their own subsidiary production plant in Turkey. Maier Sports GmbH has joint ventures with plants in China which allows it to influence decisions made by these local companies and their suppliers. A small proportion of the production is also sourced from companies in India and Bangladesh.

Maier Sports and GONSO place great emphasis on building long-term relationships with their production partners. The clothing industry may act as a liaison to fair working practices to these emerging nations, and in many cases is helping to drive industrialisation further.

Other sectors tend to follow the example set by the clothing industry and build their production facilities there. This is precisely why it is so important for manufacturing companies to accept their



responsibility and push the implementation of basic social requirements.

FAIR WEAR FOUNDATION

The Netherlands-based Fair Wear Foundation (FWF) is a multi-stakeholder initiative representing different business and textile associations, trade unions and non-governmental organisations (NGOs). It was founded 20 years ago and has since then trained more than 5000 factory workers on their rights and made significant impact on their working conditions. The team has now grown to more than 75 employees in 13 countries.

The FWF now has more than 80 companies with more than 140 brands. The organisation is active in 13 countries rated critical in Asia, Africa and Europe: Bangladesh, Bulgaria, China, India, Indonesia, North Macedonia, Myanmar, Romania, Tunisia, Turkey and Vietnam.

It pursues the aim of improving working conditions in clothing production and the entire supply chain and promoting collective social responsibility. Companies that join the FWF pledge to implement and monitor social standards – the foundations for humane working conditions – in their manufacturing companies.

In addition to carrying out audits at manufacturing companies, the FWF also conducts regular inspections at its member companies.

FWF's social standards are based on the ILO's core labour standards and the United Nations Declara-

tion of Human Rights. In the event of any discrepancy or contradiction between the FWF standards and local legislation, the stricter requirements apply.

The social standards and the requirements for their implementation are recorded in the "FWF Working Guidelines", the Code of Labour Practices. Members of the FWF agree to this Code and to the FWF monitoring their compliance.



FWF WORKING GUIDELINES:

- The brands are responsible for the production sites and suppliers they use.
- The working standards are based on the widely accepted ILO Conventions and the United Nations Universal Declaration of Human Rights.
- The implementation of the Code is viewed as a process that can take several months or even years.
- Local stakeholders are involved in audits and corrective actions.
- The FWF members' implementation of the Code is monitored independently.
- Managers and employees are involved in corrective actions.
- The site's managers must be present during the audit.
- The audit team must be allowed access to the site and all other important facilities.

Audits are carried out by local FWF-trained audit teams in the production country. These teams are an integral part of the system for monitoring social standards.

Meaning:

- Easier communication.

- Greater trust compared to people from outside the country.
- Consideration of specific regional and cultural factors.

An audit team generally consists of three inspectors:

- a document auditor
- a health and safety auditor
- an inspector for employee interviews

FWF AUDIT PROCESS:

An audit takes around one and a half to two days to complete. The following discussions and analyses take place during the audit:

- with managers and their employees
- with various workers at the site; some discussions usually take place outside the company
- monitoring of company records, working hours, social security contributions and employee documents
- assessment of occupational health and safety provisions





Before the audit team sends its report, it discusses the results of the audit with the management of the audited site. If the working conditions at the site do not meet the social standards, the team records recommended improvements in a Corrective Action Plan, or CAP for short. These recommendations are also discussed with the site. The Fair Wear Foundation's audit report is then sent to Maier Sports or GONSO and the brands forward it to the production plant.

After the audit, an agreement covering the required improvements is drawn up between the site and Maier Sports and GONSO. This defines a time frame for the implementation of the Corrective Action Plan. The implementation of these actions is checked during a follow-up visit by the Fair Wear Foundation or a repeat audit.

As an independent monitoring body, the Fair Wear Foundation assesses the effectiveness of the actions taken by member companies to comply with the mandatory social standards and identifies areas for further development.

These audits are part of a continuous improvement process for working conditions, backed up by active support from the Fair Wear Foundation. Maier Sports and GONSO require all suppliers to adhere to the Fair Wear Foundation's social standards. These standards are communicated to all sites.

In many cases, workers have very little knowledge of their rights and obligations. To address this situation, the FWF has developed a Worker Education Programme (WEP). A neutral grievance system gives workers access to competent local representatives who can be contacted in the event of any problems.



WORKPLACE EDUCATION PROGRAM (WEP)

The FWF offers companies the WEP as an additional instrument, independent of any auditing and corrective actions, to improve cooperation between company employees by encouraging open communication.

The basic training course is based on the FWF Code of Labour Practices. It also aims to show how to deal with problematic situations. This one-day training course can be extended, if needed, to be able to train all company employees.

- The FWF offers a number of additional modules built on this basic training course.
- This includes courses on how to improve communication between management and employees.
- Another module deals with preventing violence against women.
- There is also a course that focuses on imparting technical and social skills to enable employees to advance to a supervisor position.
- As part of the WEP, the FWF also provides a training course for companies to show them what is important when working for international brands.



MAIER SPORTS GMBH'S STRATEGY

Optimised schedules for a more even utilisation of capacity and reliable planning in production, therefore reducing overtime during production peaks and securing jobs.

Occasional conflicts of interest between procurement and CSR, which need to be resolved, revolve around:

On one hand:

- timely deliveries
- competitive prices
- high-quality products

On the other hand:

- compliance with social aspects
- avoiding or reducing overtime
- payment of a living wage

PRODUCTION CYCLE

Maier Sport's and GONSO's production plan is based on a clear schedule that is transparent for all stakeholders. Both brands work on two main collections each year with seasonal repeat orders, as well as variable additional production orders.

In 2020, Maier Sports decided to relax this strict schedule a bit by pushing the Spring/Summer 2021 product line back a couple of weeks to concentrate on a narrower date for release. This was done to give our production plants more time to return to active production after the lockdown and to give retailers more time to place their orders in light of their experiences during lockdown. Pushing back the release date also helped to put our clothes on store shelves closer to the actual season they're designed for.

The production cycle starts with planning the relevant collection by creating the master plan. Once the collection has been developed, prototypes are produced for each model. Sample collections for the sales teams must be produced at the start of the sales season.

At the end of the order season, orders are placed for mass production. The technical and cutting departments are closely involved in this process. Textile and cutting technicians apply their know-how to review cutting and processing techniques for the samples and assist with the preparation for production.

The technical department in Köngen is in constant contact with producers and conduct regular site visits to support production and monitor timely return shipments. Due to social distancing rules and travel restrictions during the COVID-19 pandemic, we had to forego many of these visits and rely more on digital communication instead. Transporting goods from Asia to Germany by ship and the follow-up time in our main warehouse takes about eight weeks.

To improve our CO₂ footprint, we are trying to increase the amount of goods sent by train from China to Germany. Thanks to our strategic planning, we have managed to expand this transport route by more than 30 % within one year.

Goods produced in Turkey arrive within a week via HGV. The production cycle ends with the arrival of the finished goods at the warehouse and an incoming goods inspection by Quality Assurance.

Maier Sports and GONSO have revised their planning and order processes allowing orders to be placed to the manufacturing plants earlier. This change reduces the pressure of time constraints, and increases the efficiency of time management.

New challenges are increasingly leading to longer delivery times for vendor parts such as zippers and fabrics and must be included in the production planning.

WORK PLAN AND SOCIAL REPORT

The FWF work plan is the foundation for the coming business year and sets out the strategy for monitoring social guidelines. The FWF also uses the work plan as the basis of its Brand Performance Check and for scheduling audits over the year ahead. The Social Report is drawn up for the previous year. It shows the developments and progress made by implementing the working guidelines (CoLP) the year before.

ORGANISATION OF PRODUCTION

In liaison with technical management, product and logistics management is responsible for ensuring that the production sites comply with the standards defined in the Fair Wear Foundation's Code and the Maier Sports and GONSO Code of Conduct. As part of this process, a Maier Sports or GONSO employee makes regular site visits during the production period at least once a month. Orders are placed according to technical requirements and the capacities of the individual joint venture operations, influenced primarily by the following four key criteria:

1. quality
2. compliance with social standards
3. timelines of deliveries
4. price

An order is placed only if all of these four criteria meet the requirements and lie within the target corridor. It is important to point out that the best price is not the decisive criterion. Equal emphasis is placed on compliance with social standards, quality and timely delivery.

OUR OWN PRODUCTION PLANTS

The procurement strategy is designed to allow local purchases of supplies and raw materials in each production country. Production sites are, therefore, located in countries and regions where the raw materials and preliminary products can be sourced. This avoids complex and lengthy transportation, which in turn helps to save resources and protect the environment.

SELECTION OF NEW PRODUCTION SITES

Maier Sports and GONSO products are sewn and produced at facilities in which Maier Sports GmbH holds a stake. New production facilities are selected only after extensive personal assessment and evaluation by management.

When a new production site is considered for a contractual relationship, the Fair Wear officer from Maier Sports and GONSO monitors the implementation and compliance of their Code of Conduct as well as the Fair Wear Foundation's Code of Labour Practices. The company must promise to allow the monitoring of socially acceptable working and safety conditions at any time and to immediately implement corrective actions in the event of any grievances or identified transgressions. Orders are placed according to technical requirements and the capacities of the individual sites.



FAIR WEAR FOUNDATION TRANSPARENCY POLICY 2019

Maier Sports GmbH has signed the Fair Wear Foundation's Confidentiality and disclosure Agreement, as have the other two SSO members.

All Maier Sports production sites have signed the FWF Transparency Agreement.

- Turkish and Chinese production sites are not published on the FWF website for political reasons. The data is made available to local stakeholder organisations.

TURKEY

The company in Turkey was founded March 17 1989 by the predecessor of Maier Sports GmbH, Imanuel Maier GmbH & Co. KG, under the management of Gerhard Wilhelm Maier.

The production site is a wholly owned subsidiary of Maier Sports GmbH. The production company, prod. no. 3231, celebrated its 25th anniversary in 2014 – and will be celebrating its 30th on 19 December 2019. Sebastian Schwanhäuß, CEO of Schwan Stabilo Group, together with Simone Mayer, CEO of Maier Sports GmbH for Product and Logistics, will be on site at this festive occasion. During the ceremony, long-serving employees celebrating special anniversaries will also be honoured.

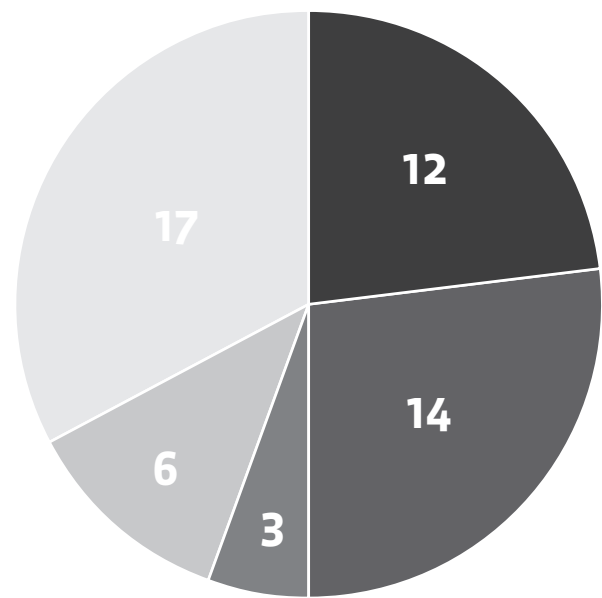
EMPLOYEES’ LENGTH OF SERVICE

Some employees have been at the company since it was founded. Others have been honoured for their 25-year loyalty. Many employees have been at the company for more than 20 years. We frequently get to hear that the majority of the workforce sees the company as a kind of family, many working there until retirement.

The audit carried out in 2018 confirmed that the management’s decision after a previous audit to let staff choose one representative from the Sewing section and one from the Cutting section to regularly take part in meetings with the management every month was being observed.

These meetings allow the representatives to raise and discuss employees’ concerns with the management. The audit confirmed that the meetings take place every two months and are documented.

Production site 3231, total of 46 employees



- 21-30 years: 12 persons
- 16-20 years: 14 persons
- 11-15 years: 3 persons
- 6-10 years: 6 persons
- 0-5 years: 17 persons



CHINA

In China, Maier Sports GmbH has joint venture companies, which it set up with a Chinese partner and has continuously expanded since then.

- First joint venture in 2000, prod. no. 8552
- Second joint venture in 2006, prod. no. 0142

Maier Sports plans to continue developing this long-term strategy in the future. As part of this approach, Maier Sports focuses on building continuous relationships with its partners rather than relocating operations to different countries in pursuit of potentially lower production costs.

EMPLOYEES' LENGTH OF SERVICE

In China, employees tend to change their workplace more often, especially in the period after the Chinese New Year. As the figures show, an above-average number of employees at our joint venture companies have been working for the company for more than five years.

A reliable indicator of high employee satisfaction at a production site is the number of them who return to the companies after the Chinese New Year.

LONG-TERM WORK RELATIONSHIPS

Long-term relationships give partners solid foundations for planning and allow a stable utilisation of capacity. Maier Sports is, therefore, creating secure employment at its production sites. A further aim of these long-term partnerships is to guarantee high quality standards of the Maier Sports and GONSO brands. The same applies to timely and reliable deliveries of goods.

Another challenge for the production sites in China is finding new employees. The one-child policy from



the past has led to parents pursuing a continually higher level of education for their children and investing in their education so they can "have it better than they did". This has made it more difficult to find an adequate amount of low skilled workers in the region. More and more companies in China

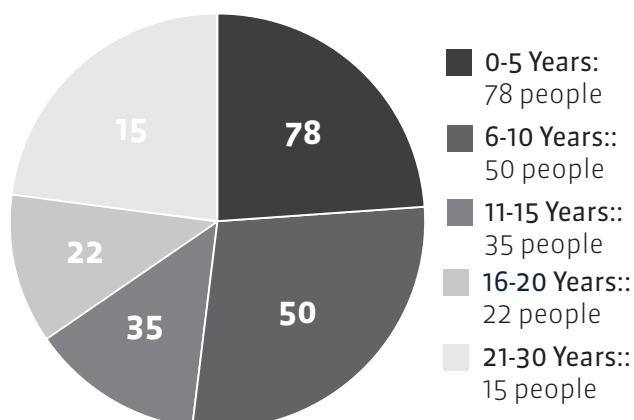


20 YEARS NORDTEX

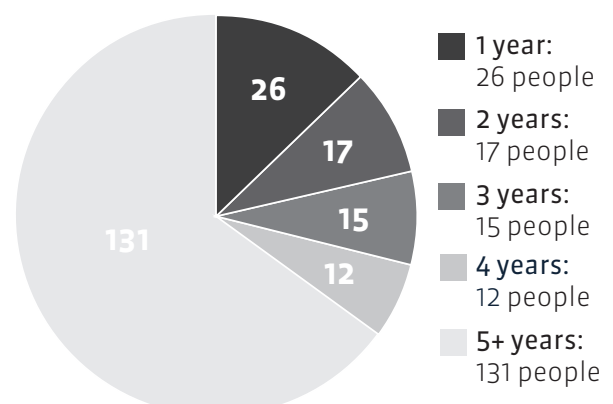
The New Year's party took place on 17.01.2020. At this party, the company and its employees also celebrated its 20th anniversary.

Here, the employees who have worked for the company for many years were honoured.

Production site 8552,
total of 200 employees



Production site 0142,
total of 201 employees



are also using the Internet to find new employees.

CONTINUOUS UTILISATION OF CAPACITY

A comprehensive range of “never out of stock products” (NOS) was set up to help achieve the objective of having continuous utilisation of capacity. NOS items are products that are always available. This allows suppliers to plan even more utilisation of capacity and alleviate seasonal variations.

NOS helps to reduce production peaks in the high season while making better use of capacity in quieter months. An additional factor that contributes to a continuous utilisation of capacity is the “ski deferred scheduling”, which schedules production and delivery dates for a significant time after the peak season. The Maier Sports Sales department was able to convince a major customer to place their orders earlier, which pushed the corresponding production date forward significantly. These items can now be produced during the low season, thus relieving peak season production at the sites.

SUSTAINABILITY / UTILISATION OF CAPACITY IN THE LOW SEASON

Surplus remnants and fabrics are used to sew useful items. These orders are referred to internally as “cutups”. It means that we make the most of every piece. This work is carried out in the low season in order to ensure a more consistent utilisation of capacity at the production sites.

GUIDELINES: IMPLEMENTATION AND MONITORING OF THEIR COMPLIANCE

All garment manufacturers who produce clothing for Maier Sports and GONSO have been fully informed of



Maier Sports GmbH’s membership of the Fair Wear Foundation and what this membership means for them as our partners. We make sure that our production companies are aware of the obligations they are committing to in relation to quality, price and delivery dates as well as in terms of social standards, health and safety provisions, ban on child labour, employment contracts, wages, etc. We ensure that the principles of the Fair Wear Foundation’s Code of Labour Practices are clearly visible and displayed in the relevant national language for consultation by all employees.

In addition to the FWF audits, BSCI audits are also carried out independently by the production sites. There are customers who stipulate that the production sites have to present a BSCI audit before production begins. The BSCI is a business-driven platform for improving social standards in a global value chain. It offers companies a systematic monitoring and qualification system to improve working conditions.

The FWF recognises BSCI audits for a period of one year if the BSCI audit report achieves a certain quality and the FWF members carry out the Corrective Action Plan (CAP). The recognition of the BSCI audit by the FWF is based on an audit conducted by the member in accordance with an audit quality assessment tool.

GRIEVANCE SYSTEM

In order to improve the implementation of a grievance system in China, a local person was made the FWF and BSCI representative. She is the contact person for all companies that produce goods for the Maier Sports Group. She is responsible for monitoring compliance with the measures. She also offers active assistance if any problems arise. We hope that this creates stronger mutual trust – based on the principle that both sides are very open about any problems that may arise. There are also suggestion/grievance boxes for those who wish to remain anonymous. Moreover, the “FWF Worker Information Sheet” is displayed in every company and includes FWF contact data where employees can submit their grievances.

Raising a grievance with the FWF must always be the very last step. The emphasis must, therefore, be on effective internal communication and a reliable internal grievance system. Furthermore, the FWF's Code of Labour Practices provides information on the possibility of turning to an independent body in order to voice grievances. This independent body then assesses the grievance and forwards it to the FWF headquarters, which in turn informs Maier Sports. Maier Sports takes grievances very seriously and is always interested in quickly solving the issues criticised. Maier Sports also speaks very openly with the relevant suppliers and works together with them towards a suitable solution.

In the first half of 2020, we received two complaints from our Chinese joint venture operations via FWF.

Complaint 1

The production facility concerned had been closed due to the COVID-19 crisis after the Chinese New Year and resumed operations on 19 February. The complainant stated that he would not be able to return to the plant until early March 2020 for personal reasons. Nevertheless, the company had deducted the full amount of social security fees for February from his wage payment for March 2020. After Maier Sports received this complaint from the FWF, the factory management was immediately confronted with the allegations. Their response revealed that there had been a misunderstanding. In April 2020, according to the complainant, he contacted the human resources department to discuss the problem. He was refunded close to the full amount of the social security fees that had been wrongly deducted, with which the employee was satisfied.

Complaint 2

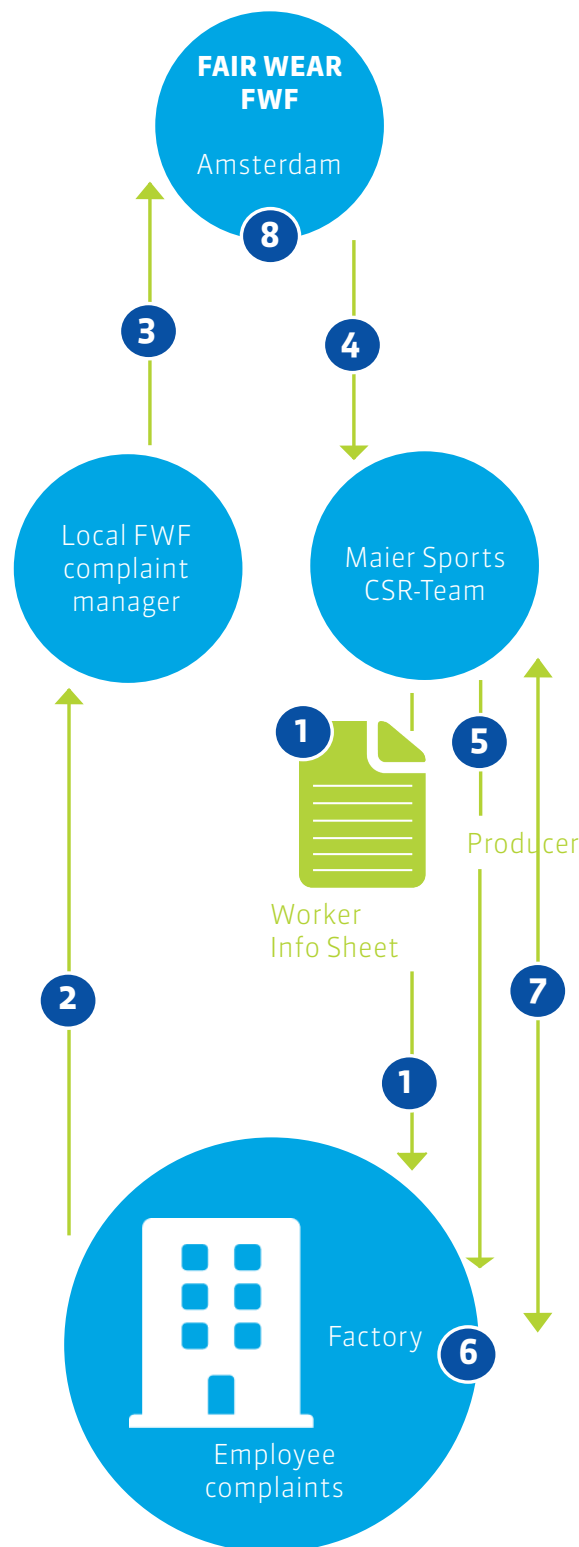
The complainant started work at the production site on 24 February 2020 although an employment contract had not been concluded between the two parties. For personal reasons, he verbally requested dismissal on 20 April 2020. According to the complainant, his supervisor informed him that employees had to give one month's notice and submit a letter of resignation. He would therefore have to work at the factory for an additional month. As the complainant did not want to stay in the factory for another month, he resigned without notice on his own initiative. The salary for the period from 1 to 21 April 2020 was not immediately paid to the employee by the factory. The FWF forwarded this complaint to Maier Sports, which immediately took the initiative and informed the factory management about the complaint. The reply from the factory revealed that the

salary for the period from 1 to 20 April 2020 had not been paid immediately after the termination, as it was the company's practice to pay all wages at the end of the next month, in this case at the end of May. As it turned out, the management lacked the knowledge that salary must be paid immediately upon termination of employment. The complainant received his salary payment in May.

Nevertheless, FWF recommended that Maier Sports contact the responsible persons to clarify the following for the future:

1. When employees resign, outstanding salaries should be paid immediately.
2. All employees should receive a copy of their signed employment contract within one month.





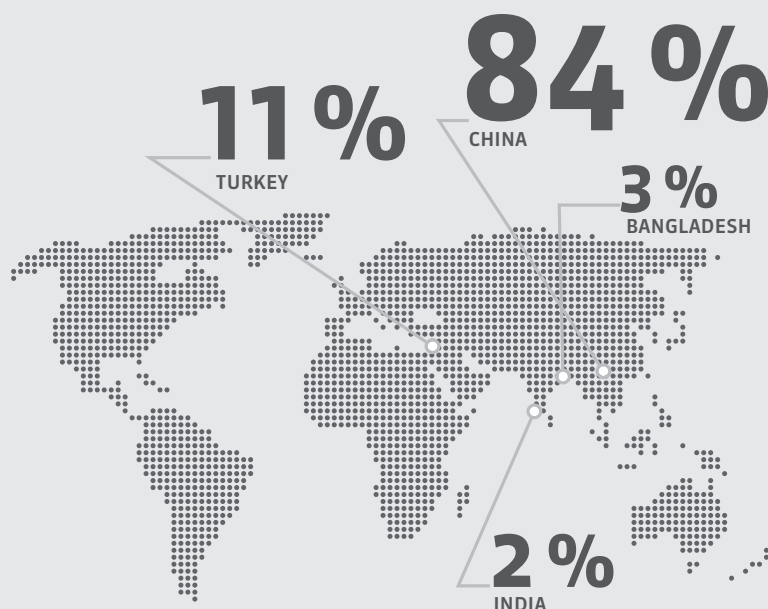
1. The grievance system is implemented through the FWF “Worker Info Sheet”
2. The employee submits a complaint
3. The local FWF complaint manager reviews the details of the complaint
4. FWF Amsterdam informs Maier Sports about the complaint
5. Maier Sports forwards the complaint to the producer
6. The producer provides feedback regarding the complaint, develops a timetable and an action plan
7. Develop a solution for the complaint
8. Verification of the response by FWF

PRODUCTION SITES

Procurement of our textiles is distributed as follows between sites in Turkey, China, India and Bangladesh.

PRODUCTION SITES / AUDIT PROCEDURE

More than 80% of the production sites take part of the audit procedure of FWF and BSCI



INDIA

Maier Sports works with a supplier in India who is currently BSCI audited. In March 2021, we plan to hold a WEP Basic Training for employees in order to counteract the widespread problem of harassment of women in the workplace in India and to ensure that every employee – regardless of gender – is treated with respect.

SITUATION IN THE COUNTRY

The textile and apparel industry is the third-largest employer in India, employing about 45 million people nationwide. As the world's second-largest exporter of apparel and cotton, the Indian textile and apparel industry plays an essential role in the country's economic growth and future.

Due to high demand throughout the garment industry, factories are under tremendous pressure to produce more and more goods in the shortest possible time. Workers are forced to work long hours - often unpaid. Informal employment agreements are also prevalent, especially for seasonal and migrant workers. Workers are often discouraged from joining trade unions - giving them little opportunity to improve their situation or pay levels.

Fair Wear has been active in India since 2003. Currently, there are 40 Fair Wear member brands in the country, which stem from more than 160 factories. Since 2013, Fair Wear has been training factory management and workers through its Workplace Education Programme.



BANGLADESH

In 2017, Maier Sports began a co-operation with a new production partner in Bangladesh. The company was selected as a result of a personal visit by Maier Sports GmbH's management. The company is BSCI-audited and was subject to an assessment by the Alliance for Bangladesh Worker Safety on Fire and Building Safety, which regulates fire protection, building security and electricity at the workplace. This accord is a result of the disastrous fires and accidents that have occurred within the country's textile industry in the last few years.

SITUATION IN THE COUNTRY

In May 2019, the Supreme Court of Bangladesh decided to end all activities of the international Accord and to close their offices.

After the Rana Plaza catastrophe in April 2013, 220 international fashion groups joined forces and signed an agreement that was to provide more safety in the factories in the following years. This "interference" had long been a thorn in the Bangladeshi government's side and so it went to court.

However, the work of the Accord was to continue in a new format. The initiative together with the Bangladeshi garment association BGMEA presented a memorandum of understanding that was accepted by the government. A new national body will be created, the RMG (Ready Made Garment) Sustainability Council (RSC), that after a transition period of 281 working days (as of 19 May 2019) will take over the activities of the Accord.

The RSC will consist of representatives from the BGMEA, global brands as well as national and international unions and work together with the Govern-



ment of Bangladesh. Accord will train the BGMEA representatives intensively to acquaint them with the everyday operations (inspections, security training, complaint management and reporting), protocols and data management.

TRADE UNIONS

The IndustriAll and Uni-Global trade unions state: "The memorandum of understanding ensures that the functions and procedures of the Accord model and the voice of unions in policy and governance will be preserved with the establishment of the RMG Sustainability Council."

<http://bangladeshaccord.org/>

TURKEY

Production Site Number 3231

In Turkey, our production partner has been included in the Fair Wear Foundation's audit procedure since 2011. This company is a wholly-owned subsidiary of Maier Sports GmbH. An FWF verification audit was carried out in May 2018.

The civil war in Syria and the resulting large numbers of refugees entering Turkey have led to increased illegal employment of Syrian refugees. Often without social insurance and working at starvation wages. Our company regularly takes part in FWF events in Istanbul to be trained on this issue.

One of the general challenges in Turkey is the social insurance system, which, although comparable to the German system, is not always applied with the same consistency. So, there is still progress to be made in the areas of freedom of association, wages, working hours and in particular occupational safety.

SITUATION IN THE COUNTRY

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TRADE UNIONS

Employees at our Turkish subsidiary company and at the small owner and family-run supplier companies in Turkey do not have trade union representation. The FWF auditors were informed that communication between the employees and management

was good. The workers are not interested in joining a trade union so that their rights can be represented. Trade unions are considered "government-heavy". Moreover, the government has imposed a number of restrictions on the unions.

Although there is no active trade union in the factory, there are two elected worker representatives who are in regular contact with the management.

LIVING WAGE

The implementation of living wages is not an easy undertaking that can be achieved overnight. Our production site has started to examine their employees' real living expenses in order to assess the actual need. They are using a questionnaire to do so.

Our company is working very closely with FWF to test the "Labour Minute Costing Tool", a calculator that determines the cost of one minute of labour. The test was initially planned for the summer of 2019 but was unfortunately postponed by FWF until the end of 2019.

When the time came, a FWF employee tested the "Labour Minute Costing Tool" in practice at the company. It became apparent that the subcontractors were not included in the tool. These findings were taken up at the workshop on the Labour Minute Value Costing Tool held in Istanbul a week later. Further cooperation with the FWF on this tool was further planned for 2020.





CHINA

China remains the world's top exporter of garment products and the largest producing country for Fair Wear member brands. Leading production sites are the Pearl River Delta, Zhejiang, Jiangsu, Anhui and Fujian. Labour costs have increased in recent years. So have China's garment exports to the EU and the USA. This means that the garment industry continues to be of crucial importance for the Chinese economy.

LABOUR ISSUES IN CHINA'S GARMENT INDUSTRY

While recent audits show improvements in issues such as documentation and health and safety across China, the country's garment industry still faces many challenges. High-pressure work with short lead times is common throughout the industry, and most factories still pay well below the local legal minimum wage. Excessive overtime and underpayment of overtime pay are also common. This is because most factories pay workers on a piece-rate system that does not take overtime into account. While workers' awareness of social security has increased, access to the social security system remains inadequate. Many workers are reluctant to even register with the system when available because they do not trust the government to return their benefits to them in due time. Another frequently reported problem is that there is no effective mechanism for workers to voice their grievances.

Recently, most garment factories have reduced production due to decreasing orders and labour shortages as the younger generation becomes less interested in factory jobs and is turning to other professions. This has led to some factories to relocate to the interior of the country, where they can still find workers. Maier Sports has not taken this step. Maier Sports GmbH has joint ventures with factories in China that have been producing for the Maier Sports and GONSO brands for many years. Both production plants are currently being audited by the FWF.

Production site number 8552 has been part of the Fair Wear Foundation audit procedure since 2011. An FWF audit took place in June 2018. In addition, a WEP training by the FWF was scheduled for August 2019. Furthermore, two employees attended the "Living Wage China" seminar in October 2019, where the "Labour Minute Costing Tool" was presented.

Production site number 0142 has been subject to the Fair Wear Foundation's audit procedure since 2013, whereby a verification audit was carried out in 2016. In August 2019 the FWF follow-up audit took place. In addition, another FWF WEP was carried out in September 2019.

Production site number 3242 has been undergoing the Fair Wear Foundation audit process since 2019, after previously undergoing BSCI audits. An audit took place in June 2019 and a WEP training in July. The management and employees learned a lot from these two events.

As a result, the three main suppliers of Maier Sports GmbH each received FWF WEP training in 2019.

During the 2019 reporting year, each plant was regularly visited by one of our six technicians to train the staff in the Chinese partner sites in quality assurance and support them in all production-related processes. One of our joint venture companies produces initial patterns and production patterns.

In 2019, a comprehensive update of the cutting programme was carried out; this included a 3D cutting application and was accompanied by an external training course. The aim of these measures was to optimise the pattern cutting in order to streamline work processes and reduce overtime during peak periods.

Our production site 8552 relocated to new factory premises after the Chinese New Year in 2015. The factory installed charging stations for the employees' electric motorbikes. There, all employees have the possibility to charge their vehicles' batteries free of charge during working hours. Around 60 % of the employees come to work on e-scooters.



FAIR WEAR FOUNDATION STANDARDS

Eight fundamental and clearly defined requirements form the core of the FWF audits.

This following section provides a broad overview of the current situation and general problems relating to the eight fundamental points of the Code of Labour Practices (also referred to as working guidelines) stipulated by the Fair Wear Foundation:

The agreement with the Fair Wear Foundation specifies that all discrepancies and transgressions identified as well as all actions implemented in compliance with the Fair Wear Foundations' Code of Labour Practices (CoLP) must be documented.



1 Employment is freely chosen

1. EMPLOYMENT IS FREELY CHOSEN

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

- No violations of the provisions on compulsory labour were identified during the audits.



2 Freedom of association and the right to collective bargaining

2. 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).

- Once again, we can only point out that freedom of association exists and management continues to ensure this.
- Employees in many countries are not interested in trade unions as they are under state influence. China and Turkey are prime examples.
- It is necessary to keep pointing out other options where social dialogue can take place and workers can organise.

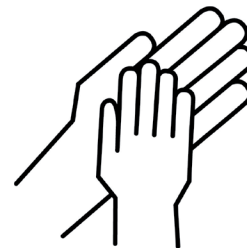


3 No discrimination in employment

3. 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 violations of the provisions on abuse or discrimination were identified during the audits.
- The audits of the joint venture companies showed that wages for men and women are equal and there is no discrimination on the basis of gender.



4 No exploitation of child labour

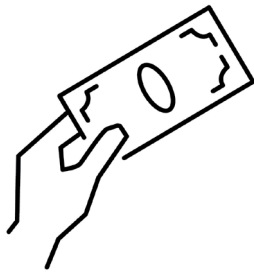
4. NO EXPLOITATION OF CHILD LABOUR

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.

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5 Payment of a living wage

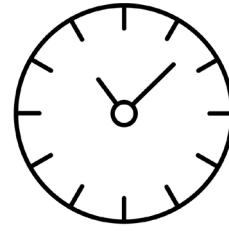
5. PAYMENT OF A “LIVING WAGE”

Wages and benefits paid for a maximum working week of six days 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 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.

- Wages for normal working hours are above the local minimum wage but below the amount viewed as a living wage by the stakeholders consulted by the FWF.
- The implementation of living wages is not an easy undertaking that can be achieved overnight.

The audits of the joint venture companies showed that the company makes the following additional contributions:

- Two free meals
- Gratuity on bank holidays and International Women’s Day according to the law and national custom



6 Reasonable hours of work

6. REASONABLE HOURS OF WORK

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).

- The challenge for Maier Sports GmbH in the future will be to reduce overtime and ensure full payment of employees’ social security (social security coverage).





7 Safe and healthy working conditions

7. 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.

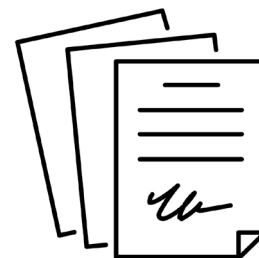
Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for.

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.

- Health and Safety Management System – legal basis in Turkey
- According to Turkish labour law, textile companies are obliged to enter into a contract with an external professional. The textile industry is rated a “low-risk sector”.
- Since 2012, production plant 3231 has had a contract with an “occupational health and safety expert”, who is responsible for monitoring the company. Everything that affects the employees’ occupational health and safety is recorded in writing and followed up on. A meeting takes place every three months at company headquarters, attended by management and the occupational health and safety officer to discuss planning. That includes drills for first aid, putting out a blaze, emergency and fire exits, etc.
- Every site faces the challenge of making their employees actually wear the appropriate protective gear.
- One prime example are the safety gloves in the cutting section. Every site has these gloves,

but they are rarely used as the safety gloves restrict the dexterity of the fingers. Fortunately, the fit of the safety gloves has now been improved. A prefabricated piece of plastic is slipped over the gloves to create a firm fit that makes it much easier to work with the gloves on. The employees now actually wear them and do so quite often.



8 A legally binding employment relationship

8. LEGALLY BINDING EMPLOYMENT RELATIONSHIP

Employment relationships must be legally binding and all obligations to employees under labour or social security laws and regulations must be observed.

- In relation to obligatory labour and social security laws and regulations, we have to rely on the FWF's experts and their audits as this is difficult or impossible for outsiders to verify.

INTEGRATION OF SUBCONTRACTORS AND SUPPLIERS

Maier Sports and GONSO aim to have long-term, strategic partnerships.

In situations where additional subcontractors are enlisted to support our own production sites, our local partner companies are responsible for selecting these co-operation companies. They are obliged to only appoint companies that operate according to the Maier Sports GmbH standards as set out in the Code of Conduct and the Fair Wear Foundation's Code of Labour Practice. This is confirmed by their signature on the agreement.



Our local partner companies are responsible for monitoring the subcontractors. The Maier Sports GmbH technicians also visit the subcontractors regularly, as well as providing technical assistance. Our technicians support subcontractors with the implementation of social standards. New subcontractors can only be appointed after Maier Sports GmbH employees have visited and thoroughly inspected them.

We are specifically interested in establishing long-term relationships of trust with our suppliers and subcontractors. Maier Sports and GONSO are convinced that continuous exchanges of experience and know-how are essential to ensure high-quality products and workmanship.

COMMUNICATING OUR MEMBERSHIP OF THE FAIR WEAR FOUNDATION

We want people to know what the combined forces of the FWF and Maier Sports GmbH can do.

Maier Sports and GONSO view their membership of the Fair Wear Foundation as a pertinent component of their corporate strategy and a reflection of their sincerity in assuming social responsibility. We actively communicate this membership and ensure that the results of the process-based audit procedures are made transparent. For this purpose, we publish our annual Social Report on the Maier Sports and GONSO websites.

We communicate our Fair Wear Foundation membership not only on our websites and social media platforms, but also in our dealer workbooks, at national and international trade fairs, during sales force training courses, in press releases and in our customer magazines. Moreover, the FWF is an important topic at our Maier Sports Academy, which provides specialist and sales-relevant training and development to sales staff in sports retail. After all, our FWF membership is an important selling point for customers.

This is why we also refer to our FWF membership and its significance in Europe's biggest training competition for retail staff, the VDS Super Cup organised by the Verband Deutscher Sportfachhandel (Association of German Sports Retailers).

The groups of students who regularly visit the company are also given information about the Fair Wear Foundation. We run internal training courses to inform our employees of our co-operation with the Fair Wear Foundation and explain



the consequences in terms of compliance with social standards.

Moreover, at weekly coordination meetings between the headquarters and production partners, employees are also updated on the current situation, ongoing processes and any new developments in relation to the Fair Wear Foundation.

By actively using a number of different channels, we are able to give our employees, sales partners and consumers an insight into Maier Sports' and GONSO'S efforts to improve working conditions in critical production countries.

THE FUTURE REQUIRES SUSTAINABILITY

*At Maier Sports Corporate Social Responsibility means
much more than fair working conditions.*



for more information visit
www.maier-sports.com/garantie

BETTER FOR PEOPLE AND NATURE

As part of our Mission Clean Function, we are committed to the careful use of resources. Functional clothing only fits perfectly when it not only protects outdoor enthusiasts but nature and the environment as well.



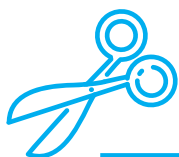
PFC-FREE

Conserving water as a resource is very important to us. As a pioneer in the field of PFC-free finishes for functional clothing, we have succeeded in banning perfluorinated and polyfluorinated chemicals (PFC) from our clothing altogether.



RECYCLING

We are increasing the use of recycled material for our pants and jackets. Used PET bottles are especially put to sensible re-use in our products. In the long term, our goal is a closed recycling loop.



WARRANTY

Long-lasting products protect our environment in the most sustainable way. That's why we focus on the best quality and offer a 5-year guarantee on materials and workmanship. We do not throw away defective products. Instead, we repair them professionally in our sewing workshop at our headquarters in Köngen.



FAIRNESS

We ensure fair treatment of our employees, producers, retailers and customers: Our Code of Conduct regulates responsible interaction. In addition, we are a member of the Fair Wear Foundation and the Textile Partnership initiated by the German Federal Government.



NEATLY PACKAGED AND RESOURCE-FRIENDLY

We are increasingly using recycled material for the production of our pants and jackets. This means that the used polyester material, which was, for example, used to make PET drink bottles, has a new, valuable use. This sensible recycling of polyester in new clothing protects the earth's natural resources and does not result in a loss of quality in our clothing. Our long-term goal is the subsequent recycling of our textiles so that the circle is closed in the end. For the S/S 2021 collection, we are switching our packaging concept to environmentally friendly, recycled raw materials. This is the first step. The long-term goal is to avoid packaging as far as possible.

HOW EXACTLY ARE WE DOING THIS?

Our recyclable polybags are made from a material that has already been recycled. With a quantity in the seven-digit range, this means a noticeable saving of raw fossil materials, i.e. petroleum. The hangers used for our hanging garments also represent a step forward in terms of sustainability. In future, we will use hangers made of 100 % recycled material. At the same time, our hangtags are made of a paper quality with a FSC Mix certification. This means that the raw material comes from sustainably managed forests. And one further step has already been taken – as of the fall/winter 2021/22 collection, we will be delivering the complete collection in lay-flat form, which is resource-saving and neatly packaged.

PAPERLESS



Paper and printer cartridge consumption was massively reduced at the company headquarters in Köngen. User behaviour was analysed, new processes initiated, digital solutions implemented, and the employees were trained to be more conscious.

The Norfolk Island conifer is the symbol of our Paperless Project





RECYCLING OLD PANTS

We have been carrying out our “pants campaign” since 2015. Customers who hand in an old pair of pants when purchasing a new pair of Maier Sports pants will be given a reward.

Depending on their condition, the old pants are either donated to charitable causes or properly recycled. The campaign is still ongoing and very popular with our customers. This too represents a small contribution towards more sustainable operations.



“ACTIVE AGAINST CHILD LABOUR”

Maier Sports vigorously rejects any kind of child labour. We express this in various ways, for instance by supporting the “Aktiv gegen Kinderarbeit” campaign. This campaign informs political, business and societal decision-makers in Germany about the contribution they can make to overcoming inhumane and exploitative child labour.

German cities, municipalities, districts and states have already been included in the campaign’s list of organisations that reject the procurement of products derived from exploitative child labour.

The list also publicises the views of well-known companies and brands in relation to child labour, and Maier Sports GmbH makes no secret of its attitude.

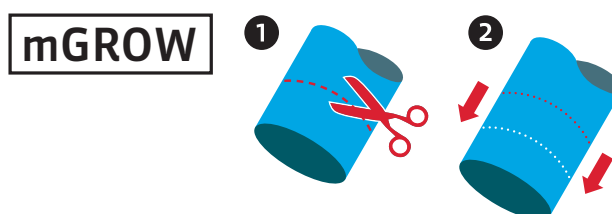
The campaign is supported throughout Germany, in particular by Eine Welt and human rights groups, Weltladen fair trade stores, local Agenda 21 offices and church groups. “Aktiv gegen Kinderarbeit” is an earthlink campaign.

For more information, visit: www.aktiv-gegen-kinderarbeit.de/firma/maier-sports/



MGROW

Behind this concept is a smart solution that makes both children and their parents happy. mGROW enables children to wear their Maier Sports clothes for longer. This is good for the environment and for wallets. With mGROW, ski suits, jackets and pants grow with the child. All you need to do is to remove a hidden seam on the lining and the pants leg or jacket sleeve, and the item may grow by four or five centimetres.



GOALS FOR 2020/2021

We will probably not be able to grasp the full impact of the COVID-19 pandemic until the end of 2021. We will have to make an enormous additional effort, especially with regard to the monitoring of social standards.

- PFC-free finishes
- Use of recycled raw materials
- Development of single-origin products
- Closed recycling loop
- Labelling of products so that they can be routed to the appropriate recycling loop

Circularity is the next great transformation of society. This not only means keeping all materials and products in a closed cycle. It also means increasing the useful life of products, offering repair solutions, and reselling products.

OUR ACTIONS ARE CHARACTERISED BY RESPECT AND APPRECIATION FOR PEOPLE AND THE ENVIRONMENT.

RECYCLED POLYAMIDE YARN FROM WASTE PRODUCTS

This yarn is made from polyamide waste such as fishing nets, fabric scraps, carpet threads and industrial plastics collected from landfills and oceans. It is then returned to its original form through regeneration and purification processes. The newly recovered polyamide is then processed into textile yarn and returned to the industry, where it can be used again. The yarn does not differ in function nor quality from conventionally produced polyamide yarns. This yarn is used in some of our cycling shorts, which are marked with the respective icon.



FAIR WEAR FOUNDATION

The concept of sustainability is firmly anchored in our thinking and actions, which is why we are a member of the Fair Wear Foundation, which works to improve social standards. This includes the goal of improving working conditions in garment manufacturing and promoting community social responsibility. Companies that join the FWF commit to implementing and monitoring social standards – the basis for decent working conditions in their manufacturing operations. The requirements of the social standards are based on the core labour standards of the ILO (International Labour Organisation). More information at: <https://www.fairwear.org>



PRIMALOFT SILVER INSULATION 70% PCR

PrimaLoft® Silver Insulation 70 % PCR is made from recycled PET bottles and offers one of the best performing eco-friendly insulations on the market. 100 % of our PrimaLoft products are made from this sustainable material.



PRODUCED IN OUR OWN PRODUCTION FACILITIES

Our garments are mainly produced in Turkey and China. The production plant in Turkey, which currently makes about 60 per cent of all garments, is a wholly owned subsidiary and was founded in 1989. In China, we work together with two joint venture companies that exclusively manufacture GONSO garments in the bike segment. This close partnership allows us to meet quality standards and will enable us to take social aspects into account.

PFC
FREI

PFC-FEE

We are a leading brand in the field of PFC-free cycling clothing and have managed to banish the majority of perfluorinated and polyfluorinated chemicals, which are hazardous to the environment, from our clothing and thus also contribute to the conservation of water resources.



FSC CERTIFIED AND RECYCLED

Our commitment to sustainability applies to everything from the packaging to the hangtags. Our polybags are made from recycled materials, and all hangtags used are FSC (Forest Stewardship Council) certified. FSC is a globally active, non-profit organisation that sets high standards for responsible, ecological and social forest management.



REPAIR SERVICE

Our in-house repair service is a conscious component of our sustainability concept. The well-trained specialists in the sewing workshop can repair almost all damaged or defective GONSO products and thus noticeably extend the useful life of the clothing.

GONSO®

SOCIAL RESPONSIBILITY AND DONATIONS

The Maier Sports and GONSO brands supported various social institutions with campaigns and donations in the 2019/2020 business year.

MAIER SPORTS: SUPPORT FOR CHILDREN WITH RARE DISEASES

Care-for-Rare Foundation is a foundation that supports children with rare diseases. Since 2015, amateur athlete Jörg Richter has been riding his bike around Europe collecting donations with high profile campaigns. Maier Sports wanted to help and equipped the devoted children's advocate with clothing for his 19-week, 8,000-kilometre fundraising tour in the summer of 2019. More than 30 years ago, on 20 November 1989, the UN adopted the Charter on the Rights of the Child. All countries in the world ratified the document - with the exception of the USA. "What has happened since then in terms of children's rights? Has it simply remained a noble declaration of intent? How does the right of the child affect the best possible medical care and the everyday life of children with rare and chronic diseases? Jörg Richter explored these questions in this year's bicycle tour for children with rare diseases.



Well-equipped with the award-winning Maier Sports pants Nil

He has dedicated his spectacular cycling tours to the "orphans of medicine", as children with rare diseases are also called, since 2015. Together with the Care-for-Rare Foundation, he wants to ensure that these children receive more attention. In the summer of 2019, he started a tour from Munich to all the capital cities of the countries bordering Germany, visiting children with rare diseases, their parents, doctors and caregivers. In doing so, he not only collected donations for the children and families affected but also ensured that the media and the public became aware of their problems and the necessary support for those affected.





GONSO bicycle pump and repair station

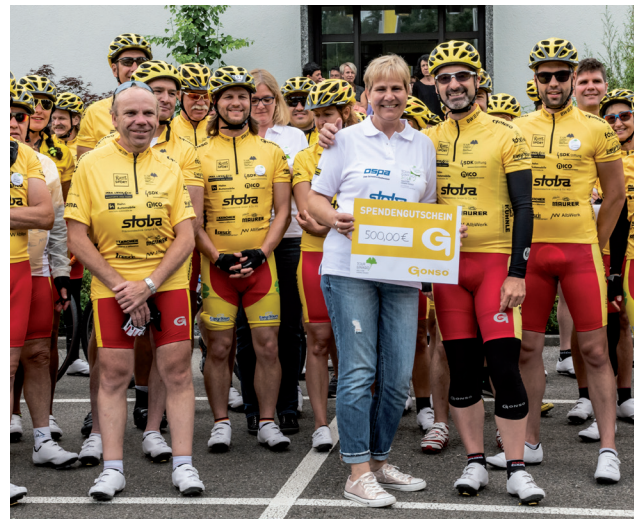
GONSO SPONSORS TWO BICYCLE PUMP AND REPAIR STATIONS FOR KÖNGEN

The cycling shorts specialist GONSO organised and sponsored two pump and repair stations for the cyclists in Köngen. The project was implemented in cooperation with the Freie Wähler (Free Voters party) of Köngen, who arranged the installation.

When it comes to sustainable mobility trends, the bicycle is the automatic focus. In order to further improve the infrastructure for cyclists in Köngen, two built-in bicycle service stations consisting of a bicycle pump and standard tools have been installed. In future, anyone who has too little air in their tyres or needs to carry out minor repairs can do so independently and at any time at one of the two public service stations.

They can be found conveniently in highly frequented locations – in a school centre and in the pedestrian zone.

The two GONSO managing directors Simone Mayer and Lothar Baisch are enthusiastic cyclists themselves and are excited about the implementation: „We hope that with this campaign we can sustainably optimise the infrastructure for cyclists in Köngen and that the topic of cycling will become even more of a priority and that cycle paths will become safer and further developed. For the future, we hope that more people will switch to cycling and leave their cars behind more often – in order to reduce the impact on the environment and to promote their own health,“ says Simone Mayer. GONSO is setting a good example: the majority of the employees and the two managing directors often cycle to work.



CAMPAIGN AKTIONFAHRRAD SCHOOLBIKE – BIKES FOR SCHOOLS

Another GONSO project is called AKTIONfahrrAD. This was launched to promote cycling in German schools. Fewer and fewer children and young people are cycling to school. Together with GONSO and other well-known partners, the alliance wants to change this situation and motivate children and young people with a variety of campaigns to return to using the bicycle as the means of transport of choice to get to school. The programme, which is designed for the long term, promotes the new generation of cyclists and provides schools with bicycles.

More information at:
<http://www.aktionfahrrad.de/>

