

THE PRINCIPLE of Sustainability

maier
sports

GONSO®

Corporate Social Responsibility (CSR)
Report 2022



THE PRINCIPLE OF SUSTAINABILITY

Sustainability is an overarching corporate goal of Maier Sports GmbH and the basis of our conscious action. Sustainability is part of our inner attitude, passion and conviction, and plays a fundamental role in all decisions we make as a company. During the decision-making process, we always take into account the possible effects on our environment, customers, partners and employees.

We see sustainability as a holistic and meaningful goal for a world worth living in. This requires a permanently high level of mindfulness and a sense of responsibility. We are aware that our decisions have long-term effects on the common wellbeing and on our living standards – especially with regard to future generations. This requires constant weighing, questioning, and searching for the best solution at any given point from an ecological, economic, and social point of view.



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RESPONSIBILITY BEGINS WITH SOLVING ECOLOGICAL QUESTIONS



Creating awareness for things that really matter. Be open to new insights. Be ready for behavior change. Take a stance and stand up for it. These are characteristics that Maier Sports stands for and that decisively influenced our thoughts and actions in the 2021/22 reporting year, as documented in this CSR report.

Looking back on this eventful year, I can say that we as a whole company have made significant progress in terms of dealing responsibly with one another and with our environment. We have succeeded in creating a new and broad basis in our thinking and, above all, in our actions. Our attitude towards social and environmental responsibility has been strengthened and deepened. We fill our CSR principle with life every day.

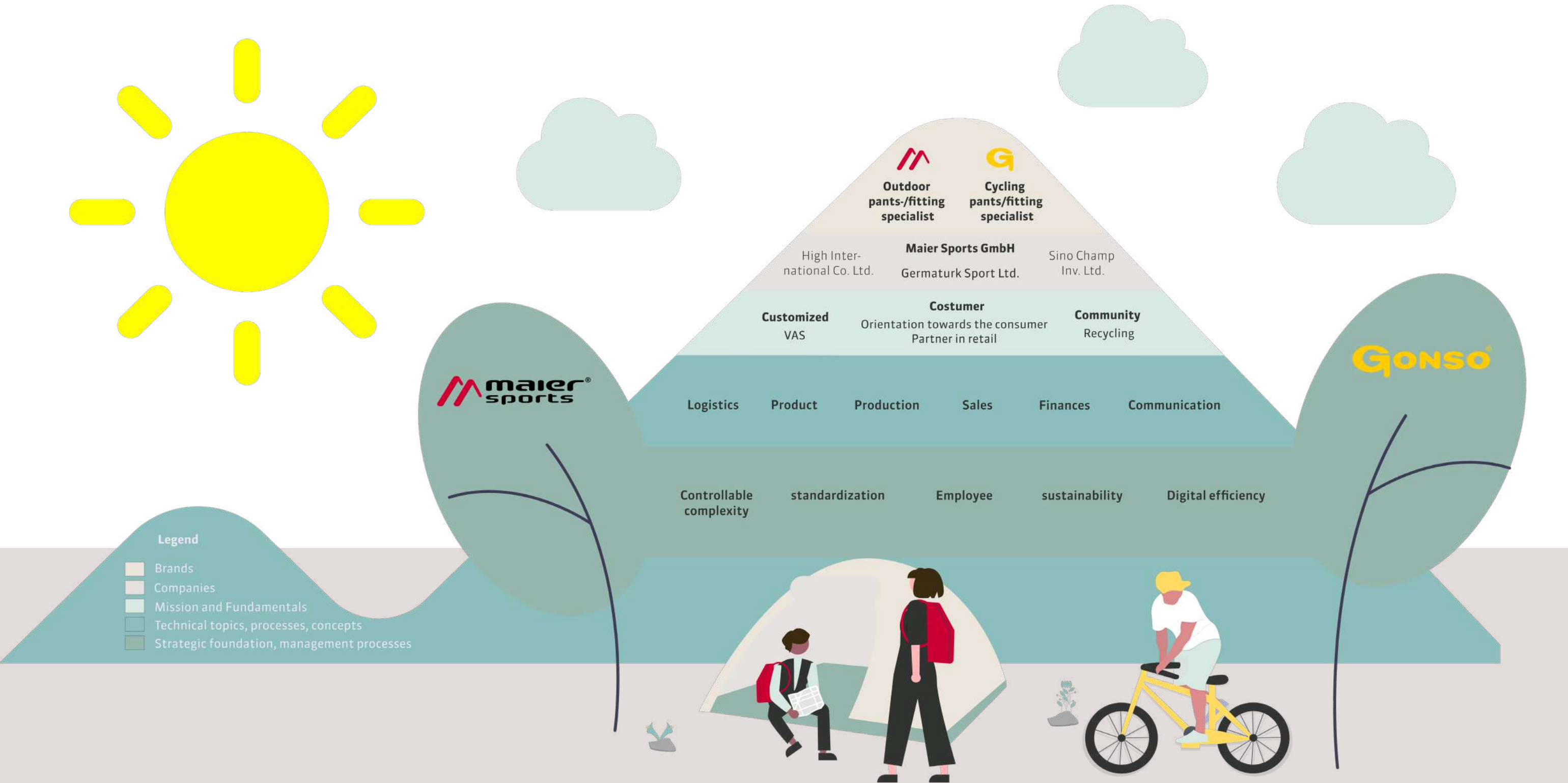
The realization that ecological issues are very closely and directly linked to social issues

has been impressively confirmed. From this we have gained the basic conviction that solving ecological issues is an indispensable prerequisite for social well-being. The need to tackle ecological issues with clear prospects for a solution is now unavoidable. We must achieve results to keep this world in a livable state.

It is important to us that we take all our employees with us at all locations, convince them of our attitude and win them over to get involved. We want to get them excited about ecological issues to actively participate in finding solutions that are good for us and our environment. This approach is reflected in a mix of measures that includes measures and campaigns that have an effect both externally and internally, directly in the company.

THE MAIER SPORTS GMBH COMPANY

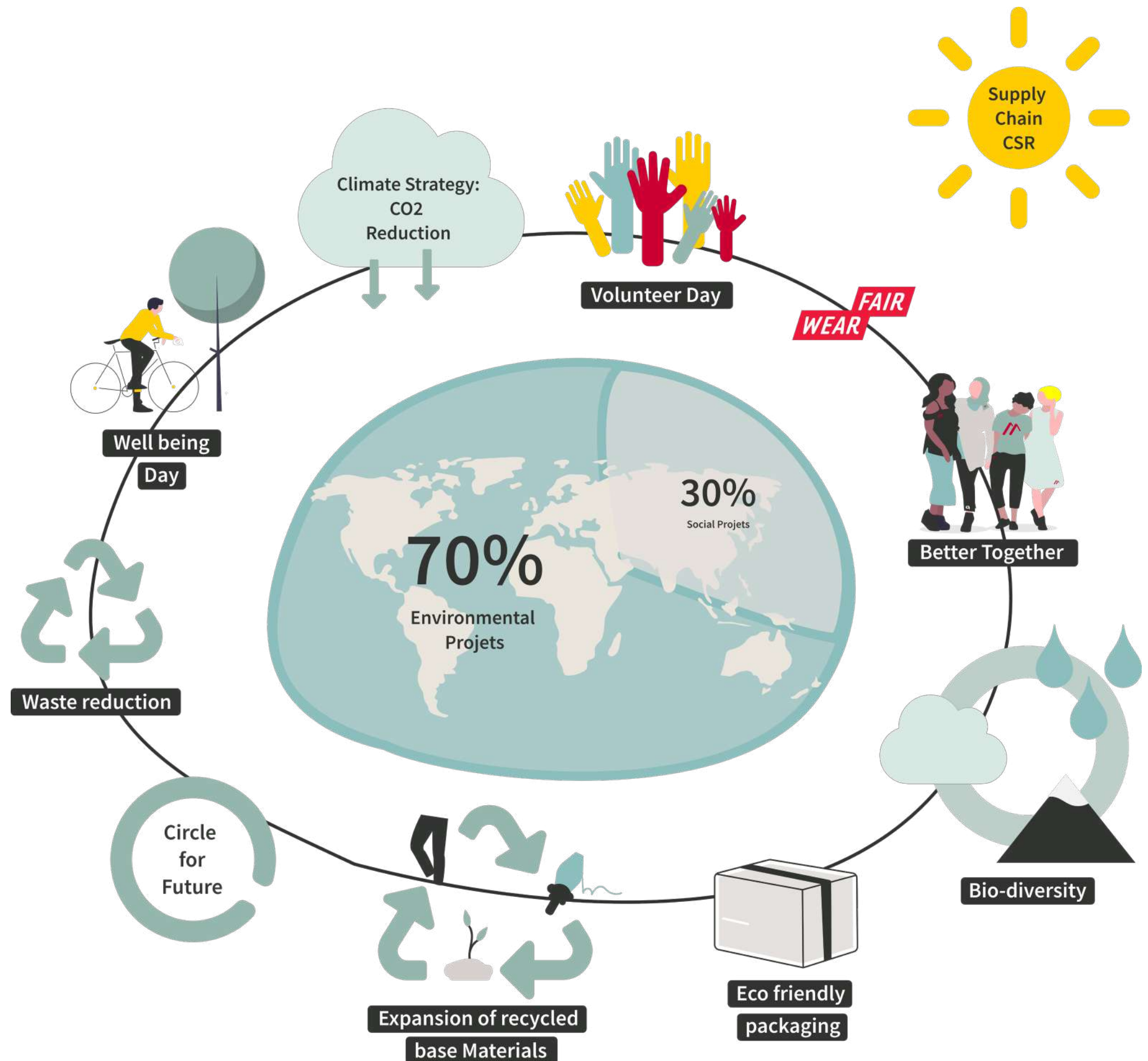
Structure Maier Sports
Business year 2021-2022 (01.07.2021 – 30.06.2022)



INTRODUCTION

CSR 3-YEAR PLAN

1. “Better Together” is our approach to improve the relationship and communication with our suppliers.
2. The Climate Strategy project represents our largest CSR project alongside the Circle for Future project and will comprise several smaller projects. We will start the CO2 Reduction project in October 2022.
3. The „Volunteer Day“ is both social and ecological. The concept of Volunteer Day is based on the idea that for an organization to have the greatest impact on society, it must first encourage and demonstrate positive change in its own community.
4. Waste reduction Project: This project focuses on reducing waste along our entire supply chain.
5. Biodiversity Project: Biodiversity has many faces, but at Maier Sports the Biodiversity Project refers to the conservation of natural resources and the protection of plants, animals, and the entire ecosystem.
6. The aim of the project “Wellbeing Day” is to promote the health and well-being of our employees and to reduce our carbon footprint.
7. Eco friendly packaging: The packaging of our products was already switched to eco-friendly packaging in 2021. With this project we want to focus on the remaining packaging/materials that we are currently using along our supply chain but have not yet transitioned to eco-friendly packaging.
8. Circle for Future: With the design2recycle-recycle2design (D2R-R2D) concept, we are taking a step in the right direction. After their useful life, pure Maier Sports products become high-quality raw materials again through recovery and recycling, and new first-class Maier Sports products are manufactured from the yarns and fabrics recovered. The goal is to drastically reduce the consumption of fossil raw materials.
9. Expansion of recycled base materials: This project has been pursued and promoted for years and is to be steadily expanded in the future. This project is about expanding the recycled materials used to make our collections.
10. Fair Wear Foundation: Maier Sports has been a member of the Fair Wear Foundation (FWF) ever since 2011. We take our membership with the FWF very serious and therefore we are planning to create and continue many more projects in the future.
11. The CSR Supply chain project entails many smaller projects. Most of these projects are ongoing for many years, like the yearly CSR report.



MAIER SPORTS BRAND

1. Mission statement

We believe:

That experiencing nature has a profound effect on us. It is where we find the adventure we crave. The feeling of absolute freedom. Moving outdoors is deeply inspiring.

We call this being one with the great outdoors. And we want as many people as possible to experience that feeling. So that they can get outside, get moving and get inspired. That is what drives us to create the world's best outdoor pants. That is why we go the extra mile to meet the needs of our customers. Always. We want to move people.

2. Brand identity

We want to move people

That is our mission. And it's something we are very passionate about. We are also developing a stronger Maier Sports brand. We are ... On the move to reach new target groups, and to create new ideas!

We want to reach more young people. So we've created a new corporate design, visual identity and tone of voice. Our new identity is based on the principles of movement. Our appearance will be younger and more dynamic. Our messaging will be more personal and emotional.



3. Down to the smallest detail

Every pair of pants is a symphony

The perfect pants are like a beautiful symphony. They are made unique thanks to the interplay of materials and details, combined with the right cut and a contemporary fit. The choice of material has implications for the cut. The application requires specific details. Small variations create the perfect fit and the perfect outfit.

Achieving such a fine-tuned composition takes decades of experience and knowledge of textiles, diverse outdoor experiences and pure passion.

Achieving such a fine-tuned composition takes decades of experience and knowledge of textiles, diverse outdoor experiences and pure passion.

It's this exacting standard, together with our desire to move people, that allows our ideas to blossom into classic Maier Sports pieces – and make us the no. 1 manufacturer of outdoor pants.

Our goal is to create pants that are flawless. And our product developers are experts at doing just that. They know exactly how to use soft, light fabrics to create outdoor pants that feel good to wear; and they know which cuts require a more sturdy material, for a more robust yet still comfortable pair of pants. They also have decades of hands-on experience. It is based on this experience, and our own passion for the great outdoors, that we know what people need to enjoy hiking and outdoor sports – what they need to move well and feel good at the same time. We are outdoor enthusiasts ourselves and maintain close contact with our end customers. We also enlist the help of professionals to put our products through their paces, and the results are corroborated by countless recommendations and awards.

As a company, our focus has long been on movement and sport. And our pants are a key element of our performance clothing range – because they dictate the ease with which you're able to move outdoors. We are experts in the right fabrics and cuts. In other words, we know where a few extra or fewer millimeters of fabric can make all the difference – and which functional details are essential for, trekking, skiing and touring pants.

Maier Sports pants are modern and contemporary. Not least because we are constantly updating and optimizing every last detail. This means experimenting with new silhouettes, different measurements and the positioning of seams, novel fabrics and materials, and drawing inspiration from other clothing segments. As pants specialists, we identify and anticipate new trends.



GONSO THE INNOVATIVE BIKE PANTS EXPERT

Cycling shorts expertise

As cycling shorts experts, we at GONSO not only develop and produce high-quality and innovative cycling shorts, but also functional cycling clothing - from head to toe. Clothing that fits perfectly and not only covers all facets of cycling, but is also tailored to the respective, specific needs. Our focus is on male and female cyclists for whom enjoyment during the ride is important.

Shaped by history

In 1926, almost 100 years ago, Johannes Gonser founded a sewing shop in Onstmettingen in the Swabian Alb, which he gradually expanded into a textile factory. When his grandson, Hans Gonser, took over the company, he unceremoniously created the new company named GONSO - a combination of the family name and the company headquarters at that time. But that was just the beginning. It is due to his inventive and tinkering spirit that we can sit in the saddle today with pleasure, without an aching buttock. It was he who introduced the first cycling shorts with synthetic seat padding to the German market in the 80s and revolutionized the cycling world with this innovation.

Thanks to our exciting history, our tinkerer gene, and our vast experience, we have developed a high standard and maintain this pioneering mindset. We have achieved perfect fits through innovative cutting concepts and refined seam designs using an environmentally and socially conscious selection of materials and uncompromising, sustainable processing qualities.



GONSO®



Attention to detail

For us, there is not just one idea behind every product, but many elaborate steps taken by the entire GONSO team. Many of these steps may not be visible, but each one contributes to the crucial, tangible difference and premise of GONSO: GONSO. FITS. PERFECTLY.

Cycling shorts are the most complex piece of cycling clothing. It always starts with the product idea. Materials and details are conscientiously selected and combined. A first sketch is created. For an optimal fit, each pant model is meticulously broken down into complementary individual parts during the cutting process. The first prototype is created from the individual elements. This is used as a reference for optimizing the cut and fit. We do not fit our prototypes on static mannequins, but on people. This allows us to be much more specific about body shapes and how they change during movement. Corrections made to the final pattern are precise down to the millimeter. This process is often repeated multiple times - until the prototype is perfected. Starting from a basic size, all size scaling is carried out depending on the product and body area. Through an elaborate, non-linear scaling of the size jumps, optimally fitting products are created in every size of our impressively wide range of sizes. The production process then begins, exclusively in our own production facility in Turkey and in our joint venture company in China. There, we can ensure that we deliver products of uncompromising quality thanks to our highly trained employees, most of whom have been with us for many years.

Within this process, no work step is too much for us; we leave no detail to chance. This process works so perfectly for our cycling shorts, and to live up to our own standards we have applied these steps to each of our collection pieces.

Our success is a team effort

GONSO is a brand shaped by its passionate employees who give their full commitment every day. We have a young, motivated team that has developed into a well-coordinated, synergy-rich team and bears responsibility for the fate of the brand with brand understanding and empathetic intuition. We live the brand values authentically, fill them with content and not only implement them intelligently, but also reflect and develop them permanently and purposefully.

Our motivation

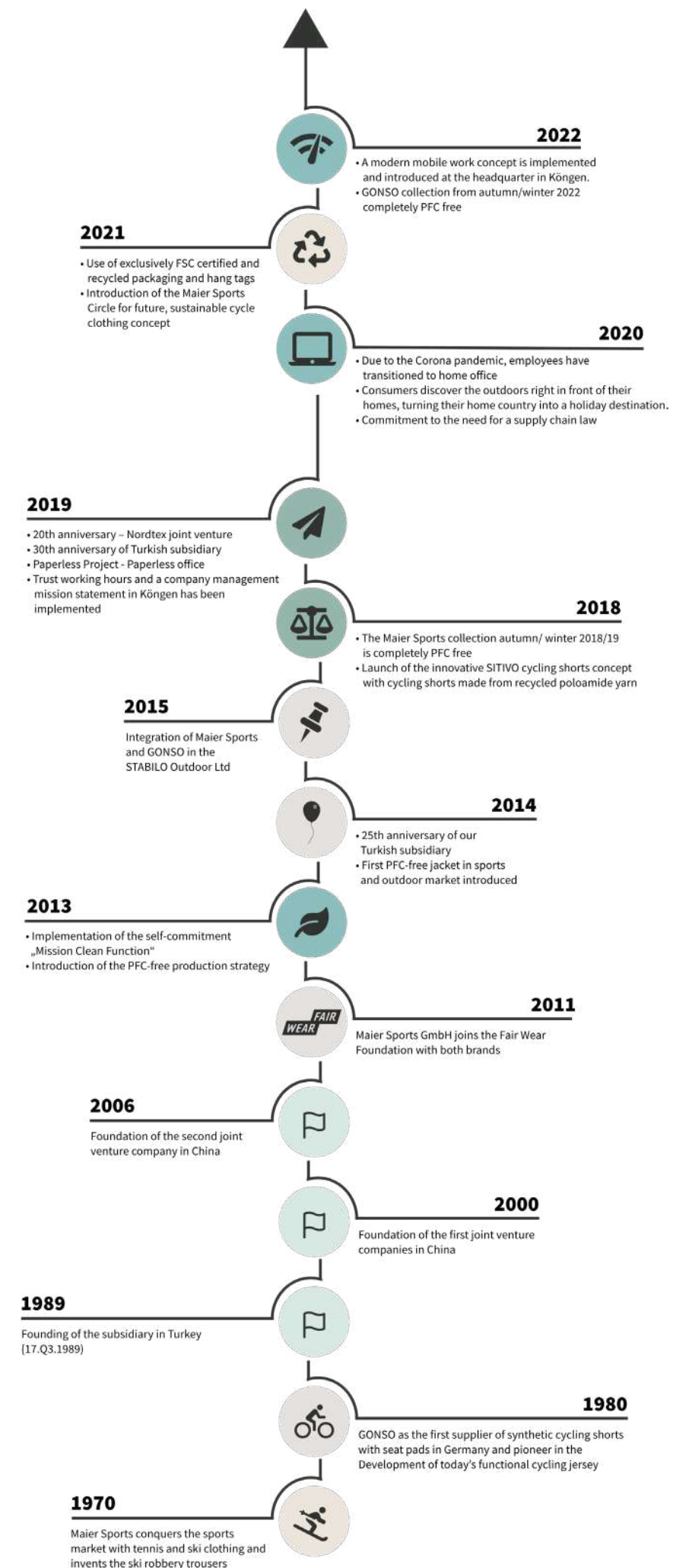
We want to motivate as many people as possible to exercise, enjoy nature and support them in doing something for their health.

TIMELINE

Sustainable to pioneer - Moving contemporary history at Maier Sports and Gonso.

Rooted at the foot of the Swabian Alb since time immemorial, we at Maier Sports and Gonso have implemented sustainable initiatives, practices and innovations over the years and have become an indispensable part of the functional sports market. With passion, sustainable location policy, and pioneering spirit we face the challenges of globalization and digitalization.

We move with the times!



PURCHASING PRACTICES, SOURCING, STRATEGY & PRICING

The strategy of Maier Sports GmbH

The permanent work that is done on optimising schedules ensures a more even utilisation and planning security in the production process. In doing this, we are simultaneously trying to get a grip on the still prevalent problem of a lot of over-time during the seasonal peaks in production. The more even utilisation rate also helps to secure permanent jobs. It is important to find a good balance and to find solutions between the conflicts of interest that inevitably occur time and again when the requirements from the procurement division meet CSR issues. This applies in particular to the following relationships:

- Deadlines – overtime
- Prices – wages



Production Cycle

The Maier Sports and GONSO production process is embedded in a schedule that is transparent for everyone involved. Both brands work on two main collections per year. On top of this, there are individual programmes in between and seasonal re-orders.

There was a noticeable relaxation in 2020, as Maier Sports decided to postpone delivery of the fall/winter 2020 collection by a few weeks. The aim was to extend the timeframe for the production companies in order to compensate for the time lost due to the lockdown in China and Turkey. Since retailers were given the opportunity to also place their pre-orders for the spring/summer 2021 season at a later point in time, so as to take account of the experiences during and after the lockdown, the situation in the production companies relaxed even more.



The production cycle begins with planning a collection by creating the master plan. Once the collection has been developed, prototypes of each item are created. At the start of the sales season, the corresponding sample collections need to be produced for the sales teams.

Once the order season has ended, orders are placed for series production. The technology and pattern departments are closely involved in this. The textile engineers and pattern cutters contribute their cutting and processing expertise during the production of samples as well as when preparing for production.

The technical department in Köngen remains in constant contact with the producers. Because of the pandemic, this had to be done via telephone and video conferences, as the usual on-site presence was not possible, which was normally done to monitor the quality of production and help support timely returns. It pays off here that our business relationships have existed for many years, and so the employees in Köngen and in the production plants also know each other personally. This means that the processes are well established and there is a trusting relationship, so that the changes induced by the pandemic did not lead to any significant restrictions in this area.

Due to the global impairment of the transport logistics processes, with which we had been familiar from before the pandemic, the on-time supply of goods has been tightening since the beginning of 2020. Temporarily closed ports, a dramatic shortage of containers at times, and supply chains that are out of balance present even Maier Sports with major logistical challenges, despite having its own production facilities.

And this comes at a time of very tense shipping traffic. This leads to delivery delays. In solving this problem, it is beneficial that we had begun to send more and more goods by train from China to Germany even before the pandemic. The background to these efforts was and is to further improve the company's carbon footprint. Thanks to strategic planning, we succeeded in further expanding this shipping route. The goods made in Turkey are usually on the road for a week by truck. The production cycle ends with the finished goods being delivered to the warehouse and the corresponding incoming goods inspection by quality control.



Planning and ordering process optimised

Maier Sports and GONSO have changed their planning and order processes so that orders can be placed earlier with the manufacturing companies. This reduces the time pressure in production. The aim is for there to be less need for overtime, as the workload can be more evenly organised. Increasingly longer delivery times for supplier parts, such as zips and fabrics, pose new challenges. These need to be meticulously taken into consideration in the production planning.

The work plan and social report

The Fair Wear Foundation (FWF) work plan is the basis for the coming financial year, which includes the strategy for monitoring the social guidelines. It serves as a basis for the FWF to carry out the brand performance check and to plan the audits for the coming year. The Social Report is always drawn up for the previous year. It shows the developments and progress that have been made in implementing the Code of Labour Practices (CoLP) over the past year.

Organisation of production

The management of product and logistics, in cooperation with the head of the technical department, is responsible for ensuring that the relevant standards of the Fair Wear Foundation Code and the Maier Sports and GONSO Code of Conduct are observed in the production facilities. In the past, during the production months, an employee from Maier Sports or GONSO was regularly on site at least once a month for this purpose. However, it was not possible to make any trips to the producers during the entire 2020/21 financial year.

In order to keep the transport routes for production as short as possible, only materials from European production are processed in Turkey. In Asia, on the other hand, all fabrics come from Asian upstream suppliers.

Contracts are awarded based on the relevant technical requirements and capacities of the individual joint venture companies and subsidiaries, whereby the following four criteria have a decisive influence:

1. Compliance with social standards
2. Quality
3. Delivery punctuality
4. Price

An order is only awarded if all four points meet the requirements and are within the target range. It must be emphasised that best price is not the decisive criterion, but, rather, this is weighted equally with compliance with social standards, quality and on-time delivery.

Procurement Strategy

Our procurement strategy aims to generate the materials and raw materials that are to be processed directly in the relevant production countries. For this reason, we have strategically chosen our production sites so that they are located in the countries and regions in which the raw materials and intermediate products are available. This avoids unnecessary transport routes, saves resources and gives us more security in planning.

Selection of new production Facilities

Maier Sports and GONSO products are mainly sewn and manufactured in companies in which Maier Sports GmbH has a participating interest. New business premises are selected exclusively after extensive expert appraisal and personal evaluation by the management. Since this was not possible in the past financial year due to the pandemic, no contracts were concluded with new producers.

If we take a new production facility under contract, the person responsible for Fair Wear from Maier Sports and GONSO will initiate and monitor implementation of and compliance with the Code of Conduct as well as the Code of Labour Practices of the Fair Wear Foundation.

The production company must agree in advance to have the corresponding socially acceptable working and safety conditions checked at all times and to take remedial action immediately in the event of complaints and identified violations. Contracts are awarded based on the technical requirements and capacities of the individual companies.





Guidlines: Implementation and verification of compliance

All clothing companies that produce for Maier Sports and GONSO have been fully informed that Maier Sports GmbH works with the Fair Wear Foundation and of the consequences that this has for them as our partner. We ensure that the manufacturing companies know what obligations they are entering into with regard to quality, price and delivery dates, but also with regard to social standards, health and safety precautions, the prohibition of child labour, drafting of employment contracts, the wages, etc. We make sure that the principles of the Fair Wear Foundation's Code of Labour Practices are translated in the local language and displayed in a visible place where all employees are able to see them.

In addition to the FWF audits, BSCI audits are also carried out independently by the production facilities. There are customers who require production facilities to submit a BSCI audit before production begins. The BSCI is a business-driven platform for improving social standards in a global value chain. It offers commercial enterprises a systematic monitoring and qualification system in order to be able to improve people's working conditions. The FWF recognises BSCI audits once the BSCI audit reports reach a certain quality and the FWF members are working on the corrective action plan (CAP). The FWF recognises the BSCI audit after the member has submitted an audit quality assessment tool.

Fair Wear Foundation transparency policy

Maier Sports GmbH has signed the "Confidentiality and Disclosure Agreement" of the Fair Wear Foundation. All Maier Sports production sites have accepted and signed the FWF's transparency agreement.

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

Involving the subcontractors and suppliers

Maier Sports and GONSO strive for strategic and long-term collaborations with partners. In cases in which additional subcontractors are used to support our own production facilities, it is the task of our joint venture and subsidiary companies on site to select the companies with which they collaborate. They are obliged to only commission companies that work in accordance with the Maier Sports GmbH standards as per the Code of Conduct and the Fair Wear Foundation Code of Labour Practices. They confirm this by signing the agreement. Our local partner companies take care of checking the subcontractors. The subcontractors were also regularly visited by technicians from Maier Sports GmbH before the pandemic, though this was unfortunately not possible in the past financial year due to the coronavirus situation. Employees will travel to the production facilities again as soon as possible.

They not only provide technical assistance, but also support the subcontractors in implementing the prescribed social standards. All subcontractors are known to Maier Sports and GONSO. New subcontractors may only be commissioned if they have been visited and inspected beforehand by employees of Maier Sports GmbH, though recently this was not possible for the above reasons.

We are expressly interested in trusting and long-term relationships with our suppliers and subcontractors. Maier Sports and GONSO are convinced that high-quality products and processing can only be achieved through a constant exchange of experience and expertise.

The Situation

We rely on long-term collaborations with our production partners.

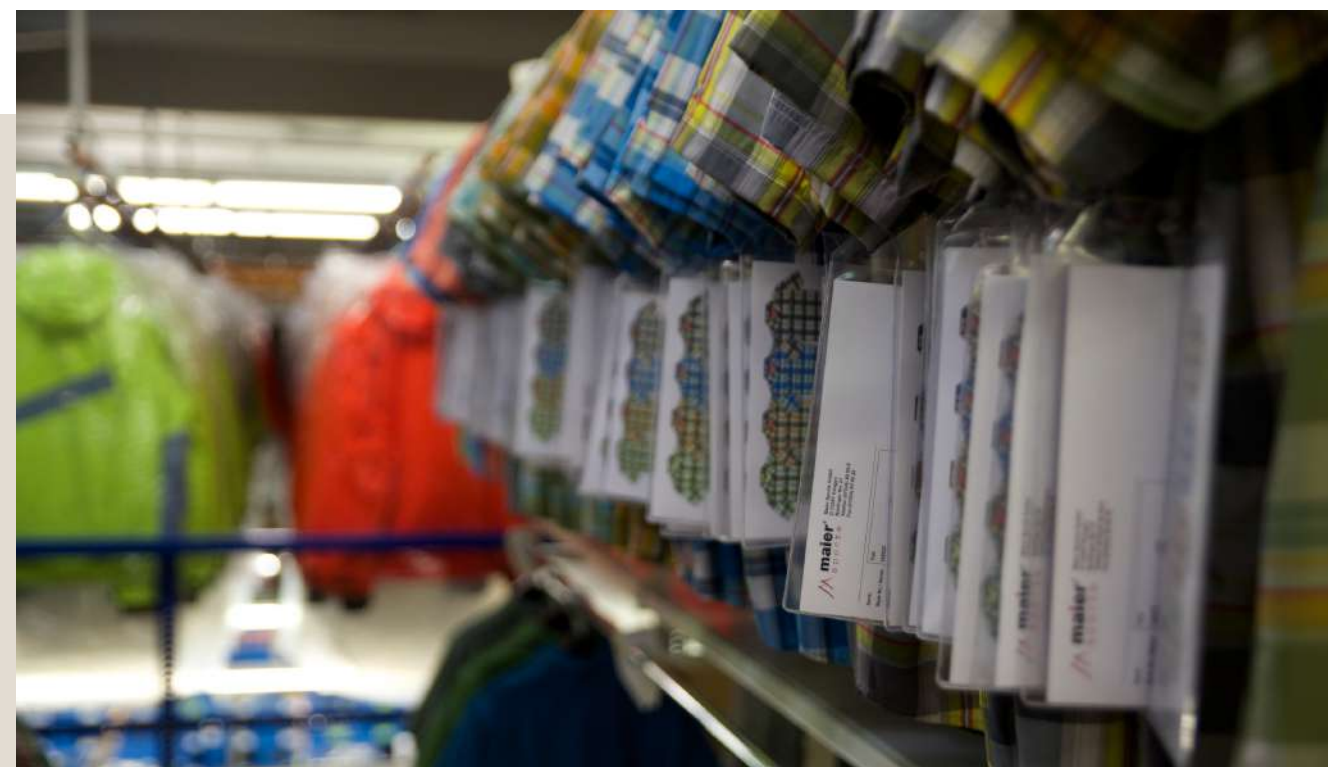
The international clothing industry has been on the move for many years – in the truest sense of the word. Production facilities move from one country to the other. The lowest wages set the course, with low wages usually also meaning low social standards. Organisations such as ILO, Amnesty International and the Clean Clothes Campaign rightly denounce such abuses time and time again.

As a countermovement to this justified criticism, responsible companies – especially those in the outdoor sector – are trying to live up to their social responsibility.

They are committed to fair working conditions and social standards in these critical countries. Maier Sports and GONSO manufacture their products in their own subsidiary, a production facility in Turkey. In China, Maier Sports and GONSO mainly work with companies in which Maier Sports GmbH itself has a share as a joint venture in order to be able to influence the decisions of the companies on site and the corresponding suppliers. A small part of the production also comes from companies in India.

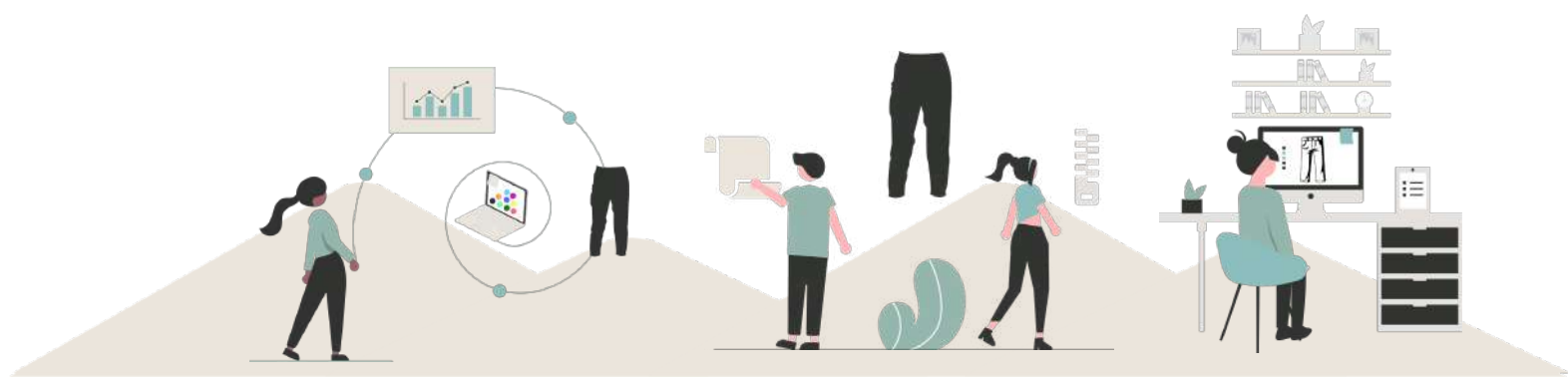
Longterm collaborations with the production partners are very important to Maier Sports and GONSO. The two brands are aware of their responsibility towards the employees and their families at the relevant locations.

In our experience, the clothing industry acts as a kind of development aid in the emerging countries concerned. It often acts as a pioneer for further industrialisation. Most of the time, the clothing industry is followed by other sectors, which build production facilities there. This is precisely why it is important for the manufacturing companies to live up to their responsibility and promote the implementation of basic social requirements as well as the further development of production processes and the use of new machines and technologies.



PRODUCTION CYCLE

Timelines in detail



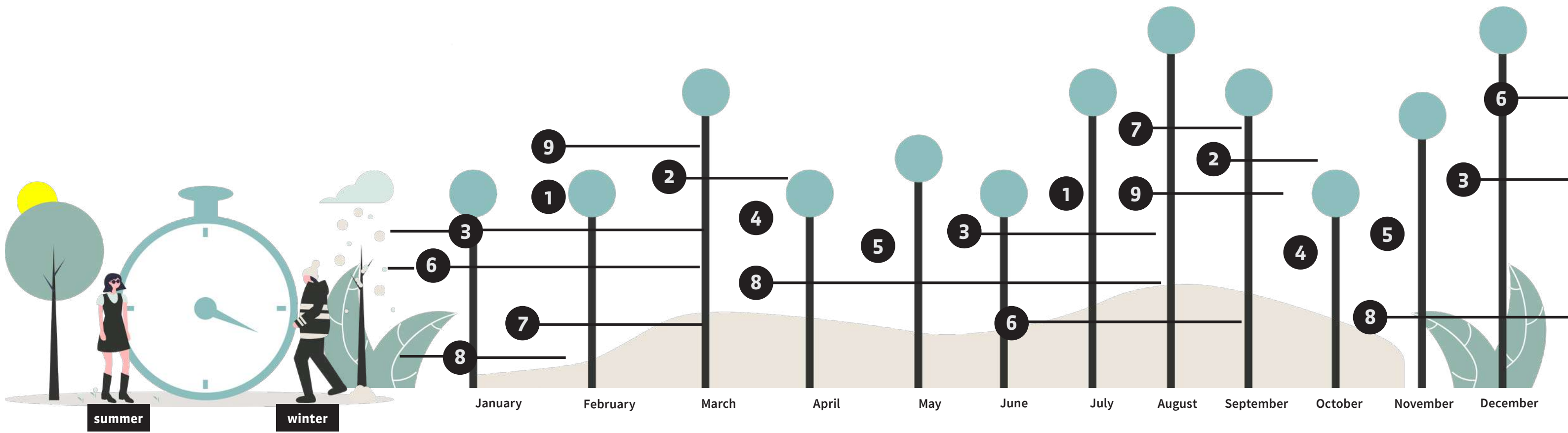
- 1 analysis phase, strategy development, material development, colours
- 2 design briefing, definition of upper materials & ingredients, sketch meeting
- 3 lab dip & upper fabric & ingredient ordering, article facility PDM, prototype phase



- 4 price negotiations & calculation, photo shooting, creation of workbook
- 5 production phase Sales Man Sample, transport phase, collection in Germany
- 6 collection handover to representatives, sales phase, item release



- 7 production orders, ordering of materials & ingredients, production preparation
- 8 production phase, transport phase
- 9 goods receipt in the warehouse (QR check), delivery to the customer



CIRCLE FOR FUTURE

Ecology is becoming a central aspect of our social responsibility. All people – not just those who work with and for us and who use our products – are affected by the major ecological changes that are already influencing our lives today and will change the lives of future generations even more so.

We have asked ourselves what we can do, as individuals and Maier Sports as a company, to protect the earth's resources. This requires openness, the will to learn, and a readiness to work with others in many fields. With our design2recycle-recycle2design (D2R-R2D) - concept, we are taking a step in the right direction.

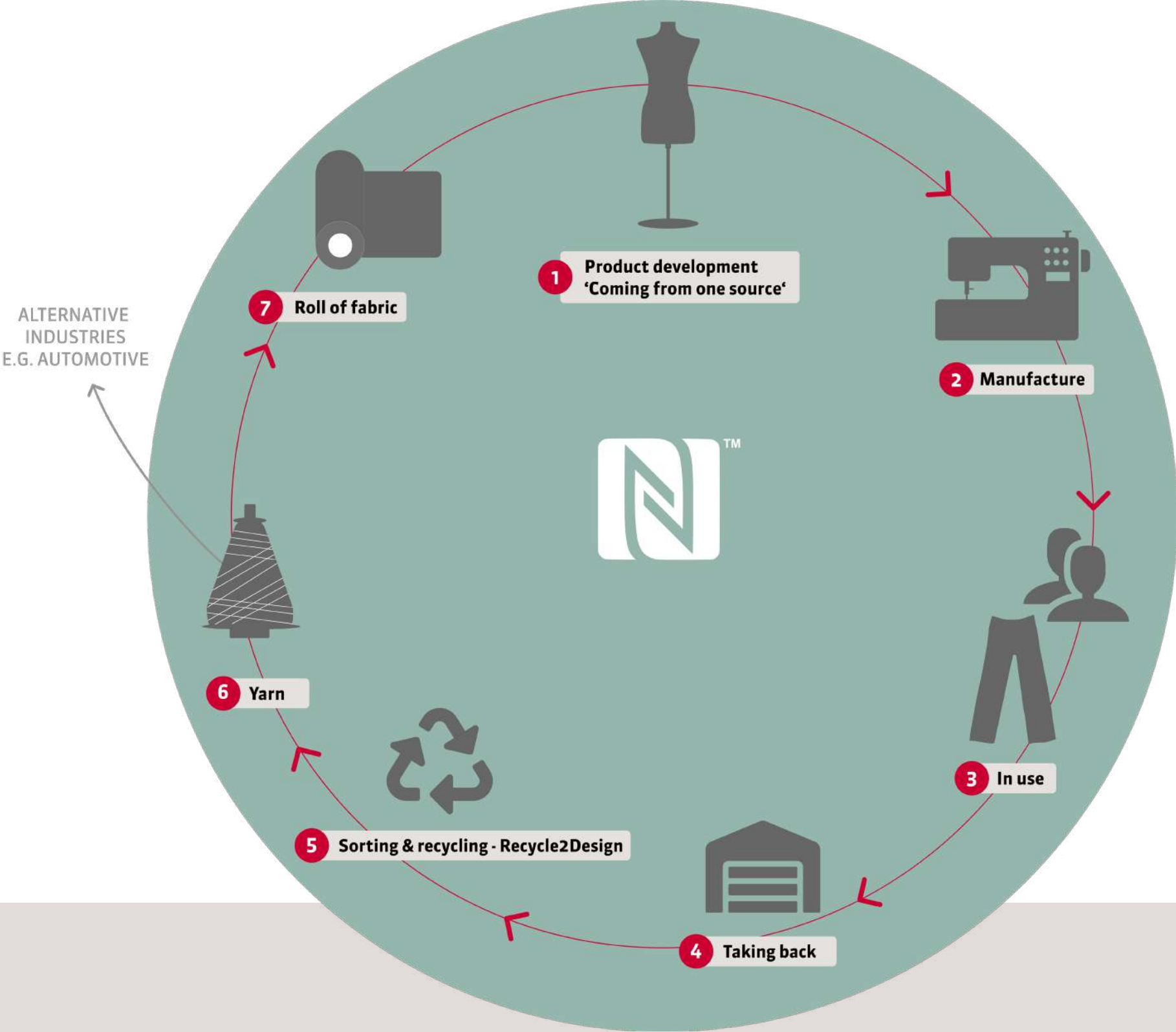
After their useful life, pure Maier Sports products are recovered and recycled to become high-quality raw materials again, and new first-class Maier Sports products are manufactured from the yarns and fabrics recovered. The goal is to drastically reduce the consumption of fossil raw materials.

What is the Re3tex project?

The RE3Tex project (reuse, repair, recycle) contributes to the promotion of the textile circular economy. The aim of the project is to develop a business model including a logistics concept for the sustainable use of textiles in the form of repair and recycling. The Re3Tex project is being carried out by a German university in cooperation with Maier Sports.

The textile and clothing industry is one of the biggest polluters in the world. This statement is supported by the high water consumption and the use of chemicals and pesticides for fiber production. The introduction of recycling can help to reduce raw material consumption and thus protect the environment. Many recycling processes are still in the early stages of development and still offer potential for optimization.

Through the RE3Tex project, Maier Sports is actively working to close this loop. We are actively pursuing this goal and hope to be able to completely close the loop for all of our products very soon.



100% Maier Sports becomes 100% Maier Sports again

THE CHALLENGE OF CONTINUOUS CAPACITY EXPLOITATION

Continuous Utilisation

Implementation of the goal of continuous utilisation of production capacity is supported by our development of a comprehensive programme of so-called “never-out-of-stock” (NOS) products. NOS items are products that are continuously available throughout the year, in order to offer our trade partners on-stock products at all times. This service enables the supplier to utilise its production capacity more evenly and to cushion the seasonal fluctuations. Thanks to NOS, production peaks can be reduced in the high season, while production is better utilised in the weaker months.

An additional factor that ensures continuous utilisation of production capacity comes from the so-called “ski post-programmes” during normal seasons. However, we did not make use of this strategic measure in the past financial year, as alpine skiing in Europe came almost to a complete standstill due to the pandemic restrictions. Accordingly, very few of the products required for it were manufactured or sold. Usually, these items are manufactured and delivered mainly after the seasonal peaks.

Furthermore, the Maier Sports brand is always working to convince customers to place their orders earlier in order to move the relevant production time significantly forward. This way, these items can already be produced during the off-season, thus relieving the companies during the main production period.

Sustainability/Capacity during the off-season

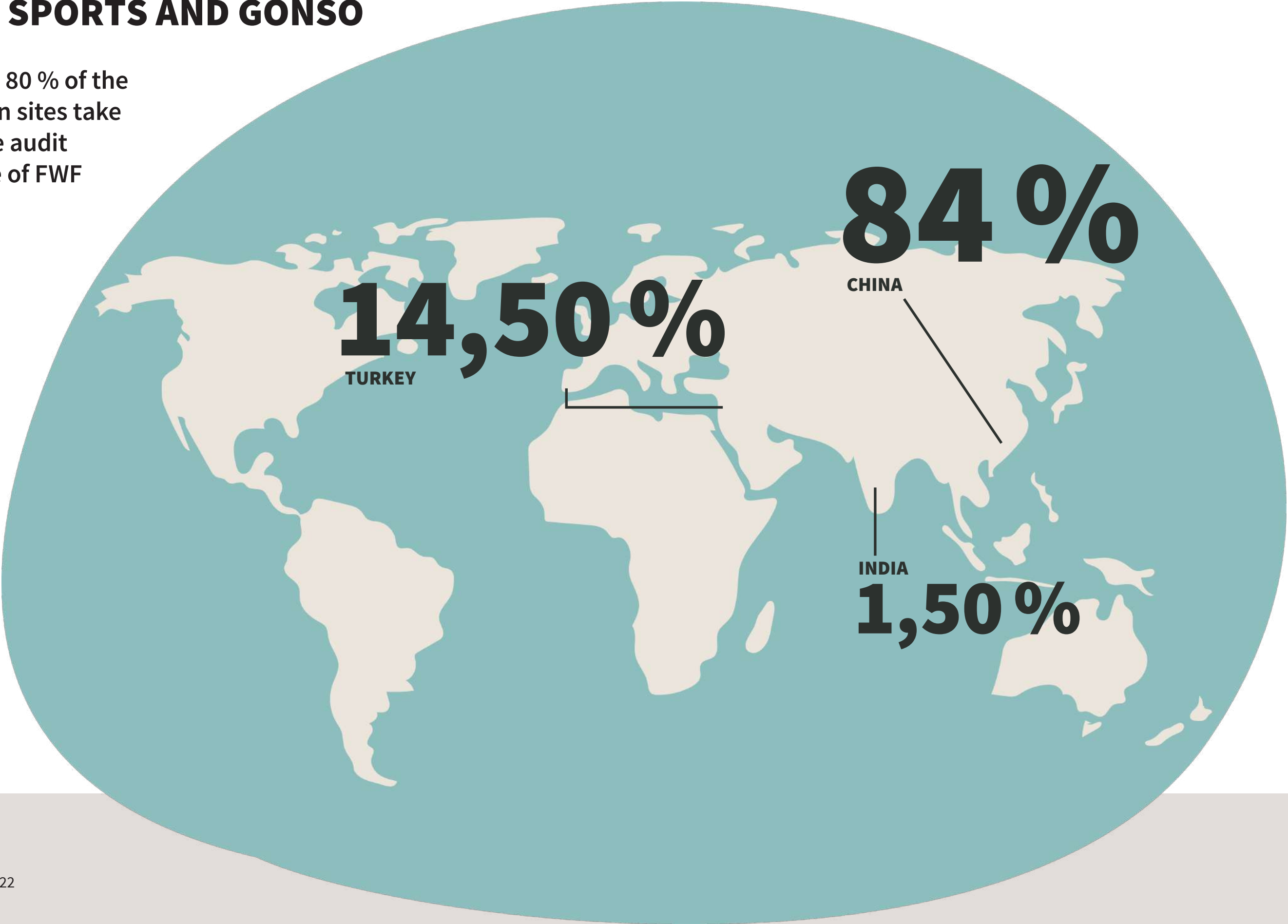
We are always looking for ways to save resources and thus protect the environment. In this context, we manufacture individual items from excess residues and ingredients. We therefore create individual products using “leftovers” from series production. What would normally get thrown away is thus specifically processed into new, valuable individual items, which are often highly desirable. Creativity turns what was once waste into new, high-quality raw material. This means that almost every piece is unique. This work is carried out in the off-season to ensure that the production facilities are used more consistently. A small but very useful contribution to sustainable business.

We remain in close contact and exchange with our producers throughout the year and retrieve information about the current order situation and capacity utilisation rates in the companies during not only the high season, but the off-season as well. The purpose of this is to place orders that don't depend on a season in weaker production periods. In order to enable the most constant possible utilisation rate in the companies, we not only avoid putting in place a single scheduling plan per season, but work using ongoing scheduling appointments that take place at least every two months.



PRODUCTION COUNTRIES MAIER SPORTS AND GONSO

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

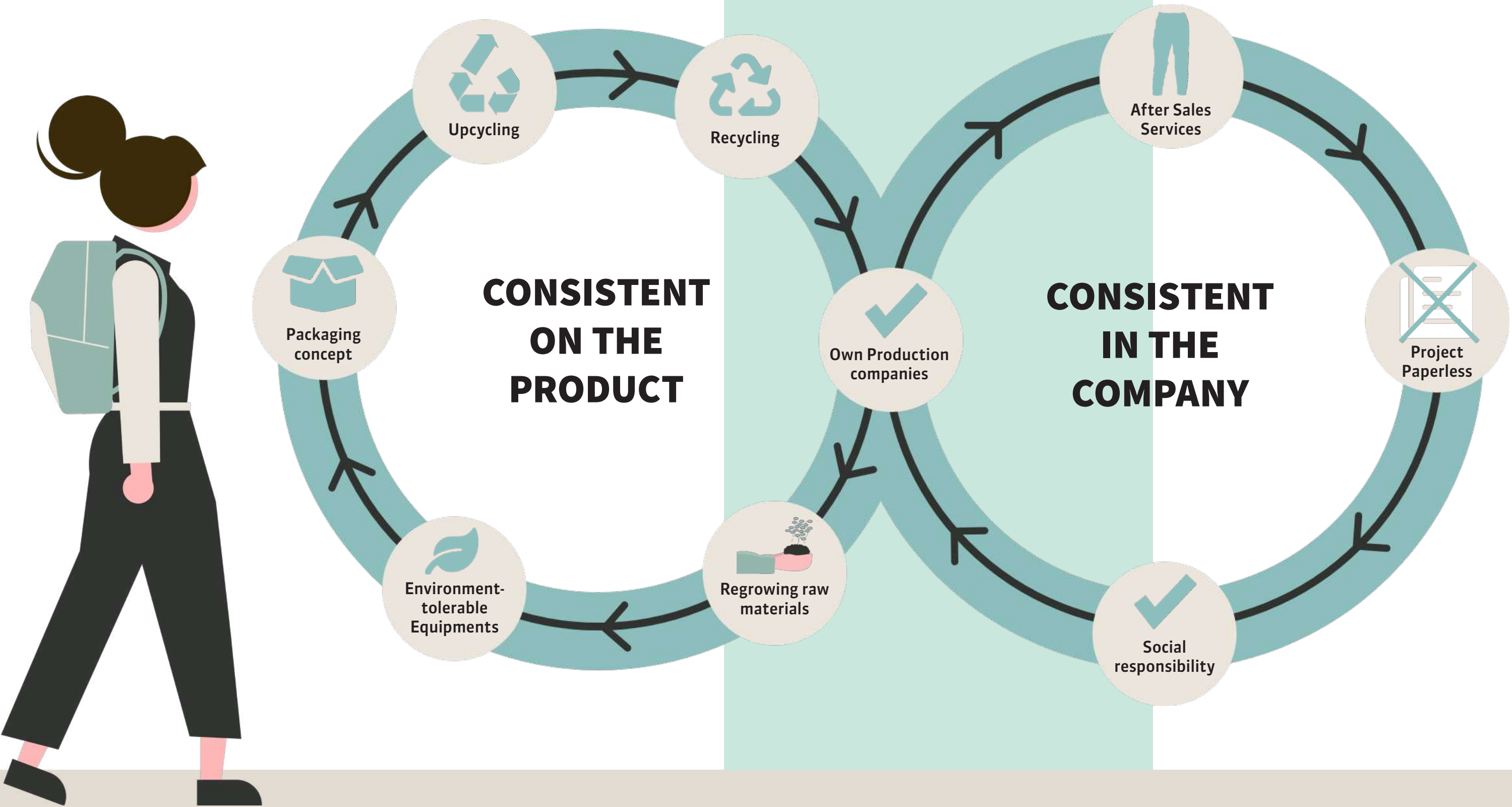


As of June 1st, 2022

SUSTAINABLE PRODUCTS AND PROCESSES

Corporate philosophy of sustainability

Corporate Social Responsibility at Maier Sports GmbH means much more than good working conditions. In the following, we have summarised points that we also focus on and consider important in the context of our Corporate Social Responsibility.



FUTURE REQUIRES SUSTAINABILITY

At Maier Sports GmbH, Corporate Social Responsibility means much more than good working conditions. In the following, we have summarised points that we also focus on and consider important within the scope of our Corporate Social Responsibility, whereby our „guiding principle of sustainability“ plays a central role. Sustainability is an overriding corporate goal of Maier Sports GmbH and the basis of our conscious actions.

Mission Clean Function

Sustainability begins on a small scale. Many building blocks contribute to the conservation of resources. It is a process that is never over and which we declare to be a binding commitment within the framework 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 also nature and the environment. At Maier Sports GmbH, the responsible treatment of people and nature is reflected in various very specific projects, actions, products and services, which we have compiled below.

Guaranteed durable

Long-lasting products protect our environment in the most sustainable way. For every pair of trousers, jacket or other item of clothing that is used and worn for longer, fewer new things have to be produced. That's why we focus on the best quality and durable products. We are convinced that our products are made of the best materials and are handcrafted to the highest standard. That's why we give a 5-year guarantee on materials and workmanship on all Maier Sports products. For GONSO it is 2 years.

Repair instead of throwing away

However, should there be a complaint, we do not simply issue a credit note and throw the products away. Instead, we repair them professionally in our sewing room at our headquarters in Köngen and send them back to the consumer in perfect condition. Our in-house repair service is a conscious component of our sustainability concept. The well trained specialists can repair almost all damaged or defective GONSO and Maier Sports products and thus noticeably extend the useful life of the clothing.

Recycling

We increasingly use recycled material for the production of trousers, jackets, jerseys, shirts etc.. This primarily involves polyester yarns obtained from used PET bottles. Recycled PET bottles are also used in the high quality PrimaLoft® Silver Eco Insulation (70%) that GONSO and Maier Sports use.

GONSO also uses recycled polyamide yarn in some trouser models. For this purpose, polyamide waste such as fishing nets, fabric scraps, carpeting and industrial plastics are collected from landfills and oceans and, in the next step, brought back to a form similar to its origin through regeneration and cleaning processes. The newly recovered polyamide is then further processed into textile yarn and thus returns to industry where it can be used again. The yarn does not differ in function and quality from conventionally produced polyamide yarns. GONSO trousers made from this yarn are marked with a special icon. This sensible recycling of polyester and polyamide in new clothing protects the earth's natural resources and means no loss of quality in our clothing. Our long term goal is the subsequent recycling of the textiles, so that the circle is closed at the end.



Cutting up

By „show-off“ we do not mean that Maier Sports and GONSO are „show-offs“. Rather, this term refers to the fact that the two brands produce useful and valuable other products from the leftover fabrics after series production. These are sometimes very much in demand as unique items. Through creativity and craftsmanship, a trading-up of leftovers takes place. A convincing solution to save resources and use them sensibly.

Clean packaging and resource conservation

With the F/S 2021 collection, we have changed our packaging concept to environmentally friendly, recycled base materials. This is the first step. The long-term goal is to avoid packaging as far as possible. The previously recyclable polybags will now be made from recycled material. With a quantity in the seven-digit range, this means a noticeable saving of fossil raw materials, i.e. petroleum. The hangers, which were previously used by Maier Sports for hangtags, are now also made from 100% recycled material. In parallel, all hangtags of both brands come on paper qualities with FSC-Mix certification. This means that the raw

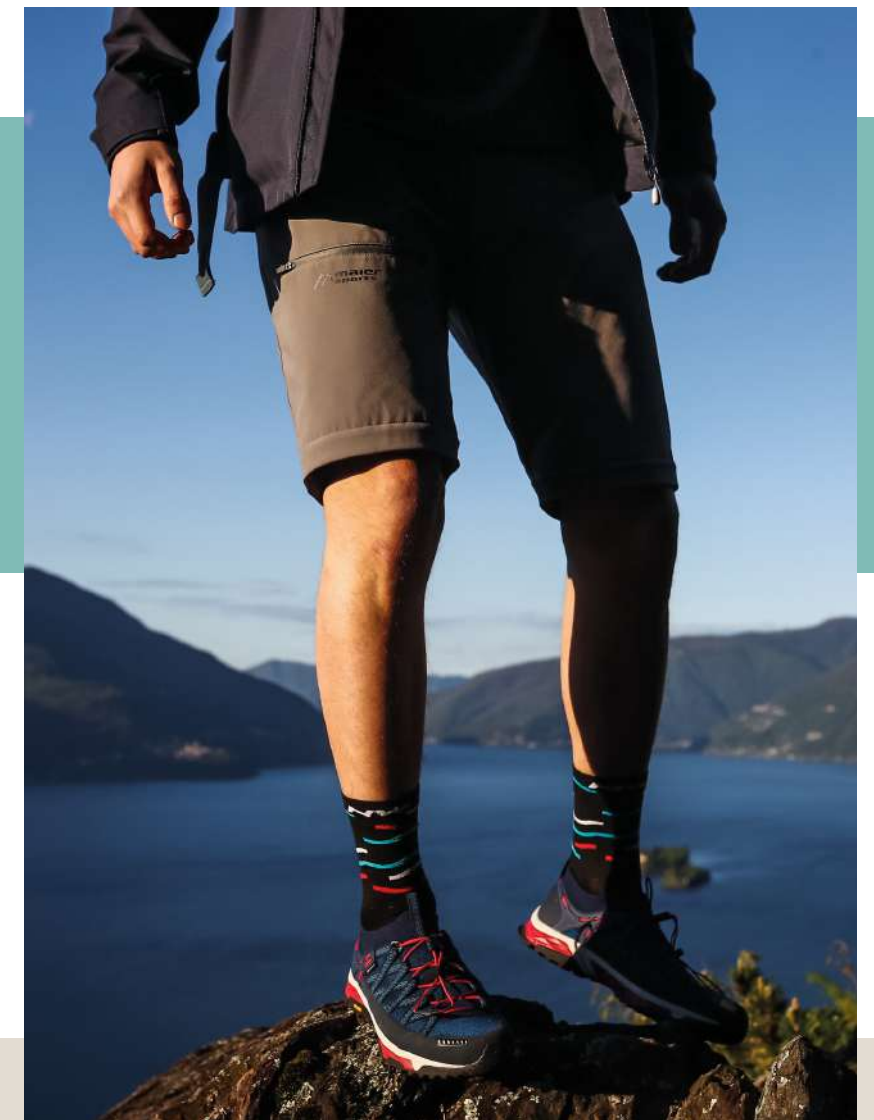
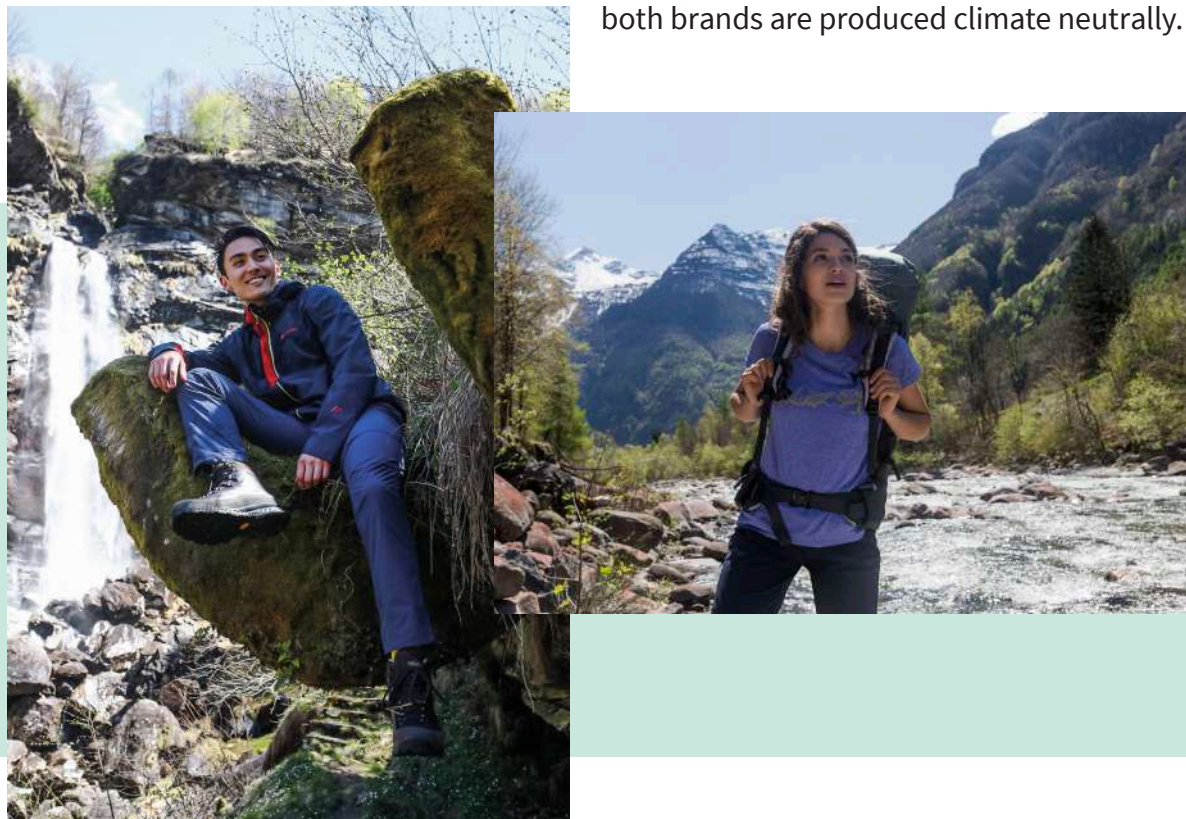
material comes from sustainably managed forests. A further step has already been taken. From the A/W 2021/22 collection onwards, Maier Sports will be delivering its entire outdoor collection in lay-flat, resource-saving and clean packaging. The same applies to the entire GONSO range.

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 at Maier Sports have succeeded in completely banning perfluorinated and polyfluorinated chemicals (PFC), which are hazardous to our environment, from our clothing. At GONSO we are well on the way to achieving this goal and will also deliver the entire collection PFC-free with the autumn/winter collection 2022/23.

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 employees sensitised. A stylised tree serves as a visible symbol of our paperless project. And where we use paper, we try to act in a very sustainable way. For example, the printed workbooks of both brands are produced climate neutrally.



Recycle old trousers

Since 2015, Maier Sports has been running its „trouser campaign“. Customers who return an old pair of Maier Sports trousers when buying a new pair receive a refund. The old trousers collected are donated for further use or professionally recycled, depending on their condition. The campaign is very well received by customers. This is also a small contribution to more sustainable business.

mGROW

This is a clever solution that makes both children and parents happy. With mGROW, children can wear their Maier Sports clothing for longer. This is good for the environment and the wallet. Because with mGROW the ski suits, jackets and trousers simply grow with them. All you have to do is open up a hidden seam on the lining and the trouser leg or sleeve grows by four or five centimetres.

Manufacturing in our own production facilities

Our garments are mainly produced in Turkey and China. The production plant in Turkey, which produces almost exclusively for GONSO and Maier Sports, is a wholly owned subsidiary and was founded in 1989. In China, we have also been working with two joint venture companies for many years. This close partnership not only ensures that quality standards are met, but also that social aspects are taken seriously.

CSR gets reinforcement

The fact that we are tackling and acting and not just talking is also shown by the fact that we will report on the creation of a new position at Maier Sports in the next CSR report. We have created a position that is exclusively responsible for CSR. The dedicated employee reports directly to the management, which underlines the high importance of the issue. With a 3-year plan, we set ourselves clearly formulated goals, whereby we will constantly check whether and how we can achieve them and where we have to readjust if necessary.

INTERVIEW

Who manages the corporate social responsibility (CSR) issue at Maier Sports GmbH?

Lisa-Marie Dozier completed her Bachelor of Textile and Clothing Technology in Albstadt and has been employed at Maier Sports GmbH since 2018.

Her background is in production management, and it was precisely in this area that she started out, until an independent CSR department was created in the company in August 2021. Lisa-Marie Dozier fills this staff position, which is directly attached to the management, in a highly motivated and imaginative manner. The establishment of this department and its positioning in the organizational chart are a clear statement by the management. Both underline the high priority that CSR has at Maier Sports GmbH.

We had arranged to interview Lisa-Marie Dozier, Marina Dieterle (Social Media Manager at Maier Sports) and Heidi Kreusel (GONSO Press Office). Inspired by the bright weather, we spontaneously decided to meet not in the office but outdoors to hike together to the Limburg near Weilheim an der Teck. Just the right thing for us three outdoor enthusiasts.

The position is relatively new. Does that mean that the CSR issue has not been dealt with before in your company?

No, CSR has been on the agenda at Maier Sports GmbH for years. It was previously anchored in production management and was co-managed there. I had already been involved



Interview with:
LISA-MARIE DOZIER

Formative experiences

- Grown up in a nature-loving family
- Went through the Walldorf School
- Lived in the USA for one year at the age of 15
- Studied textile and clothing technology in Albstadt, Germany
- Married for 4 years to a US-American from Texas
- Mother of a 2 year old son
- Since 12 months CSR responsible person at Maier Sports

My energy sources

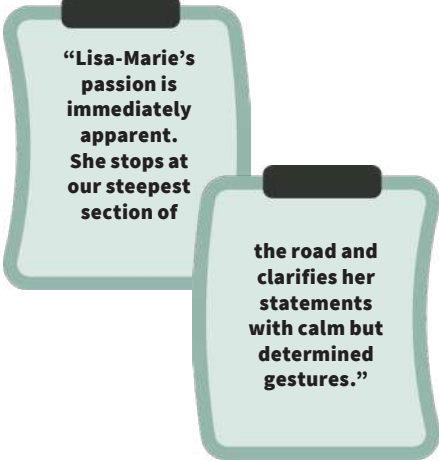
- Nature
- BBQ
- My family
- Active, positive people
- Trying new things
- Travel
- Friends

in this topic to some extent. What is new is that we have focused on it much more strongly. As a company, we want to face up to our responsibility and have consciously decided not just to react in order to meet legal requirements, but to proactively drive positive, sustainable changes in all areas of the company.

What interfaces do you have in the company?

On strategic issues, I consult directly with our management. In particular with Simone Mayer, who as CEO is responsible for product, production, and logistics. This means that we have very short lines of

communication and can make quick decisions. However, the entire CSR issue is a highly complex topic that must be viewed holistically, and that is precisely what makes the task so exciting and multifaceted. The important thing is that we all share the same philosophy when it comes to this topic that is close to our hearts. In the project work, I then have interfaces to each of our locations, whether to the headquarters or the individual production sites, to each department and to each of my colleagues, because the topic affects everyone in the company and should also involve everyone.



And how are you tackling this complex issue? What are your plans?

We have initiated a 3-year plan in which we have defined and prioritized 11 different topics with projects. For topics where we were already able to do so with our current level of knowledge, we defined goals that we would like to achieve within the next three years. We deliberately set ambitious but realistic targets. For some areas, we have decided to have an ACTUAL analysis carried out in advance - by external service providers. These evaluations will show us where we stand today so that we can set appropriate targets for the future. From October, for example, we will take up our climate strategy with regard to CO2 reduction.

How did you go about finding topics and what other topics did you fix?

At the beginning we asked ourselves the general question: how do we live CSR today and how do we want to live it in the future? To do this, we weighed the main categories and decided to tackle 70% environmental issues and 30% social issues. We then clustered our many ideas, prioritized them, and defined them in the 11 projects outlined below.

Why did you decide on this 70:30 weighting for the focal points?

Both areas, environment and social, are enor-

mously important, multi-faceted, and closely interwoven. Social sustainability is dependent on environmental sustainability in the long run. Through our more than 10-year membership in the Fair Wear Foundation (FWF), many topics of the social area are already actively processed and reviewed. For example, our production sites have been audited regularly for years. For these audits, the factories are visited on average every 3 years by the FWF. In the course of this, workers are also interviewed. However, the interviews are not during work, but privately, so that they can freely express themselves about the working conditions in their company without pressure or fear.

We at Maier Sports GmbH visit all our companies regularly and during these visits we pay attention not only to production, but also to the "Code of Labor Practices" defined by the FWF. FWF "Worker Info Cards" are also distributed during our factory visits, and we make sure that the FWF "Worker Information Sheet" is hanging on the walls, accessible to all. Both the posters and the flyers have a "Help Hot-



line” and the “Code of Labor Practices” printed on them, so that every worker has the possibility to contact FWF in case of difficulties. The name of the person is not disclosed to Maier Sports GmbH, nor to the factory. This way, the person filing the complaint can feel safe and express themselves freely - without having to worry about possible consequences.

Once a year, we, Maier Sports GmbH, are audited by the FWF - in the so-called Brand Performance Check. Of course, travel was unfortunately not possible in the last fiscal year due to the pandemic, but that was an exceptional situation.

Thanks to these far-reaching commitments, which have been implemented in clear processes, we have already achieved a great deal in terms of social sustainability. It is now imperative that we follow suit in the area of ecological issues. That is why I am currently devoting myself more intensively to environmental issues, which are also very close to my heart, in order to drive them forward directly.

Is the 3-year plan fixed and is the overall project therefore completed in 3 years?

The plan is by no means static - on one hand, it is updated every year for another year, and on the other hand, it is also constantly questioned, reviewed, adapted, and further developed during the processes. The vision clearly goes beyond a 3-year plan. We will achieve many milestones, but new goals will be defined continuously, and we will deal with topics in the future of which we can have no idea today.

How will the topic of CSR be communicated to individual employees?

At the moment, the management, the head of production monitoring and production management, and I are giving a lot of thought to how we can best position and promote the topic at our production sites in the most promising way. In the next step, we will sound out these ideas and formulate them into wishes, which we will discuss in planned kick-off meetings with those responsible at the production sites. At the same time, we will also sensitize and motivate all colleagues at our headquarters in Köngen for the entire CSR area. At these meetings, we communicate our ideas on how we would like to live CSR together in the future, for example, and present the 3-year plan. We would also like to include topics on how we can jointly achieve better communication with our suppliers - in other words, not only CSR-based topics will be on the agenda.



How do you initiate the implementation of the individual projects and by whom will they be implemented?

The topic cannot be prescribed hierarchically from the top down or from the outside in - that would be doomed to failure. It has to be lived from the inside out. That's why my most important tasks are to motivate and inspire every colleague for this topic and to raise awareness. It is important for me to create a framework for a level of communication in which everyone can find themselves and in which grievances can also be addressed openly.

Each of my colleagues is so deeply involved in the tasks, processes, and issues he or she

The CSR manager beams all over her face and reports enthusiastically.

is working on and knows the procedures. We have already succeeded in igniting a passion for CSR. Everyone is looking at their areas of work, recognizing potential and we are getting great internal suggestions for improvement in terms of sustainability. It's a super exciting process.

Are there any examples of internal suggestions that have already been implemented?



Yes, we receive suggestions for improvement again and again, and fortunately more and more often. One result of this, for example, is

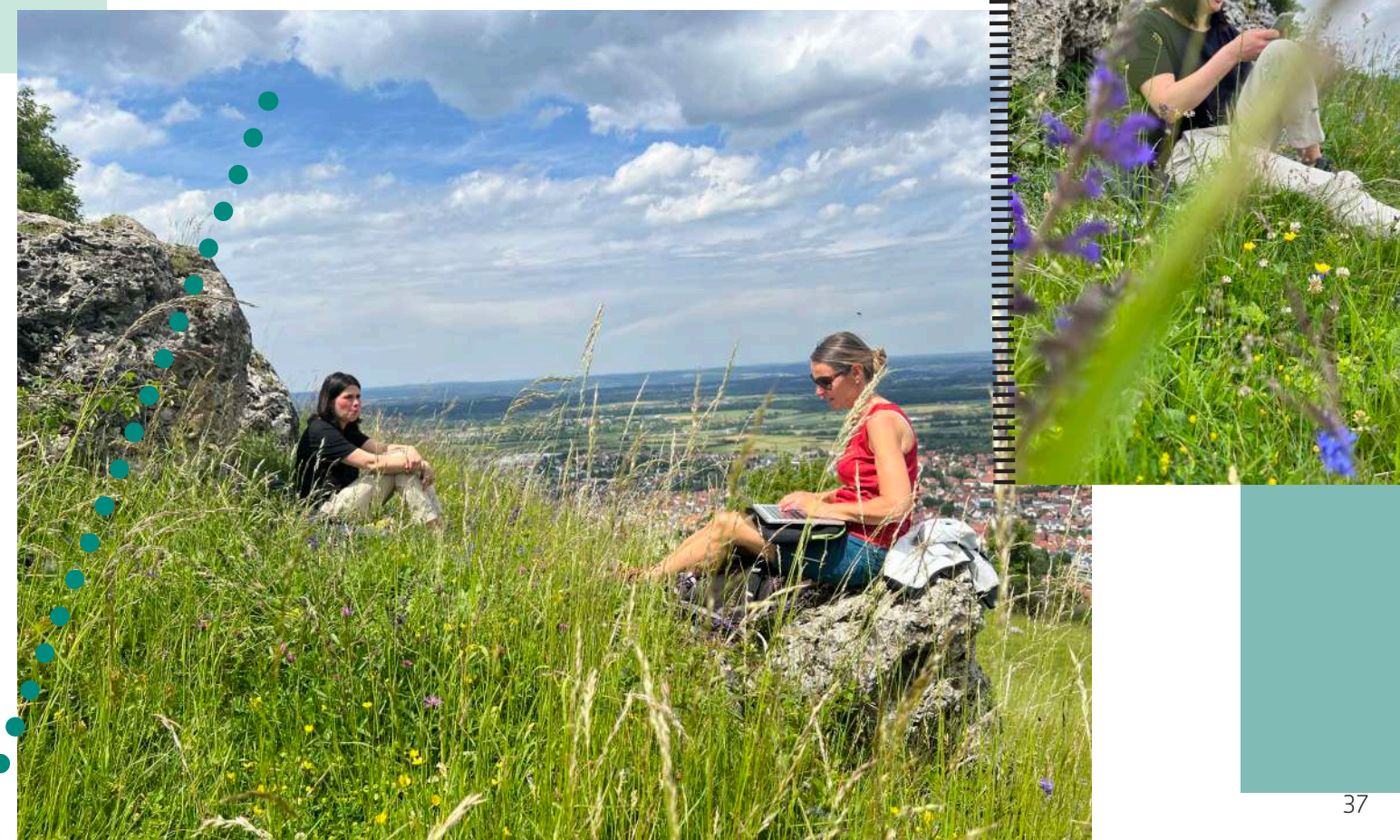
that every item repaired in our sewing room now leaves our premises wrapped in paper instead of being packed in a plastic bag. We communicate this on a flyer that we enclose to make even more people - even outside our company - aware of sustainability.

And our “Paperless Project” also emerged from an internal suggestion. This suggestion has now developed into a project that has been active for over two years. Since the kick-off, many things have changed at our headquarters in Köngen. Since then, we have tried to work as paperless as possible. We decided that we would like to use the saved printing and paper costs for a good cause and decided on a cooperation with the forest kindergarten in Köngen. We are planning a tree planting campaign here in the fall of 2022.

Which topic do you prioritize for yourself or from which do you expect the most?

Every topic deserves to be prioritized and we expect a sustainable result from each of them. However, for me personally, the “Better Together” theme has an immense key function.

With “Better Together” we are pursuing the goal of improving the relationship,



mutual understanding and communication between and within our sites. Through an open, transparent corporate culture, we want to open up perspectives in order to better understand cultural differences and, ideally, transform opportunities into synergies.

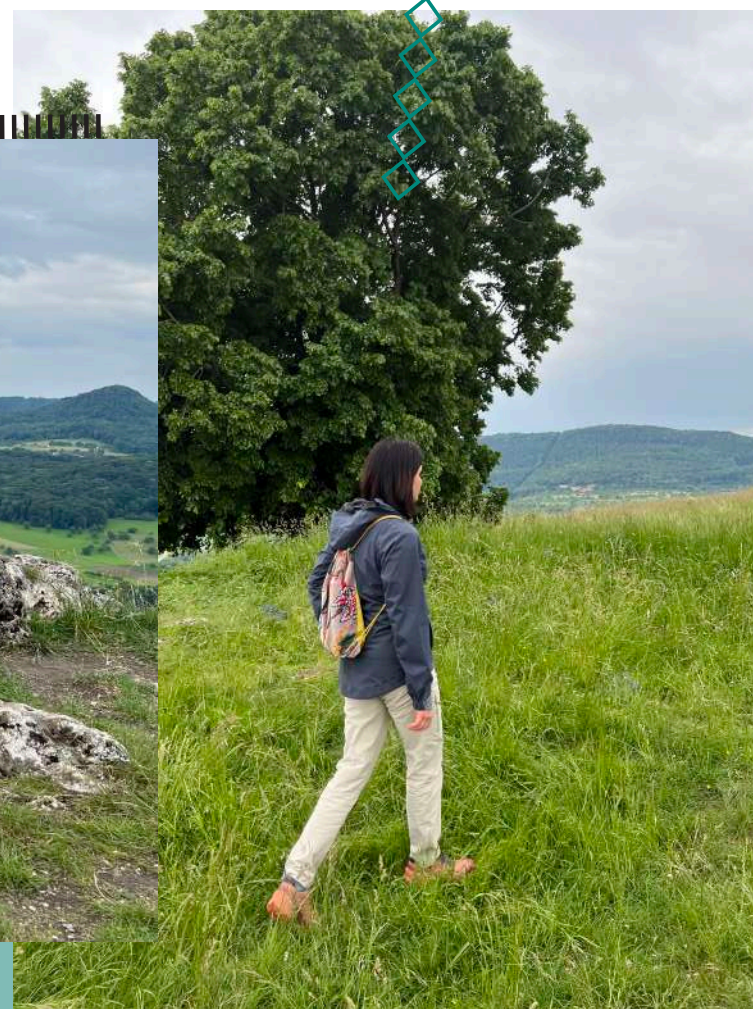
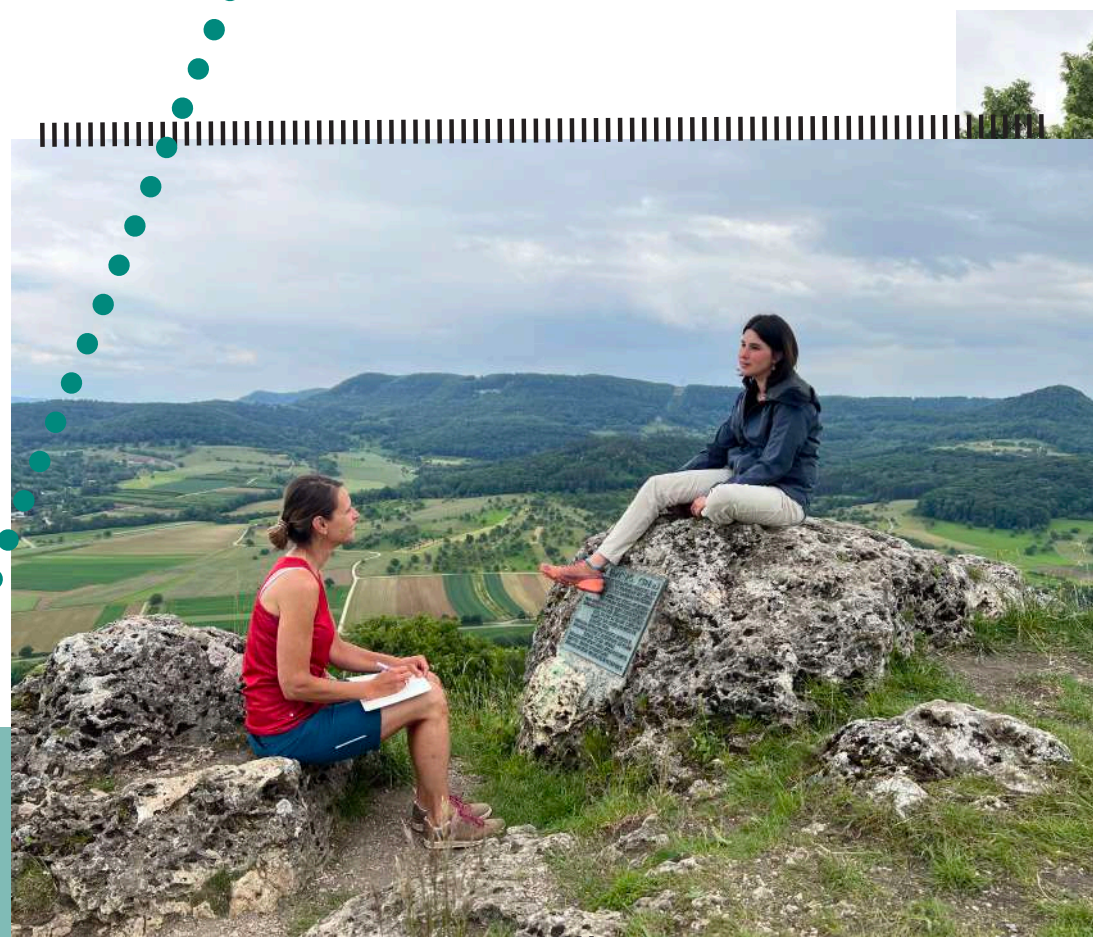
If we succeed in this, misunderstandings can be ruled out and we have a promising basis for the placement and acceptance of all topics - worldwide - including CSR topics.

What do you hope for in 3 years?

That we have achieved effective, sustainable improvements in all areas and are acting more consciously overall. That we have a person as CSR contact in each department who has internalized the importance of the topic, enjoys working with me, and is in lively exchange. CSR absolutely needs passionate, authentic people who have recognized how explosive the topic is.

This way, we will be able to achieve and move much more together in the future.

Thank you Lisa-Marie, for your time, the interesting afternoon and the great hike.



MY VIEW

CSR absolutely needs passionate, authentic people who have recognized how explosive the topic is. This way, we will be able to achieve and move much more together in the future.



The view from outside

Marina and I agree, Lisa-Marie is not only professionally but also personally predestined for this challenging task. She speaks English as if it were her mother tongue, loves international, multicultural exchange, is open, communicative, responsible and self-confident. She thinks in an incredibly structured way and has an infectious enthusiasm. For her, heading CSR management at Maier Sports GmbH is not just a job, but an affair of the heart for which she burns.

CORONA: CHALLENGES WERE USED AS OPPORTUNITIES

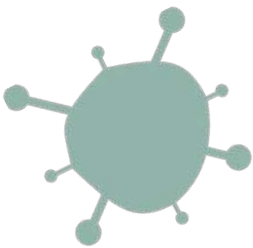
Location Köngen - communication and working models

Also, in the second year of the pandemic, the management of Maier Sports GmbH was available for each of the employees at any time. Open, transparent, and direct communication was enforced and practiced. The staff of Köngen came to terms very well with the legal corona restrictions and lockdown regulations. Technical conditions were created and permanently improved so that most of the employees were able to work largely mobile and remotely. Coordination took place for the most part through Microsoft Teams, e-mail, and telephone. Through the now familiar handling of these communication channels, team cohesiveness could be maintained and further strengthened. Both brands, Maier Sports and GONSO, again held their sales meetings digitally. The quality and performance of these sales meetings were propagated once again, and with a lot of charm and inventiveness the team succeeded in communicating the products and contents in a sympathetic and emotional way and to inspire the target groups for the new collections. The sales team started the season motivated and achieved impressive pre-order results.

Maier Sports GmbH introduced trust-based working hours three years ago. This gives employees flexibility, trust, but also responsibility. Through the Covid situation, mobile working has



become established for activities that can be performed externally. Due to the positive development and the high loyalty of the employees, the management has decided to continue to rely on a mixed form in the future. A 60:40 percent (mobile vs. on-site) solution is planned, allowing for the advantages of both forms of work can be incorporated.



Contact and communication with customers

Due to the permanently changing and regionally different regulations, a high level of flexibility was required in this area.

We opted for a hybrid way of working, adhering to all individual specifications, but also in line with customer wishes and thematic requirements. At times, our sales and marketing teams were back on site with our customers. The regional showrooms were also used much more efficiently thanks to good appointment coordination. This meant that personal contacts could continue to be cultivated while at the same time experiencing the collection on site. Our retailers were constantly informed about the current delivery situation, expected delays, alternative products in stock, etc. Our Never Out of Stock system also proved to be very successful.

In addition, we also broke new ground to support our retailers. Our local retailers welcomed our retailer-focused Outtra engagement, as integrative interface solutions allow them to present their availabilities more prominently online on the Maier Sports and GONSO websites.

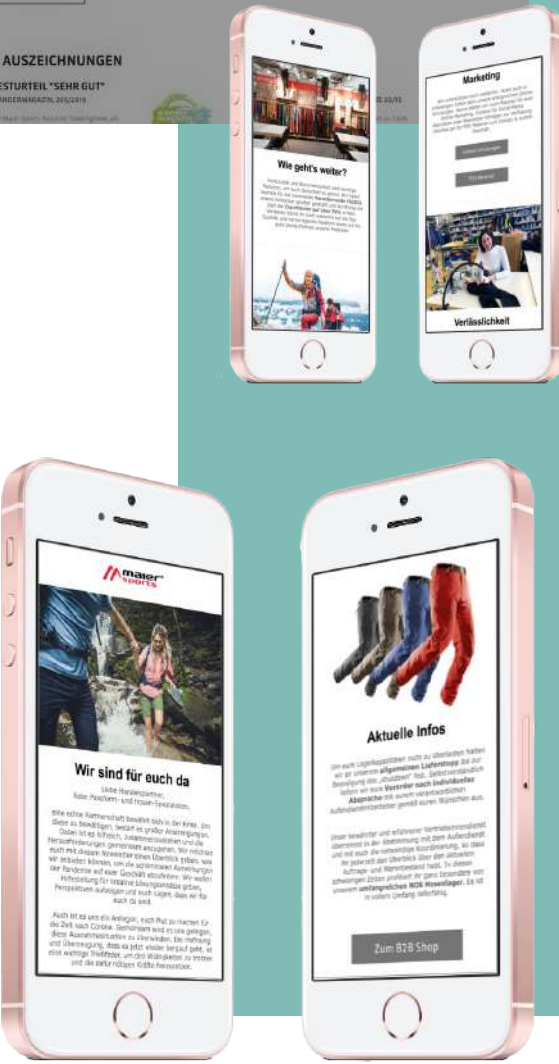
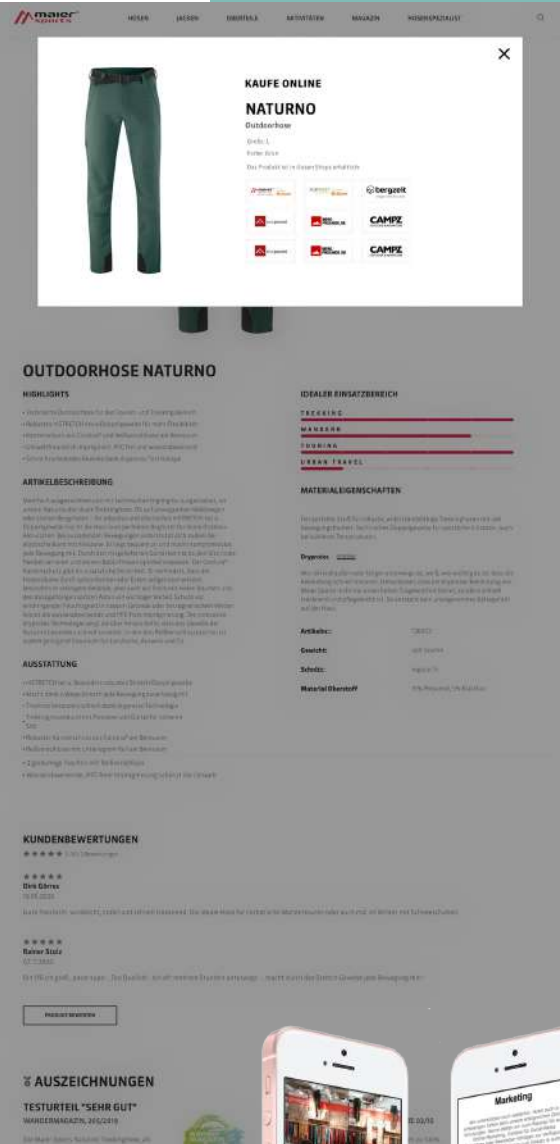
In the future, we will continue to take advantage of team meetings to achieve a higher frequency, more regular exchange, and enhanced alignment. Topics will be worked on and, if necessary, solutions will be developed before they become problematic. With this combined way of working, we will become an even more trusted, reliable partner.

Contact and communication with production sites in China and Turkey

Since the outbreak of the pandemic no business trips to China could be planned or carried out due to increased restrictions. This was the first fiscal year since the beginning of the cooperation with the two Chinese production sites that there was no possibility for a personal exchange with the colleagues of our Chinese production plants.

The situation in Turkey was different. We were able to hold on-site appointments at our Turkish production facility beginning in November 2021.

Throughout the fiscal year, we were in regular contact with the managers of the two Chinese production plants, as well as with various contact persons at our production plant in Turkey, via telephone, e-mail, and Microsoft Teams. We communicated which measures had been taken at the headquarters in Köngen. In part, the production sites in Turkey and



China followed suit, and they developed and implemented their own catalogs of measures. The priority was always the health and personal protection of all employees. At all times, the individual situation on site was taken into account, and the legal regulations and precautions of the regional authorities were guaranteed.

Even if the chosen communication channels were the best alternative to the planned trips, they can never compensate for an analog meeting with personal exchange. Communication with China became more difficult and limited due to various political restrictions as well as higher data protection regulations. Above all, the situation in the large sewing rooms is difficult to assess. Therefore, the requirement was to work permanently with respiratory masks to maximize the protection of the workers.

We were able to identify positive effects despite these challenges. For example, in Turkey we were able to experience how the cooperation has welded our relationships even closer together through these difficult situations.

Our own production facilities proved even more effective during the crisis. Alongside our global employees and through flexible adjustments, we have managed to maintain a consistently reliable delivery situation with only a few delays. Responsible action paid off at each of our production sites and partner plants with hardly any notable breakdowns.

Cooperation and communication with suppliers

Our purchasing/sourcing department communicated with our suppliers exclusively digitally and by telephone. For years, we have relied on continuity in cooperation in procurement and we continue to develop together with our partners. In the event of logistical issues, we have strived to work constructively with our partners to minimize any time delay and have not cancelled any orders. This trusting, reliable, and loyal cooperation has once again strengthened the partnership for the future.

General brand and market development - outdoor themes continue to boom.

Every discipline within cycling has seen a massive growth in popularity. Trekking, hiking, snowshoeing, touring, cross-country skiing, skating, and skiing are also unbroken trends. All sporting activities that take place outdoors in nature are developing positively and are either practiced classically or interpreted in a modern way - as microadventure, bushcrafting or bikepacking.

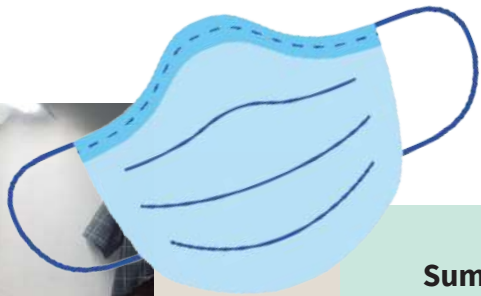


Maier Sports

Maier Sports has a new revised logo, new corporate design, new website, and a more modern, emotional, and consistent visual language. These are the results of the successful implementation of the brand relaunch of Maier Sports. This sharpened appearance not only rejuvenates the target group, but also expands it at the same time. The new collections are convincing the retail partners who signaled their confidence in the Maier Sport brand with an outstanding pre-order for winter 2022/23. Simultaneously, upon the opening of resorts we could see an enormous pent-up demand among skiers.

GONSO

The gravel, bike-packing, and e-bike trends, along with sustainability concerns and increased fuel prices have had and continue to have an additional, positive multiplier effect on the ongoing bike boom. As a result, even more people are getting on their bikes which are increasingly establishing themselves as 365-day sports equipment and commuter transportation. A development that contributes to the mobility turnaround and resource conservation. GONSO has launched innovative, high-quality, functional products for both the summer and winter months. The topic of body mapping has been consistently and successfully implemented in the winter sector. GONSO has developed into a reliable, sustainable, and attractive brand - for outdoor athletes, distribution & retail partners, employees, and suppliers.



Summary

All economic and social challenges as well as the associated uncertainties were not only discussed cooperatively and actively at Maier Sports GmbH in the past fiscal year, but also mastered in a solution-oriented and confident manner. Both internal cooperation and cooperation with external partners were characterized by mutual respect, understanding, and an enormous team spirit. This was achieved through concise and transparent communication and a great deal of creativity and flexibility. However, instead of easing the situation, we are currently facing new global political issues that will continue to limit our ability to plan in the future. Despite these challenges, we are convinced that Maier Sports GmbH is strategically well positioned. With our orientation we pursue a realistic and healthy growth potential. Together with our motivated and passionate employees, we will continue to be able to turn imponderables into opportunities.

The sustainability concept is the focus of both brands and Maier Sports GmbH. We work consistently on materials, products and production technologies, supply chains, logistics, and the entire corporate orientation in order to conserve resources and minimize our footprint. Because nature and people are close to our hearts, and we want to preserve the habitat for future generations.

PRODUCTION SITE TURKEY

The Situation in the country

Inflation in Turkey

Transportation and food costs have dramatically increased over the last several months. In March 2022, Turkish consumer prices were about 61% higher than in the previous year. From February 2022 to March 2022 consumer prices experienced around a 7% increase.

Inflation is particularly high in the transport sector, but the standard cost of living steadily increases month over month. Naturally, these price increases hit people in Turkey and our factory workers hard.

Turkey has also not been immune to the increased oil and energy prices that are plaguing much of the world.

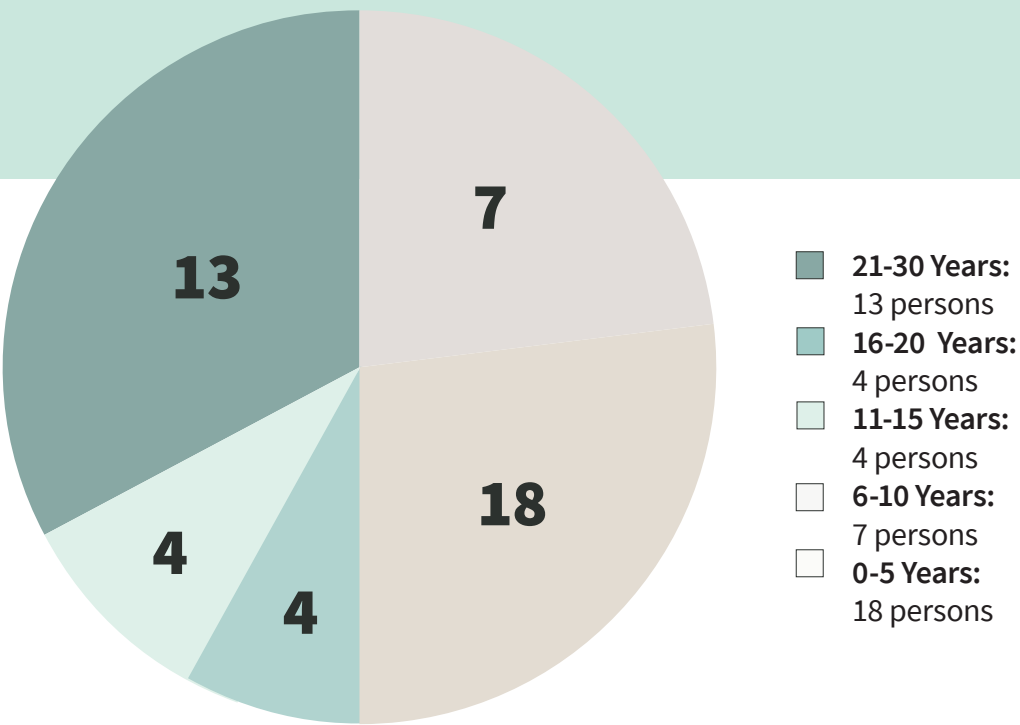
The lira has lost about half its value against the dollar over the past year.

Since the inflation rates are constantly rising, Maier Sports is in constant contact with our supplier to keep increasing the workers' salaries in order to keep up with the steadily growing inflation rates.

Maier Sports and the factory management have decided that rising the wages to keep up with inflation is not enough therefore we started to provide support to all of our Turkish workers through food vouchers. The implementation of the support has been completed as of May 17, 2022 and our 50 employees have been able to use the support ever since. The service provider, known as iWallet, is an international company that allows our workers to shop in 3 different grocery stores using their mobile phones.



Production facility 3231,
46 Employees



The political and economic Situation

Turkey is the eighth-largest clothing exporter in the world. The clothing industry is the second largest industry sector in the country, with locations in almost all Turkish regions and cities. Further growth in the sector is expected.

Despite clear political dissonances, Turkey has been closely economically interwoven with the European Union for many years and is familiar with the international labour standards that apply there. Nevertheless, improvements are required in many areas of the national supply chain, with its numerous branches, especially as it is estimated that 60% of the total workforce is still considered to be unregistered. This means that countless workers have no access to social security, job security and other elementary labour rights.

Turkey is considered to be the country that hosts the most refugees in the world. This has led to a large number of these people being employed illegally. In the process, they often accept dangerous working conditions, excessive overtime and miserable pay. Within a short period of time, a rapidly growing increase in human rights abuses, which was previously rare in the country, has been recorded, including the increase in child labour.

Maier Sports GmbH in Turkey

Due to the highly developed textile industry with its numerous well-trained specialists, Maier Sports GmbH decided over 30 years ago to found a subsidiary in Izmir.

It was a central concern for Maier Sports from the beginning to ensure good and safe working conditions in the production facility, which is a 100% subsidiary, and to orientate itself to the standards of the EU. With regular visits from the

management and technicians from the German headquarters, which unfortunately had to be cancelled during the pandemic, it was and is ensured, that this cluster of top-ics always remains in focus, gets further developed, and also gets credibly checked through personal exchange. The visits are also used to help with the training and further education of the employees as well as quality assurance.

The manufacturing company with produc-tion no. 3231 celebrated its 30th anniver-sary on 19th December 2019. To mark this special occasion, Sebastian Schwanhäußer, CEO of the Schwan-STABILO group holding, together with Simone Mayer, CEO of Maier Sports GmbH, visited the company and its employees. In this ceremony, we honoured those celebrating their 25-year anniversa-ries of loyalty to the company.

Long-Term affiliation with the company

There are also numerous employees who have been with the company since it was founded, and some women and men worked there until they retired. These long periods of employment with the company can be seen as an indication of the good work climate. It regularly comes through that a large part of the workforce sees the company as a kind of family. Production number 3231 has been in the Fair Wear Foundation's audit process since 2011. A verification audit by the FWF was carried out in May 2018. This confirmed that measures from the CAP (cor-rection action plan) had been implemented and are an integral part of today's company organisation. This includes a body of employee representatives freely chosen by the workforce. One employee representative from the sewing room and one from the tailoring department are elected. They regularly take part in meetings with the management. There, they can present the concerns of the employees and discuss them with the company management. The meetings take place every two months and are documented accordingly. Another audit took place in August 2021. Its results, and the resulting measures, will be the subject of the next Social Report.

Refugees

In connection with the civil war in Syria and the resulting flight of many Syrians to Turkey, there is an increasing amount of illegal employment of Syrian refugees in the country. This often means no social security and is compensated at starvation wages. Our company regularly took part in the FWF events held in Istanbul until September 2019 in or-der to receive appropriate training on this matter. Unfortunately, further training courses had to be cancelled due to the coronavirus. However, thanks to the seminars, those in the company were aware of the legal principles in connection with refugees, although no refugees were employed in the reporting period.

Social security System

The social security system is a general challenge in Turkey. Theirs is comparable to the German one but is not always adhered to with the same consistency. What's more, there is still a lot to do in the areas of freedom of association, working hours, occupational safety and wages in relation to the desired living wage (see below).



Trade Unions

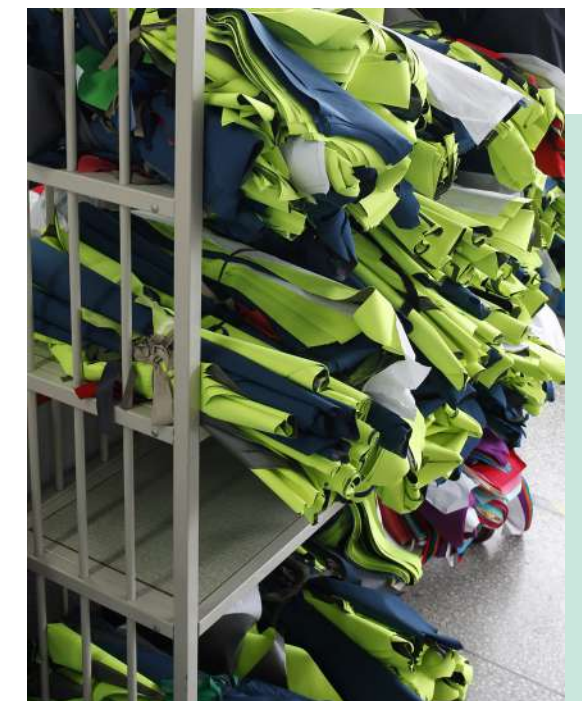
The employees at our Turkish subsidiary, as well as in the small, owner- or family-run sup-plier compa-nies in Turkey, are not unionised. The FWF auditors were informed that there is good communication between the employees and the management. The workers do not want to join a union that can stand up for their rights. The reasons they give are that the unions are considered to be "government-heavy". In addition, many restrictions have been im-posed upon the unions by the government.

No trade union is therefore active in the factory; however, as mentioned above, there are two freely elected employee representatives who remain in regular contact with the management and represent the interests of their colleagues.

Living Wage

The implementation of living wages is not an easy undertaking that can be realised from one day to the next. Our production facility is a stand-alone company that makes its own calculations and runs its economic opera-tions independently. We at Maier Sports GmbH are managed as customers and negotiate the prices for our products with the management of the factory, which operates by itself and is therefore also responsible for paying wages. In 2018, the production facility began to enquire about the real living costs of the employees in order to determine their actual needs. They use a corresponding questionnaire

for this. The wages are always adjusted to the economic situation in the country at the beginning of the year. The development of the inflation rate and the statutory minimum wage serve as an important guide in this. Our company works very closely with the FWF in order to test the "Labour Minute Value Costing Tool", the system for calculating the value of a working minute. The test was originally planned for summer 2019 but was postponed by the FWF to the end of 2019 and carried out then. An FWF employee tested the "Labour Minute Value Cost-ing Tool" in practice at the company. It turns out that the subcontractors are not accounted for in the tool. The FWF has taken this into consideration and is still trying to find a solution. The collaboration with the FWF regarding this tool will be continued accordingly. The next step that the FWF would like to take with the company in 2021 is practical testing of the FWF app with regard to labour minute costing.



Corona Pandemic

As of 2021, all employees of our Turkish company are fully vaccinated against Covid-19. To keep people healthy and to prevent Covid-19 from spreading through the factory the management developed a 42-point guideline to combat the pandemic and distributed the contained rules and instructions to all employees in writing in July 2020. All legal requirements and their adjustments are strictly implemented, and the rules are adapted appropriately.

The already stressful working conditions are exacerbated by warm summer months and made even more difficult by wearing masks in the summers 2020 and 2021. Management therefore increased the number of daily breaks in the month of July, with the company bearing the costs resulting from the reduced working hours.

Subsequently, the installation of an air conditioning and air purification system was examined. Since the Turkish government prohibits the use of air conditioning systems without a fresh air supply, a UV system has been chosen that kills microorganisms and viruses in enclosed areas, cleans the air, cools it, and then releases it back into the room. This system was put into operation in August 2020. It is also a sensible investment that benefits employees' long-term health, as it ensures clean air regardless of pandemic conditions.

After commissioning it, the company returned to the old rule on taking breaks. Workers were repeatedly advised to consult the doctor immediately in the event of suspicious, Covid-like symptoms in order to protect themselves and their colleagues.

To prevent more people from coming together than necessary, fixed groups were put together during meal and break times in October 2020, and this was organized together with the caterer of the factory. In order to reduce the crowding on public transport, the start times within operations have been changed in agreement with the provincial health authorities.

From the inception of the pandemic, we have been monitoring the Covid situation of our Turkish supplier regularly. This is generally conducted by monitoring situations and updates via e-mail, but surveys have been established to gain a detailed and precise idea about situations.

So far, 21 workers have had Covid in our Turkish factory. The atmosphere in 2022 is generally moderate. There is a serious decrease in the number of cases and deaths in the area our factory is located, and normalization is being carried out step by step across the country.

Masks are only mandated in airplanes, buses, cinemas, and health institutions as of April 2022. However, the workers in our factory continued to wear masks long after the mask mandate was lifted by the government. The aim was to keep the masks until the weather is warm enough to work with open windows and fresh air.

From the beginning our main supplier in Turkey is checking the situation on the sub-factories on a monthly basis. These Check-ups take place during face to face visits.



Turkey withdraws from Istanbul Convention

The “Convention on preventing and combating violence against women and domestic violence”, also known as the Istanbul Convention, which was put into force by the Council of Europe, is an important convention that sets the standard.

Turkey was the first country to sign it in Istanbul in 2011. In addition, Law No. 6284, “Protecting the Family and Preventing Violence Against Women”, was implemented in Turkey. On 20th March 2021, Turkey announced its withdrawal from the convention by decree of the state president.

This decision not only repealed a Convention but could also affect the effectiveness and applicability of Law No. 6284, on which the Convention is based. Political observers fear that this decision will lead to an increase in violence against women and girls.

We hope that the Government of Turkey will revise its decision to withdraw from the Istanbul Convention and that it will take the necessary measures to ensure the effective implementation of the Convention as well as gender equality, in order to ensure the safety and rights of all women and girls.

PEOPLE’S REPUBLIC OF CHINA PRODUCTION SITE

The Situation in the Country

The political and economic Situation

The People’s Republic of China is the most populous country in the world and continues to be the manufacturing metropolis. The textile industry is the second-largest industry in the country, making China the largest clothing exporter in the world.

However, the Chinese manufacturing industry is changing rapidly. This can be seen, among other things, in the shortage of labour, rapid staff turnover, and the transition to higher-quality manufacturing. The oversupply in their own country, rising labour costs and increasing global protectionism are affecting China’s competitiveness.

The human rights situation in China has not improved in recent years. Despite some advances in the rule of law on paper, clear crackdowns on civil society continue. The right to freedom of association is still restricted by law; independent trade unions are not allowed, and there is no right to strike or to collective bargaining.

Other labour law problems include low wages, a disproportionate amount of overtime, and a lack of social security.

“High-pressure work” with short lead times is common across the entire industry, and most factories still pay their employees well below the locally set, statutory minimum wages. The reason for this is that most workers in the factories are paid according to a piecework system that does not take overtime into account.

While awareness of social security has increased among workers, access to the social system remains unchanged and inadequate. Many employees hesitate to register in this system (in some regions, this is not even possible) because they lack the confidence that they will get their benefits back from the state at the later fixed date.

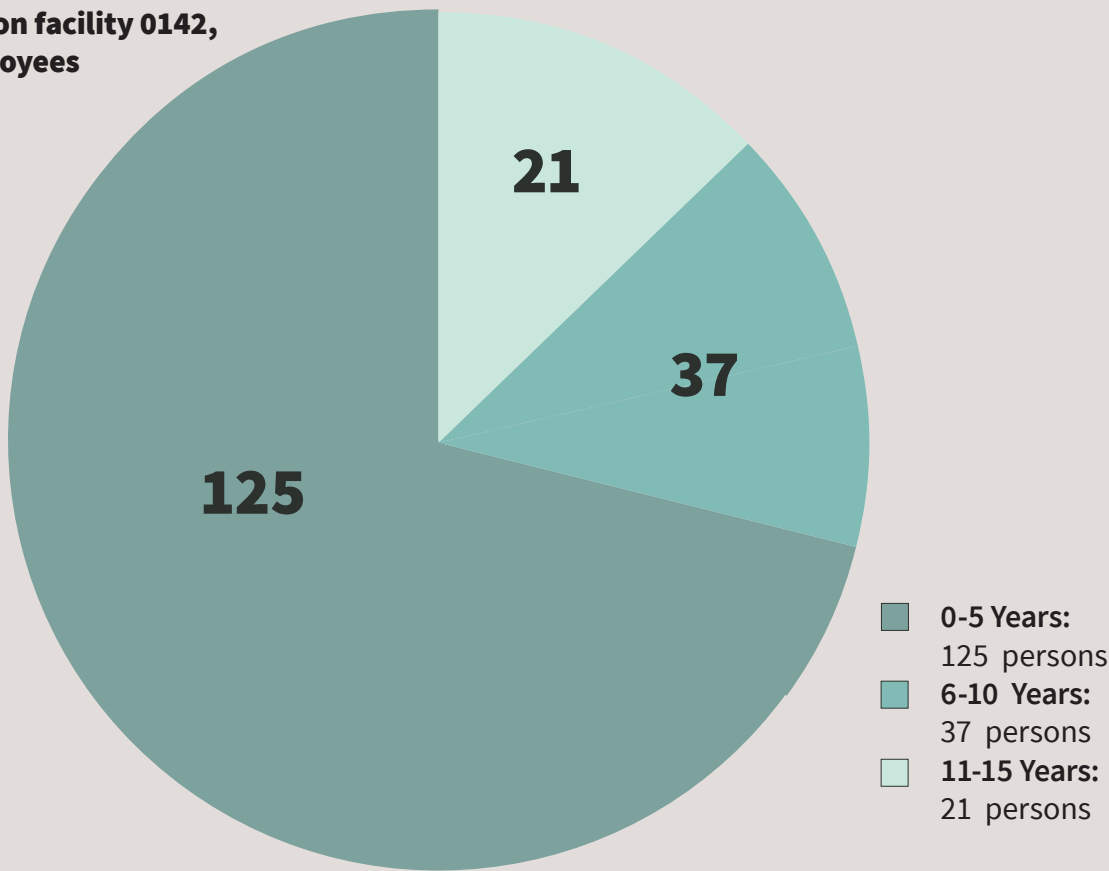
Migrant workers leave their children with relatives. Official checks of residence, so-called household

registrations, which identify a person as a resident of an area, prevent them from receiving a pension when they return to their region. This is one of the reasons migrant workers do not pay any social security contributions.

The one-child policy of the past has led parents to strive for an ever-higher level of education for their children and to invest in their education so that they will have it “better than they did” in the future. As a result, the search for employees has become a major challenge for Chinese production facilities. The fact is that, due to the labour shortage, entire textile factories have recently moved inland, as the situation there is currently even more relaxed. In China, too, new employees are increasingly being acquired via the Internet.



Production facility 0142,
183 Employees



Maier Sports GmbH in China

In 2000 and 2006, together with Chinese partners, Maier Sports GmbH founded two joint venture companies with production facilities, and it has expanded them on an ongoing basis. In addition, we have been working with another independent company in China since 2011. Since then, these three companies have been producing high-quality, sustainable products for the Maier Sports and GONSO brands.

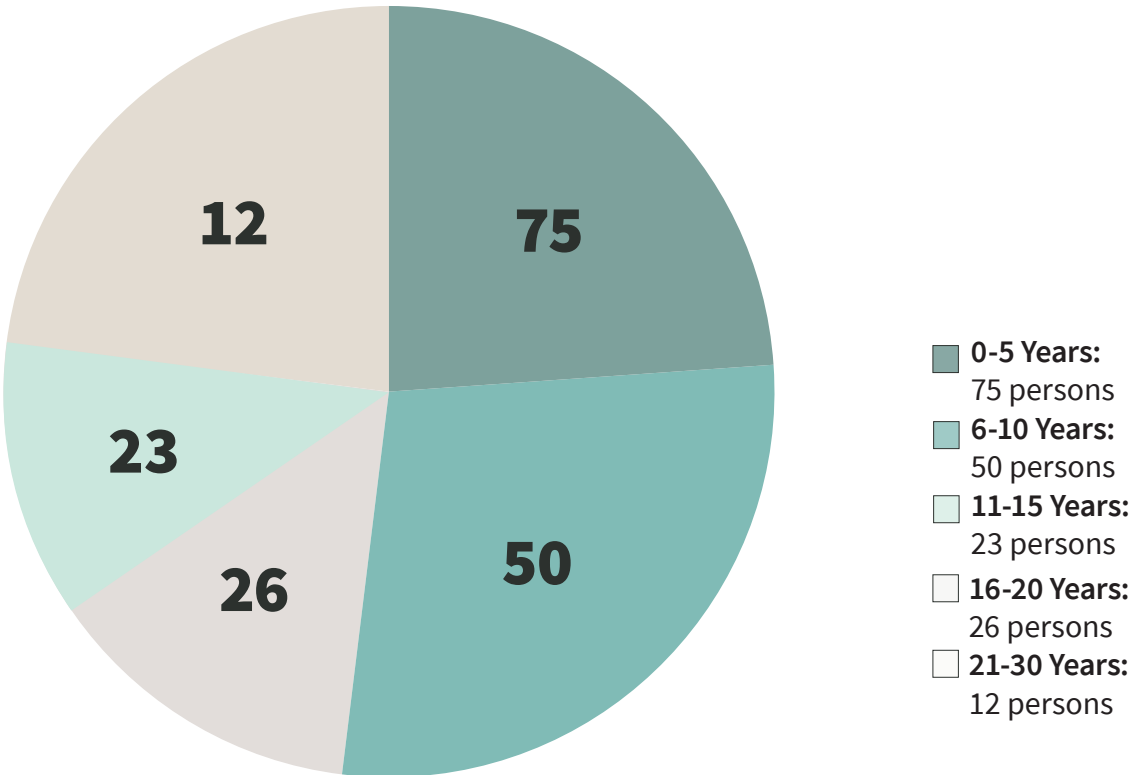
- First joint venture, 2000, prod. no. 8552
- Second joint venture, 2006, prod. no. 0142
- Third independent company, 2011, prod. no. 3242

Maier Sports GmbH intends to adhere to this long-term, continuous strategy and collaboration in the future as well, and to push it further. Lower production costs are no reason for decision makers to make short-term changes and relocate production to another country.

Employee’s level of affiliation with the company

In China, it is common for employees to change jobs more frequently – especially in the period following the Chinese New Year celebrations. Figures show that, in our joint venture companies, over half of the employees have already been with the company for more than five years. This is a reliable indicator of a high level of employee satisfaction.

**Production facility 8552,
186 Employees**



Long-term collaboration

Thanks to strategic collaboration, Maier Sports GmbH guarantees its production partners security in planning, stable utilisation of capacity and secure jobs. In addition, these long-term partnerships aim to meet the high-quality standards of the Maier Sports and GONSO brands, as well as to guarantee the punctuality and reliability of deliveries.

Due to the positive effects of this strategic collaboration and the long-term affiliation of the employees, Maier Sports GmbH did not have to do the same as others and relocate production.

Audit procedures in the production facilities

Production number 8552 has been part of the Fair Wear Foundation's audit procedure since 2011. An FWF audit was carried out in June 2018. For August 2019, WEP (Work-place Education Programme) training was also provided by the FWF. In addition, two employees completed the "Living Wage China" seminar in October 2019. The contents of the "Labour Minute Value Costing Tool" were presented. Another FWF audit is planned for September 2021.

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

Production number 3242 has been subject to the Fair Wear Foundation's audit procedure since 2019. BSCI audits were carried out in the previous years. The audit took place in June 2019, and WEP training in July 2019. Both the management and the employees were able to learn a lot about the rights and duties of everyone through both events. A FWF verification audit took place in June 2021. We are currently working on the CAP together with the producer.

In 2019, the three main suppliers of Maier Sports GmbH each carried out a WEP training course from the FWF. Due to the restricted activities of foreign non-governmental organisations (NGOs), the FWF has only been able to offer basic WEP training in China since 2017.

Each company is regularly visited by one of our four technicians from our production management team in order to train the employees in the Chinese partner companies in the area of quality assurance and to support them in all production-related processes. Unfortunately, this was not possible in the past financial year due to the pandemic. In one of our joint venture operations, the initial patterns and those intended for production are made on a regular basis, which is a meticulous task that demands a lot of responsibility. As of 2015, charging stations have been set up in our production facility 8552 for the electric motorcycles of the employees. All employees there have the opportunity to charge the batteries of their vehicles free of charge during working hours. Well over half of the employees use e-scooters to get to work.



Corona Pandemic

The Covid-19 measures in China are strict and our factories follow the imposed laws and regulations closely.

Ever since the start of the pandemic all workers were provided with masks and were checked to ensure that these were being worn properly. All workers have their temperature measured twice a day at work as of 2020. In order to maintain the required distance between people, the production lines were redesigned. Protective walls to curb the spread of the viruses were attached to the edges of tables, among other protection measures. Our factories had to close down in March 2022 to April 2022 (approximately 30 days) due to a peak of covid-19 cases in the area.

Luckily, no workers in our factories have tested positive for covid-19 as of May 2022.

INDIA PRODUCTION SITE

The Situation in the Country

The textile and clothing industry is the third-largest employer in India, providing jobs to around 45 million people nation-wide. As the world's second largest exporter of apparel and cotton, the Indian textile and clothing industry plays an important role in the country's economic growth and future.

Due to the high level of demand across the entire clothing industry, the factories are under great pressure to produce more and more goods in the shortest possible time. Workers are forced to work overtime, which is often unpaid. Informal employment agreements are also very common, especially for seasonal and migrant workers. Often, workers are discouraged from joining unions, and this gives them little opportunity to improve their situation or wage level.

Gender inequality is another major problem faced by the country. The gender pay gap in India is quite large at around 34%, and employment opportunities for women have deteriorated since the mid-2000s. Sexual harassment also remains a major problem and is generally not reported. While certain policies exist, the reality is that most clothing factories do not have mechanisms in place to ensure that gender issues are addressed and dealt with.

Maier Sports in India

In India, Maier Sports GmbH has been working since 2016 with a supplier that is currently BSCI-audited. In March 2021, FWF WEP basic training was carried out for employees in order to counteract the problem of harassment of women in the workplace, which is widespread in India, and to ensure that all employees – regardless of their gender – are treated with respect.

Avenues for making a complaint

The factory has an internal committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013. There is also an operations committee and a safety committee.

The management says that workers are free to contact the factory manager if they have any problems, and they could also contact the factory owner directly if they so wished. The management announced that, in addition to the above-mentioned committees, the factory is also organising training courses on handling chemicals.

The workers are paid the minimum wage during the times when training is taking place. The factory bears the costs.

FWF Audit (Fair Wear Foundation Audit)

We are currently planning the first FWF audit for the factory in India. The audit is planned for mid-August 2022.

The purpose of factory audits is to determine the degree to which factories comply with the FWF labor standards. For any non-compliance with the Fair Wear Code of Labour Practices, the auditor recommends steps for improvement which are discussed with the management of the factory. Once the audit report has been completed Maier Sports will discuss the outcome of the audit with its supplier to come to an agreement about the timeframe for the execution of the corrective action plan (findings). The improvement of findings in the supply chain is a process that takes time.



During the audit several interviews will take place. The factory management, as well as the workers will be interviewed separately. The auditors will review documents, especially those regarding employment, salaries, and working time. A visual inspection regarding occupational health and safety will also take place at the factory.

Corona Pandemic

During the pandemic, a mask is required throughout the company. All employees are instructed to maintain distance from their colleagues at all times. The management has developed a hygiene and health concept that has been communicated to the entire workforce and also posted on the information board.

Before starting work, the body temperature of all employees is measured when they enter the

company. The same goes for their SpO2 value, which reflects the level of oxygen saturation in the blood and is determined by a pulse oximeter. Employees with a value below 94 are not allowed to work, as this is an indicator of COVID just as a high temperature or fever is. If the medical examination that follows reveals a positive COVID result, the employee is sent to quarantine at home for two weeks and can only return to work after a negative test. During these two weeks, the company voluntarily pays the employee's salary. This is because there are no statutory provisions from the state according to which employees must continue to be paid in the event of illness. All employees have been given two washable protective masks with the instruction to wash and change them daily. Those who have issues wearing their masks can go outside to briefly take the mask off and take a break. Hand disinfectants are provided for everyone at the entrance and at the workplace. The employees are advised to disinfect their hands several times a day, especially before and after breaks, before and after lunch, and when going to the toilet.

At the beginning of the pandemic, a mask was required to wear throughout the factory. All employees were instructed to always maintain distance from their colleagues. Management has developed a hygiene and health concept that has been communicated to the entire workforce and also posted on the information board for everybody to see.

This included the measuring the body temperature of all employees before starting work.

In Spring 2022 many Covid-19 measures have changed and the situation in the factory has become more relaxed. For instance, masks are no longer required to wear during work and the hygiene concept has been changed to the new regulations the government has communicated.

Ever since the start of the pandemic our Indian factory had to close one time starting March 2020- May 2020, when Covid- 19 was at a peak all around the globe, but this was only a precaution as no worker has tested positive for the virus as of May 2022.

LIVING WAGES

One of the working standards of the Fair Wear Foundation is payment of a living wage: wages and benefits that are paid for a standard working week must, at a minimum, meet the customary legal or industry minimum standards and must always be sufficient to cover the basic needs of the employees and their families and ensure a certain amount of freely disposable income.

(ILO Conventions 26 and 131). Deductions from wages as a disciplinary measure are not permitted, nor are any deductions permitted if not justified by national law. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. The employees are adequately and clearly informed about the components of their wage, the wage rates, and the wage period.

The Situation at Maier Sports

All workers in all companies that work for Maier Sports GmbH receive at least the statutory minimum wage, which is based on the laws applicable in the country of production.

A distinction is made between minimum wages and living wages. The regular minimum wage, based on a 40-hour week, should normally cover one's basic needs. However, the minimum wage is often not enough to meet the needs of an entire family. We are therefore working on paying fair living wages in all participating companies. This is our highest priority.

Every employee should be able to live on their income and have the opportunity to put something aside without additional overtime. The clothing industry must not base its profit on the shoulders of poorly paid needleworkers.

Pilot project in Turkey

We have started a pilot project in our own company in Turkey with the aim of paying adequate wages.

When doing this, we take various parameters into account in order to determine how high adequate wages need to be in reality. Statistical values determined by the Turkish state are used for this, as well as figures from the trade union federation Turkİs, which also take regional differences into account. This means that the following information is considered when determining wages.

The minimum wage:

- information on the hunger and poverty line
- the state determined cost of living,
- and an internal annual survey of employees using a standardised question-naire on the actual cost of living.

The very high inflation rate, most recently of almost 20%, which makes regular adjustments necessary, also plays an important role. In the Turkish manufacturing company, which is a 100% subsidiary of Maier Sports GmbH, the agreed wage, which definitely lies above

ADİL ÜCRET ARAŞTIRMA ANKETİ

TARİH: 02.02.2020

Çalışanın
Adı-Soyadı :
Bölümü:

1- Ailenizdeki maaşlı çalışan sayısı : 2
2- Ailenizdeki çocuk sayısı : 1
3- Ailenizdeki bakımına yükümlü erişkin kişi sayısı (18 yaş ve üstü) :
4- Ailenizde işten sonra kursa, okula giden yetişkin var mı Var Yok ☒ ☐
Varsa sayısı :
5- Evde en çok kullanılan enerji türü : Doğalgaz (Örnek : Doğalgaz, elektrik, Kömür vs.)
6- En yaygın ulaşım şekli : Toplu Taşıma ☒ Özel taşıt ☐ Diğer ☐
7- İş ile evinizin arasındaki ortalama mesafe: 149 Km
8- Eviniz ile alışveriş için en yakın yer arasındaki ortalama mesafe: 6 Km
9- Eviniz ile en yakın okul arasındaki ortalama mesafe: 7 Km
10- Eviniz ile en yakın sağlık merkezi arasındaki ortalama mesafe: 5 Km
11- Evde kullanılan içme suyu : Çeşme suyu ☐ Damacana suyu ☒

Ortalama Aile Giderleri Bilgisi

1- Aylık ortalama Eğitim için harcadığınız tutar	800 TL
2- Aylık ortalama Ulaşım için harcadığınız tutar	150 TL
3- Aylık ortalama Gıda harcamalarınızın tutarı	300 TL
4- Aylık ortalama Giyim harcamalarınızın tutarı	300 TL
5- Aylık ortalama Enerji ve Su harcamalarınızın tutarı	410 TL
6- Aylık ortalama Barınma harcamalarınızın tutarı	300 TL
7- Aylık ortalama beklenmedik (ekstra) harcamalarınızın tutarı	400 TL
8- Aylık ortalama yapılan birikim tutarı	1000 TL

CEVAPLAR TL CİNSİNDEN YAZILACAKTIR.

Teşekkürler.

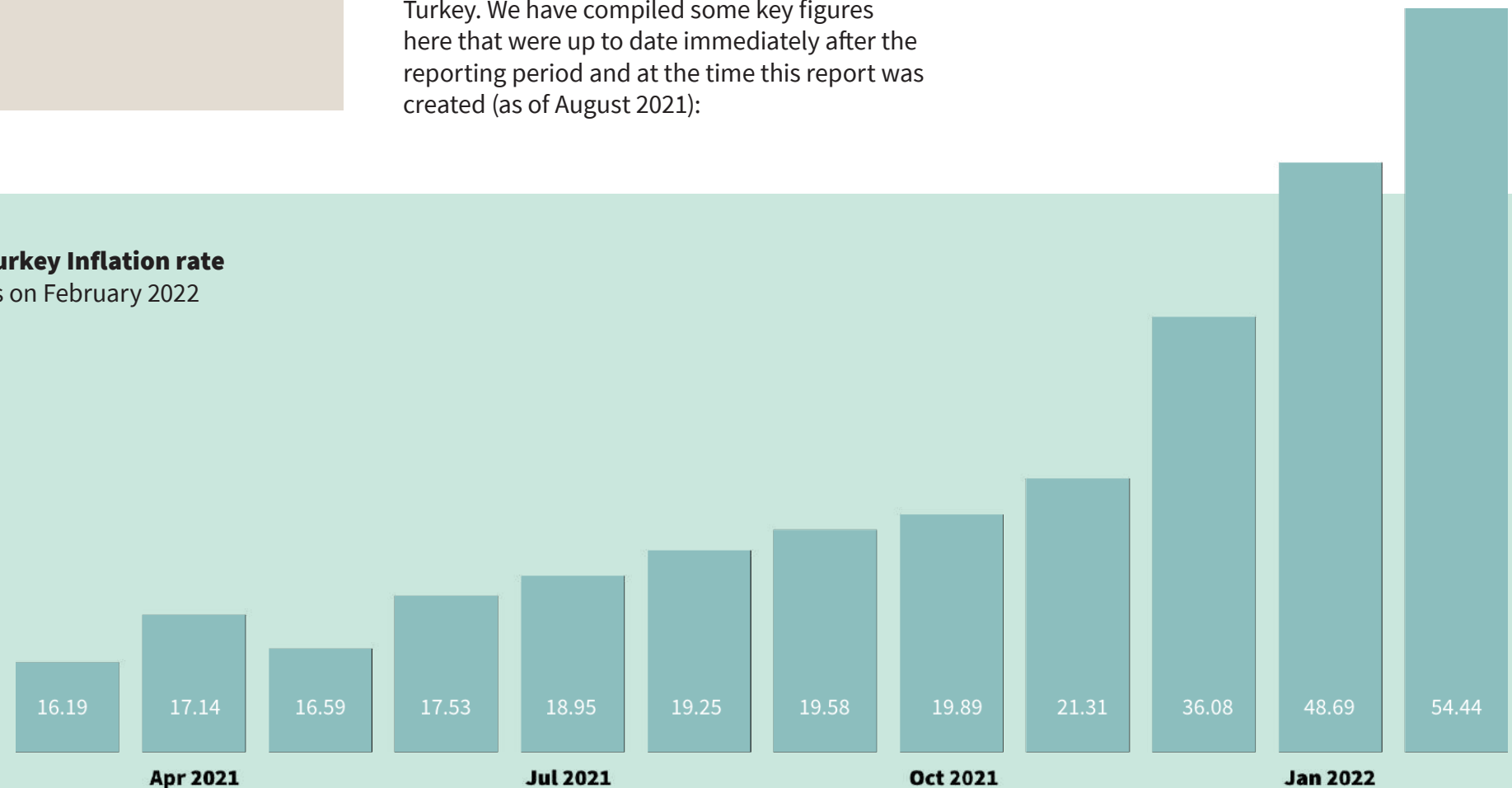
the statutory minimum wage, is increased at the beginning of the year by the inflation rate of the previous year, in order to compensate for loss of capital value and income so that the currency devaluation is equalised. This adjustment for inflation is of course made independently of other possible wage increases negotiated between the company management and the employee representatives.

We need to recognise that it is not possible to pay living wages overnight. We are therefore continuously working on further developing our wage system in order to be able to achieve this goal in a timely manner.

Key Figures

A few figures clearly document the economic situation during the coronavirus pandemic in Turkey. We have compiled some key figures here that were up to date immediately after the reporting period and at the time this report was created (as of August 2021):

Turkey Inflation rate as on February 2022



FAIR WEAR FOUNDATION STANDARDS

Eight basic and clearly defined requirements form the core of the FWF labour practices

In what follows, we provide a general overview of the current status of and general issues with the eight basic points of the Code of Labour Practices (also called the labour stand-ards), as required by the Fair Wear Foundation:
The agreement with the Fair Wear Foundation stipulates that all identified deviations and violations, as well as all actions that are implemented in compliance with the Code of Labour Practices (CoLP) of the Fair Wear Foundation, be documented.



1 Employment is freely chosen

1. Employment is voluntary
There must be no forced labour, including bonded labour or prison labour (ILO Conventions 29 and 105).
Since the Uyghurs are currently associated with oppression and forced labour in China, we have had our companies examined specifically with regard to these incidents. The background to this is allegations that Chinese suppliers employ Uyghur forced labourers or process cotton that is harvest-ed using forced labour. The audits did not reveal any violations of these regulations against forced labour.

2. Freedom of association and the Right to collective Bargaining

The right of all workers to form and join trade unions and to negotiate collectively is recognised (ILO Conventions 87 and 98). In cases where the freedom of association and the right to collective bargaining are restricted by law, the company will promote parallel paths for independent and free associations and negotiations for all employees on its own initiative.

The employee representatives must not be discriminated against and must be given access to all workplaces when performing their representative functions.
(ILO Con-vention 135 and Recommendation 143).
We provide information about freedom of association at all levels, and permanently point out further possibilities for social dialogue. We motivate the employees to organise themselves and to make use of them. We appeal to the management to grant these. In many countries, such as China or Turkey, the employees do not show any active interest in the unions because they are under state influence.



2 Freedom of association and the right to collective bargaining



3 No discrimination in employment

3. No discrimination at the workplace

Recruitment, wage policy, access to training, promotion rules, termination of employment, retirement from working life and every other aspect of employment must be based on the principle of equal opportunities regardless of ethnicity, skin colour, gender, religion, political affiliation, union membership, nationality, social origin, weaknesses or disabilities (ILO Conventions 100 and 111).

The audits did not reveal any violations of the rules against abuse or discrimination.
The audits of the joint venture companies of Maier Sports GmbH showed that the salaries of women and men are balanced and that there is no gender discrimination.



4 No exploitation of child labour

4. No Child labor exploitation

Child labour must not be used. The minimum age of entry for gainful employment must not be below the age for compulsory schooling and generally not below 15 years of age, or below 14 years of age in such exceptional situations as described in Article 2.4 of the Minimum Age Convention (ILO Convention 138).
There must be no “forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage, serfdom and forced labour”.
Children between the ages of 15 and 18 are prohibited from engaging in work “which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.” (ILO Convention 182).
The audits did not reveal any violations of the rules against child labour.





5. Payment of a “Living wage”

Wages and supplements for a maximum six-day working week must at least correspond to the customary legal or industry minimum and must always be sufficient to satisfy the basic needs of workers and their families, as well as provide them with a certain amount of freely disposable income (ILO Conventions 26 and 131). Deductions from wages as a disciplinary measure are not permitted, nor are any deductions permitted if not justified by national law. Deductions must not result in the employee receiving less than the statutory minimum wage. All workers are adequately and clearly informed about the components of their wage, including the wage rate and the period for which the wage is paid.

The wages for normal, agreed working hours are above the local minimum wage, but currently below the amount that is considered a living wage by the local stakeholder group consulted by the FWF. The implementation of living wages is very complex. Not all factors can be taken into account and changed in a very short time. We make sure that the social security contributions for the employees are paid out in full and that certain additional benefits are offered. This was confirmed in the audits of the joint venture companies. Additional benefits are granted, such as free meals, and allowances on public holidays and Women’s Day are in accordance with the law and local customs.

6. No excessively long working hours

The working hours must comply with the statutory provisions and industry standards. Workers should not regularly be required to work more than 48 hours a week. They must have at least one day off in any seven-day period. Overtime must be voluntary, must not exceed 12 hours per week and must not be requested on a regular basis. It must always be compensated with an overtime allowance in addition to wages (ILO Convention 1).

One of the greatest challenges that production companies generally have to face is to achieve a distribution of work that is as balanced as possible over the whole year. Security of planning was reduced during the COVID-19 pandemic, and the problems in this area became even more tense. In order to reduce overtime in the future, Maier Sports GmbH is making great efforts and assuming a higher risk in scheduling.



6 Reasonable hours of work



7 Safe and healthy working conditions

7. Health and safety at work

A safe and hygienic working environment must be ensured, and optimal occupational health and safety must be promoted, based on current, industry-specific knowledge about any specific hazards. Appropriate attention should be paid to industry-specific occupational risks; a safe and hygienic working environment must be guaranteed. Rules to ensure the greatest possible level of accident prevention and minimisation of health risks are to be implemented (based on ILO Convention 155).

Physical abuse, threats of physical abuse, unusual punishment or disciplinary action, sexual/other harassment and employee intimidation are strictly prohibited. With the Health and Safety Management System, Turkey has created a legal basis that dictates that textile companies based there are obliged to enter into contracts with an external specialist. Even if the textile industry is classified as a “low-risk sector”.

Production company 3231 of Maier Sport GmbH has had a contract signed with an “occupational health and safety specialist” since 2012. This has ensured the monitoring of operations ever since. All issues relating to the occupational safety of employees and the protection of their health are written down and followed up on. Every three months, on-site meetings are called in the company, in which all managers and the occupational health and safety officer take part. The items on the agenda include the projects that will be focused on and implemented. These include, for example, practical first aid exercises, active fire extinguishing or the creation and marking of escape routes and emergency exits. Production companies around the world face a major challenge in ensuring that all employees use and/or wear the appropriate protective equipment. A predestined example of this is the safety gloves that every employee in tailoring ought to wear. All production companies of Maier Sports GmbH provide these gloves in sufficient quantities. However, they are rarely used because the protective handwear restricts the freedom of movement of the fingers. An innovative further development has made it possible to improve the fit of the safety gloves. By using a prefabricated plastic part that is used to slip the glove on, a tighter fit is achieved. This noticeably improves working with the gloves and makes it easier, which means the workers are now actually wearing them.

8. Legally binding employment

Employment relationships must be legally binding, and all obligations towards employees under labour and employment law must be complied with.

When it comes to obligations under labour and employment law, we have to rely on the FWF experts and their audits, as these are difficult or impossible to check for outsiders.



8 A legally binding employment relationship

FAIR WEAR FOUNDATION

The Fair Wear Foundation (FWF), based in the Netherlands, is what is known as a multi-stakeholder initiative.

It is supported by various business and textile associations, trade unions and non-governmental organisations (NGOs). It was founded over 20 years ago in 1999. Since then, thousands of factory workers have been trained on their rights, and much has been changed and achieved. In the meantime, the team at the head office in Amsterdam has grown to over 40 employees.

The FWF currently has more than 131 member companies, with over 140 brands. The organisation is active in 11 countries classified as critical in Asia, Africa and Europe: Bangladesh, Bulgaria, China, India, Indonesia, North Macedonia, Myanmar, Romania, Tunisia, Turkey and Vietnam.

Its aim is to improve working conditions in clothing manufacturing and in the entire supply chain and to promote community social responsibility. Companies that join the FWF undertake to implement and monitor the social standards – the basis for decent and humane working conditions – in their production facilities.

The FWF not only conducts audits in the manufacturing companies, but also regularly audits the FWF member companies. The FWF's social standards are based on the core labour standards of the International Labour Organization (ILO) and the UN's declarations on human rights. If there are differences or contradictions between the FWF standards and local legislation, the higher requirements always apply.

The social standards and the requirements for their implementation are summarised in the "FWF labour standards": the Code of Labour Practices. Members of the FWF agree to this code and to the FWF reviewing their compliance with it.

FWF Labour standards

Brands are responsible for their production facilities and suppliers.

The labour standards correspond to the widely accepted ILO conventions and the Universal Declaration of Human Rights from the UN.

1. The implementation of the code is understood as a process that can take several months/years.
2. Local participants are involved in the auditing and in implementing corrective measures.
3. Implementation of the code by the FWF members is monitored independently.
4. Managers and employees are involved in the corrective actions.
5. The company management must be present during the audit.
6. The audit team must have access to the factory and all other important facilities.

FWF Audit procedure

Audits are carried out by local audit teams, from the production country in question, who are trained by the FWF. They are an integral part of the social standards monitoring system.

That means:

- Communication becomes easier.
- The trust is greater than towards foreigners.
- Special regional and cultural characteristics can be taken into account.

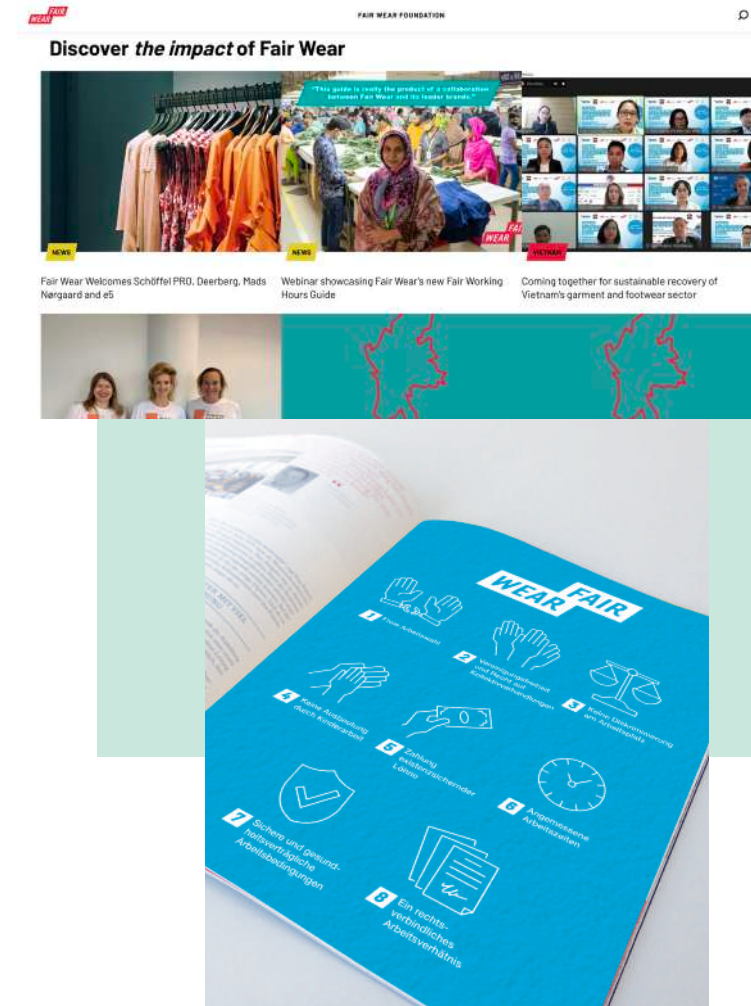
An audit team usually consists of three inspectors:

- One who checks the documents
- One health and safety auditor
- One inspector for employee interviews

An audit takes about one and a half to two days. The following discussions and analyses are carried out during the audit:

1. Conversations with the management and their employees
2. Conversations with workers of the company; some of these are usually conducted outside the company
3. Control of company documents, time and attendance, social security contributions and employee documents
4. Review of occupational health (preventive) and safety

Before the audit team forwards its report, it discusses the audit results with the management of the facility visited. If the working conditions in the facility do not meet social standards, the team creates recommendations for improvements and a corrective action plan, CAP for short. This will also be discussed with the facility. The Fair Wear Foundation audit report then goes to Maier Sports or GONSO, and the brands forward it to the relevant production facility.



After the audit, an agreement for the necessary improvements is planned between the facility and Maier Sports and GONSO. This means that a timeframe is agreed upon for the implementation of the corrective action plan. Its implementation is checked by a follow-up visit by the Fair Wear Foundation or by a further audit that is carried out within 3 years.

As an independent supervisory body, the Fair Wear Foundation assesses whether and to what extent the measures taken by the member companies to comply with the mandatory social standards take hold and are effective, and also stay in place and get further developed.

These reviews are part of an ongoing process to improve working conditions, and the Fair

Wear Foundation also provides active support with this. Maier Sports and GONSO oblige all suppliers to adhere to the social standards developed by the Fair Wear Foundation. These are communicated to all companies accordingly.

Often, workers know very little about their rights and obligations. The FWF provides information about this as part of the Workplace Education Programme (WEP). A neutral complaint system enables employees to turn to competent local contacts in the event of any problems.

Workplace education programme (WEP)

The FWF offers companies the WEP as an additional tool, independent of auditing and corrective actions, for improving collaboration between the employees in the company through open communication.

The basic training is based on the FWF Code of Labour Practices. It shows participants how to deal with any problems that might arise. This one-day training can be extended if necessary to train all employees.

The FWF offers various additional modules that build on this basic training.

These include, for example, training to improve communication between management and workers.

Another module deals with the prevention of violence against women.

There is also a training course that focuses on teaching technical and social skills to enable employees to become supervisors.

As part of the WEP, the FWF also offers companies a training module that shows the important criteria for being able to work for international brands.



Communication of membership in the FWF

Open communication is important to us. We would like to give all internal employees and external interested parties an insight into what the FWF and Maier Sports GmbH are doing together. This covers which topics are being dealt with, which measures are being implemented, and what progress is being made as a result.

Membership of the Fair Wear Foundation, which we have had for 10 years now, and the assumption of social responsibility is a very important aspect of the company strategy for Maier Sports and GONSO. It is therefore a matter of course for us that we actively communicate this membership and ensure transparency of the results of the process-driven audit procedure. It is for this reason that we publish the annual Social Report on the Maier Sports and GONSO websites.

We not only communicate our membership in the Fair Wear Foundation on our websites and via our social media channels, but also in our merchant workbooks, at national and international trade fairs, during sales force training courses, in press releases and in our customer magazines. The FWF is also an important topic in the context of our Maier Sports Academy, which is used to provide professional and practical sales training and further education to the sales staff in specialist sports retailers. After all, FWF membership is an important argument to use towards customers in retail.

All of our employees are informed about our work with the Fair Wear Foundation. In coordination meetings between the head office and the production partners – which are permanent fixtures – the employees concerned with the topics are informed accordingly about the current situation, ongoing processes and new developments in connection with the Fair Wear Foundation.

We actively use many different channels to ensure that our employees and sales partners, as well as end consumers, are made aware of the efforts Maier Sports and GONSO are making to improve working conditions in critical production countries.

COMPLAINT SYSTEM

Thanks to a good culture of communication and a trustworthy, internal complaint system, most complaints can be dealt with promptly in an uncomplicated, unbureaucratic and very solution-oriented manner.

If this is not possible, or if there is no change in the situation, the complaint should be submitted to the FWF. In addition, the FWF Code of Labour Conduct provides information about the possibility of contacting an independent body to file complaints. This office checks the complaint and forwards it to the FWF headquarters, which, in turn, informs Maier Sports GmbH about it.

Those responsible at Maier Sports GmbH take these issues very seriously and rely on quick and, above all, sustainable solutions to the points of criticism. We achieve this by entering into open communication with the relevant supplier in order to work out a joint solution.

FAIR WEAR Haben Sie FRAGEN zu Ihrem Gehalt, zu Arbeitszeiten oder einem der anderen Themen?

Wenn Sie weitere Informationen möchten oder das Gefühl haben, nicht korrekt behandelt worden zu sein:

1. Sprechen Sie, wenn möglich, mit Ihrem Vorgesetzten.
2. Sprechen Sie mit Ihrem Arbeitnehmervertreter, sofern vorhanden.
3. Holen Sie sich Rat bei Ihrer Gewerkschaft oder einer Arbeitsrechtsorganisation.

Wenn dies alles nicht hilft, können Sie sich per E-Mail an complaints@fairwear.org wenden.

Fair Wear behandelt alle Beschwerden vertraulich. Unsere Mitarbeiter beantworten Ihre Fragen auf Deutsch. Wenn Sie eine Beschwerde einreichen möchten, werden wir dem Problem nachgehen. Sofern möglich, helfen wir Ihnen bei der Lösung des Problems. Fair Wear ist eine unabhängige, gemeinnützige Organisation. Weitere Informationen erhalten Sie unter www.fairwear.org

FAIR WEAR Do you have QUESTIONS about your salary, working hours or any of these other issues?

If you want more information, or feel you have not been treated correctly:

1. Talk to your supervisor, if possible
2. Talk to your representative if there is a worker committee
3. Get advice from your union or from a charity

If these don't work, you can email [Fair Wear](mailto:complaints@fairwear.org):

Hindi 098 840 42 770
Tamil 098 431 88 993
Kannada 08 123 44 55 7890

Fair Wear will always treat your complaint confidentially. If you wish to file a complaint, we will investigate the issue. If possible, we will help you to solve the issue you have raised. Fair Wear is an independent, nonprofit organisation. You can learn more at www.fairwear.org

GS GLOBAL SERVICES 针对您的工资、工作时间或以下其他问题，您是否有疑问？

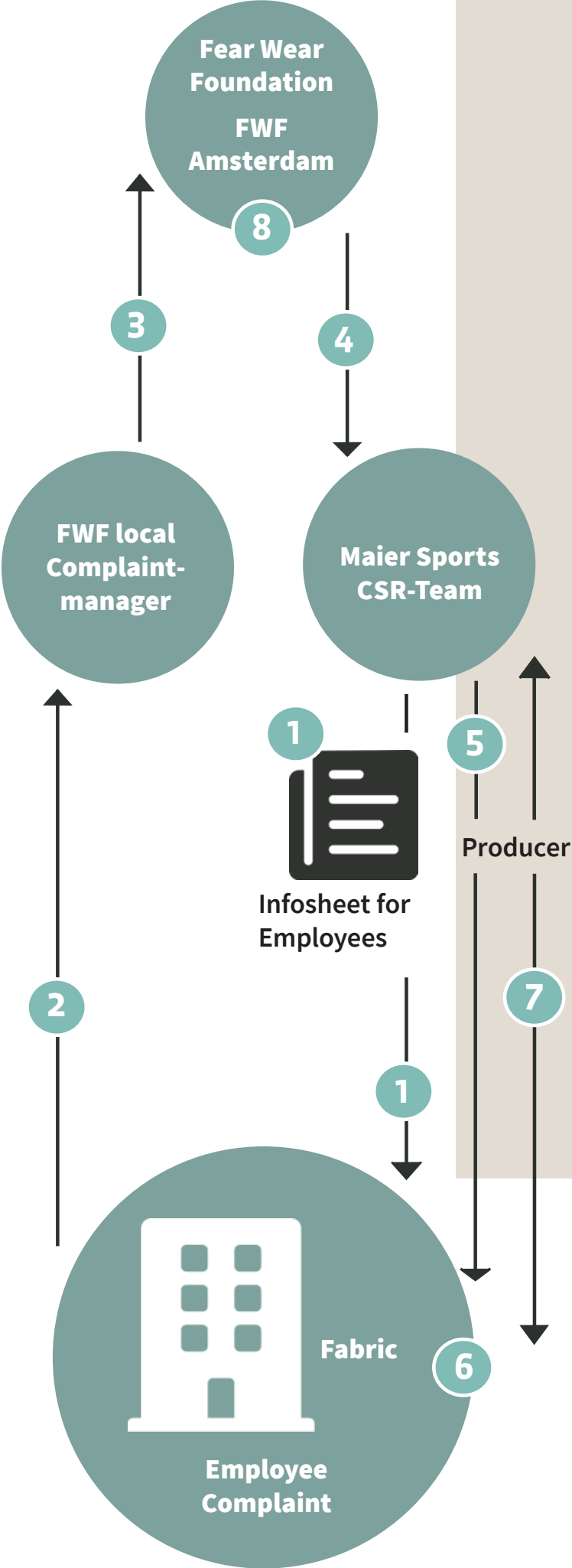
如需详细信息，或感觉自己未得到正确对待时，请：

1. 如果可能，向您的上级领导反映。
2. 如有员工委员会，请与员工代表沟通。
3. 向您所在的工会或劳工机构等寻求建议。

如果以上办法行不通，您可以致电FWF全球服务寻求帮助：

132 4239 7689
00 773348731

FWF全球服务将对您的来电予以严格保密。我们的员工将以中文回答您的疑问。如果您希望进行投诉，我们将立即进行调查。我们也将帮助您解决问题。如需进一步了解详情，请访问 www.fairwear.org



1. The complaint system is implemented in the production facility by means of a notice, the so-called FWF „Worker Info Sheet“ for employees
2. Complaints can be communicated directly to the local FWF complaint hotline by individual employees
3. The FWF’s local complaint manager examines the circumstances of the complaint and informs the FWF headquarters in Amsterdam
4. The employees of FWF Amsterdam will pass on all the details of the complaint to those responsible at Maier Sports GmbH
5. Maier Sports GmbH will forward the complaint to the producer, requesting a statement
6. The producer will comment on the complaint
7. A time and action plan is drawn up and defined for the complaint. The solution and the corresponding measures are fed back to the FWF
8. The measures are verified by FWF employees, and this is followed by transparent communication of the complaint and the solution process on the FWF website

The FWF's complaint system has been introduced in the following countries:

China

In order to improve implementation of the complaint system in China, Maier Sports GmbH has hired a local person, in coordination with the Chinese companies, to be a FWF and BSCI officer. She is the contact person for all Chinese companies producing for the Maier Sports Group. She is responsible for compliance with and control of the measures on site.

She is also the contact person who can be addressed if problems arise. She provides direct and active help in finding solutions. We hope that this will further strengthen our mutual relationship of trust and create a basis upon which both sides can communicate with one another very openly about any problems that arise. As an alternative for people who may wish to remain anonymous, there are post boxes in which suggestions, requests or complaints can be submitted in writing.

There is also a notice in every company – the so-called “FWF Worker Information Sheet” – which contains the contact details of the FWF and a hotline for employees, and also a note stating that complaints can be passed on via the FWF.

We received two complaints from our Chinese joint venture operations last year. We were able quickly and effectively resolve them. To ensure that the resolution is not merely short-lived, a verification audit was carried out this year, which monitors and reviews the processes that have been initiated and ensures that the recommendations of the FWF have actually been implemented.

India

Complaints and problems are generally resolved internally. To achieve a quick solution, the employees contact the relevant department head directly.

If employees in India wish to remain anonymous as senders or to report problems they have with a department head, this can be done via the anonymous, strictly confidential complaint system. A securely locked, regularly checked complaints box was installed in the factory for this purpose. Only top management has access to the contents of this box. To date, no complaints have been received by either the top management or the individual department heads.

However, the box was used for individual concerns of individual employees, such as holiday requests in order to get married, or for the birth of a child or other personal and family reasons. A loan application was also made to the factory. After reviewing it, the management made the amount of money available to the borrower.



Turkey

Employees have three options for submitting requests or complaints to the company.

The employees' concerns can be conveyed through the employee representatives. These record them and then communicate them once a month at fixed meeting times. All measures taken for this purpose are communicated to all employees by posting up the minutes of the meeting.

A wish or complaint box was placed at a location not monitored by cameras. This gives employees the opportunity to submit requests, suggestions and complaints either by name or anonymously. Twice a month, the box is opened by the employee representatives and the representatives of social responsibility together, and they record the contents. If there are any requests or complaints, the employee representatives will evaluate their content during the next management meeting. The result is announced to the employees without naming the complainant. (FR-3).

In addition, an “open door policy” is implemented in the company. Employees can discuss their feelings and thoughts or complaints with the company management at any time. This exchange takes place orally, without being recorded.

Example:

Most of the complaints or suggestions made were on the subject of a “lunch menu”. The administration tries to accommodate requests as best as possible and to satisfy them.

An example of this is a request that was submitted in early summer. Employees asked for a breakfast menu – a light meal as an alternative to lunch. This proposal was implemented once a week. After a while, the offer of the breakfast menu was reduced to once a month, again at the request of the employees.

Then, in response to multiple requests from employees, the old practice of distributing breakfast pastries was resumed. Due to the pandemic, this tradition was suspended. However, with the pandemic's decline, and through compliance with all hygiene regulations, it was able to resume in June 2021.

In addition, working hours were set as from 7:00 a.m. to 5:00 p.m. in accordance with the resolutions of the Provincial Council. Although the relevant decision of the administrative authority was overturned after six months, the company management decided to keep these working hours until the end of the summer due to the intense demand from the employees.

All requests and complaints are recorded and kept on file.



WHISTLEBLOWER SYSTEM

A whistleblower system has been introduced throughout the Schwan-STABILO group. EU directive requires to provide channels through which all employees and external parties (customers, suppliers, etc.) can report grievances to the company directly. The whistleblower system is a clear commitment to consistent compliance with laws, rules, and internal guidelines including the willingness to prevent and punish misconduct.

This expressly includes the fact that we are open to reports of white-collar crime, serious administrative offences, breaches of duty under labor law and other gross violations of rules and laws in connection with Schwan-STABILO.

Which specific topics should be reported?

- Bribery (even attempted) or corruption
- Anticompetitive Conduct
- Antitrust Conduct
- Theft
- Embezzlement of Materials
- Damage to property through embezzlement or fraud
- Violation of data protection and manipulation of documents
- Violations of occupational health and safety or environmental protection regulations
- Grossly inappropriate social behavior, #MeToo, discrimination, harassment
- Forced and child labor

A whistleblower now has the option of either submitting a tip to our online platform or informing the legal counsel directly.

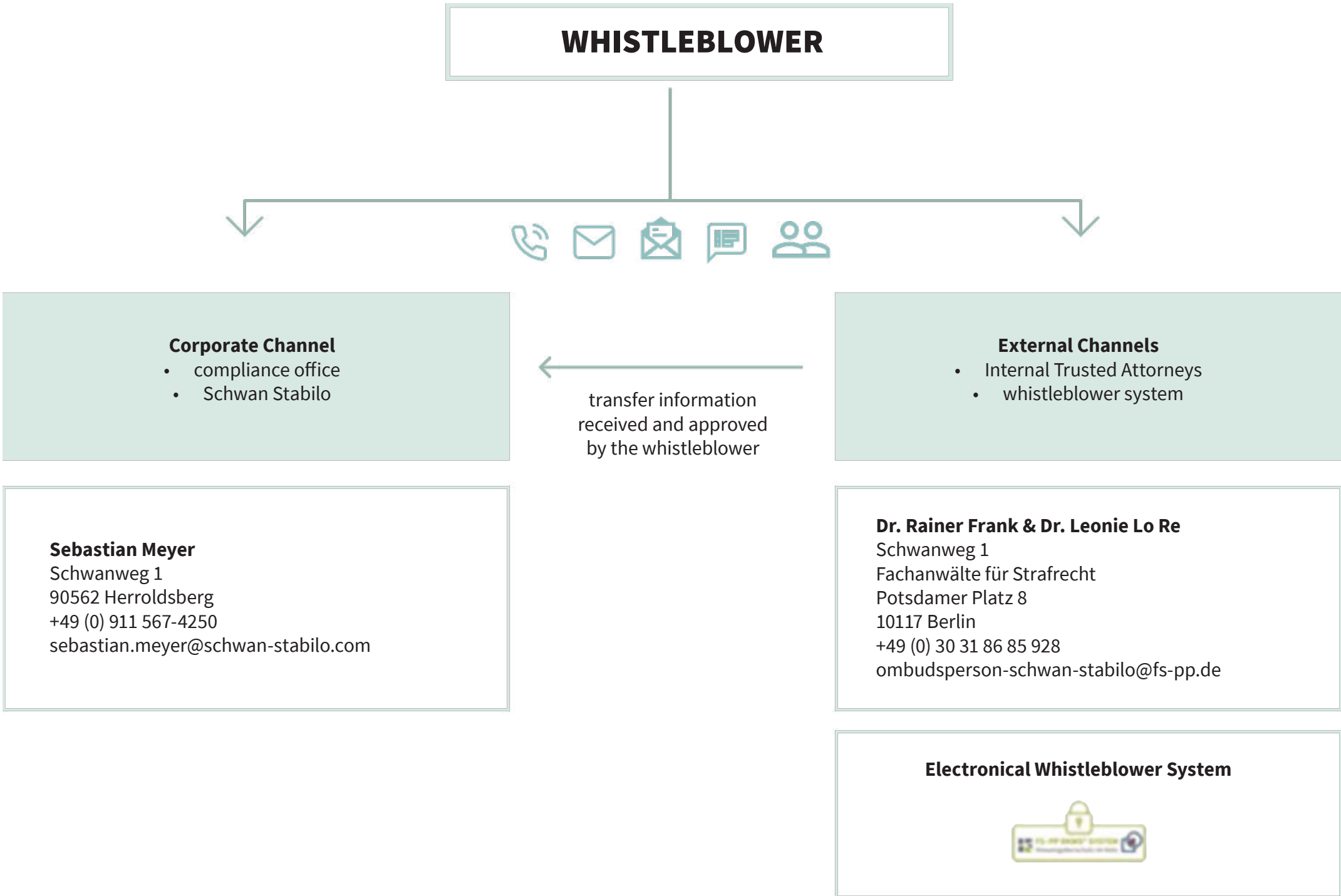
This system has been introduced Maier Sports and GONSO first and was afterwards introduced to our own Factory in Turkey in February 2022.

This Factory has informed all workers about the availability of these channels and provided them with the contact details.

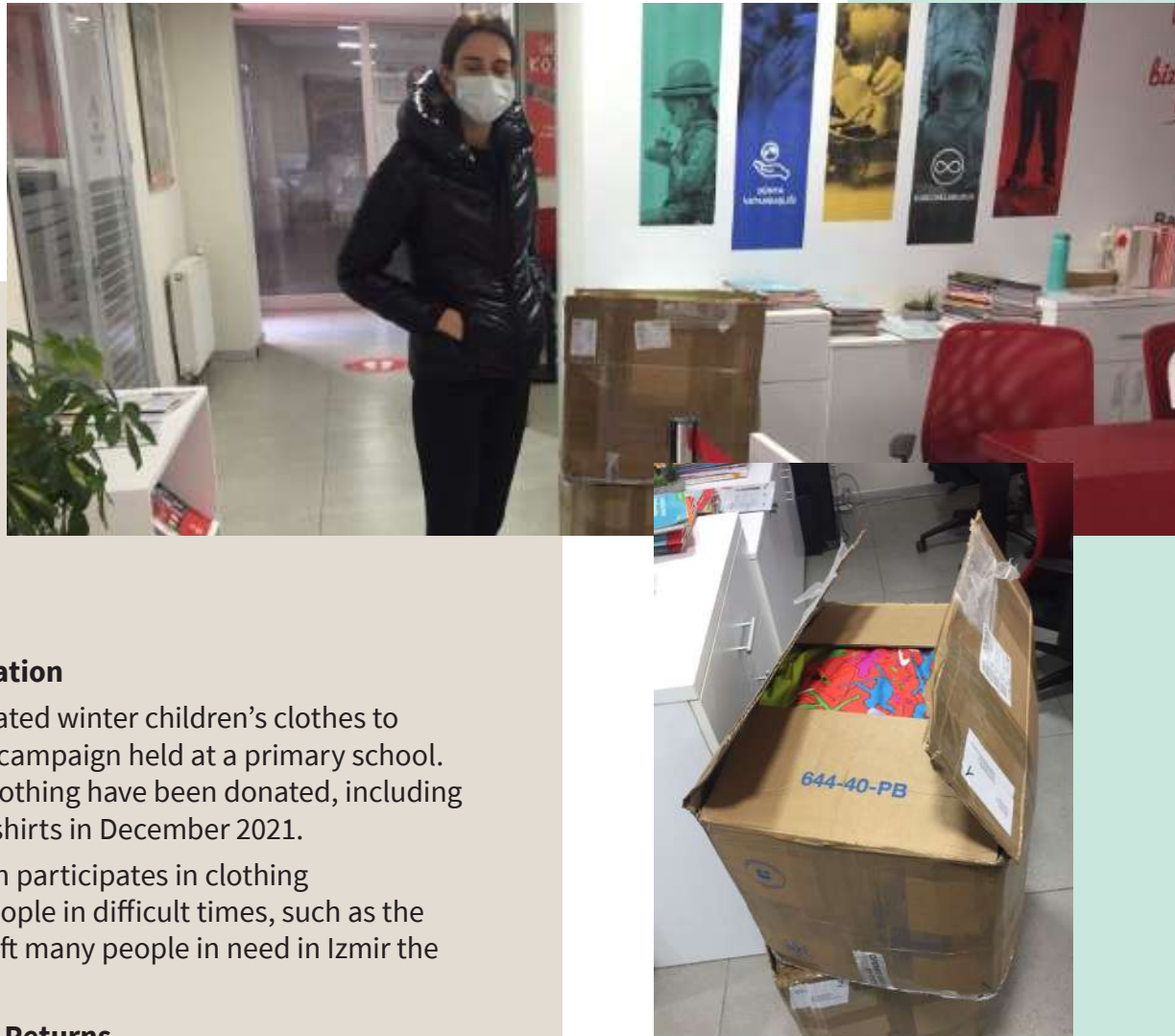
For more details you can view our websites:

<https://www.maier-sports.com/de-de/recht/compliance>

<https://gonso.de/de-de/recht/compliance#hinweisgebersystem>



SOCIAL PROJECTS & ENVIRONMENTAL PROJECTS



Children's clothes donation

Our Turkish factory donated winter children's clothes to children in Anatolia in a campaign held at a primary school. 53 pieces of children's clothing have been donated, including trousers, jackets, and t-shirts in December 2021.

Our Turkish factory often participates in clothing donations to support people in difficult times, such as the great earthquake that left many people in need in Izmir the year before.

Sustainable packaging Returns

The sustainable packaging project for returned items was initiated in 2021 and implemented at our headquarter in Köngen in the beginning of year 2022.

An employee in our returns department had the idea of not sending the goods repaired by Maier Sports back to the customer in a polybag (plastic bag) as it has been practiced before, but instead packing them in paper, with the background of protecting the environment.

Since we wish that in the future many more of these small but important projects will be created within the company as well as in the private sphere, a flyer was designed to sensitize customers and draw their attention to the more sustainable packaging.

Paperless Project

The paperless project began in July 2019 and is to this day an ongoing project at our headquarters in Köngen. The aim of the paperless project is to reduce the usage of paper within our headquarters.

At the beginning of the project, we were asking ourselves: What are the effects of our printing behavior?

19 spruce trees have to be felled to cover the annual paper requirements of Maier Sports GmbH., an enormous sum that requires a quick rethink and action. Thus, with the introduction of the Paperless Project, an awareness for saving paper was anchored in the company.

The original idea of the project was to emotionally and visually demonstrate to the employees the importance and possibility of completely doing without paper in everyday office life. In this way, it was possible to sensitize and strengthen everyone in the long term. Other goals included reducing particulate emissions from printers and copiers and creating daily reminders.

One of the main questions was at the beginning: How can we visualize and emotionalize the "paper saving project?" and how do we carry it into the company and remind everyone on a daily basis?

A project team was created in August 2019 which consisted of 5 people. Together we were able to identify problems to create solutions. A project logo within an e-mail signature was created for use within all company e-mail transactions as a daily reminder to everyone to reduce printing.

In order to change our printing habit Maier Sports rearranged all printers and instead of having several printers per department, several departments now share one new multi-functional printer.

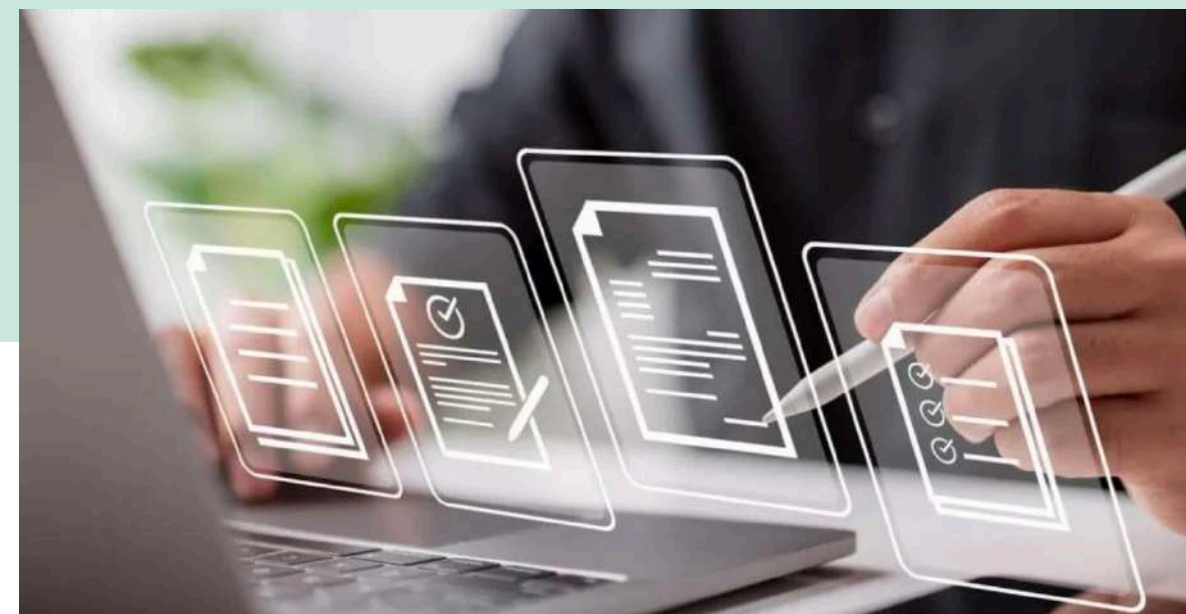
As a daily reminder to the paperless project each department received a room tree. Most of the trees have grown big ever since then and are very dominate in every office within the headquarters.

Changing printers and sensitizing all employees about our printing habits has only been a small step into the paperless project.

The steps which followed have made the biggest difference. Each department was asked to find one paperless responsible person. This person brought news, changes, and ideas into the departments. Furthermore, the paperless responsible person was communicating difficulties and worries from the department back to the paperless team. Company internal courses were offered to everyone on how to work without the use of printing. Everyone received multiple desktop screens in order to rearrange the working routines.

Due to the pandemic, the project slowed in April 2020 as internal company restructuring had to take place in the form of home office and distance arrangements at the site. As a result of Covid-19, many employees still work remotely today, which meant that processes within Maier Sports became increasingly digitalized leading to a steady decrease in printing.

Internal surveys were further developed during the pandemic to be able to determine today's printing behavior and changes to identify potential employee problems at an early stage.



SOCIAL COMMITMENT FOR EMPLOYEES

The employees are the most valuable resource within Maier Sports GmbH

That is why many approaches that outline the basis for a pleasant, positive working atmosphere and respectful interaction on an equal footing are anchored in the company's mission statement.

The corporate and management culture at Maier Sports GmbH is based on open and cooperative communication, a culture of feedback and a high level of personal responsibility. Clearly defined goals are intended to ensure the long-term success of the company and lengthy employment for its employees. The economic, ecological and social goals that have been set are ambitious, but realistic and fair to achieve.

In 2019, Maier Sports GmbH launched the "Kopf frei" ("Clear Mind") group. Participation is free for all Maier Sports and GONSO employees. Both sporting and social goals are pursued. Before the pandemic, a wide variety of sports and leisure activities were organised after work, or people arranged active breaks, but projects were also implemented which involved, for example, the canteen being beautified. As a result, it has developed into a popular place to spend time. According to the motto "water is the elixir of life", a water dispenser was also installed there. This means that all employees can supply themselves with the best filtered drinking water of their choice – whether carbonated or not, and at an individually selected temperature – free of charge. Coffee is available for a small, subsidised fee. During the pandemic, these activities were discontinued due to the circumstances, but the "Kopf frei" ("Clear Mind") group has been active again since early summer and is enjoying growing popularity.



Mission statement trust and courage

Together, we create a corporate climate in which every employee is happy to take on responsibility and show the courage to be proactive. This is based on trust, faith and mutual support. We are all ready to take responsibility for the result of our work. We trust in the skills of our colleagues.

Together we are strong

We set ourselves up as a team, act together and always try to find solutions with which we can achieve our corporate goals. We motivate each other through our constructive collaboration. We support each other in all matters and take care of each other. We approach unresolved issues proactively.

Appreciation and respect

We always act respectfully towards one another, and on an equal footing. As a reliable and conscientious partner, we always deal carefully and responsibly with our environment, our trade relationships, our producers, service providers, collaborative partners, customers and colleagues.

Communication and openness

We communicate openly and honestly in all matters and thus create transparency for everyone involved. We live a culture of feedback in which we also address conflicts at an early stage and resolve them together in a constructive manner. We use mistakes as an opportunity to improve.

Fairness

As a team, we set ourselves realistic goals and ensure that the packages of tasks are distributed fairly. We treat each other fairly and support one another.

Setting an example

We are all role models within our defined roles and live our mission statement in awareness of our corporate responsibility. We reflect on our actions and respond to the needs of our colleagues. We support and encourage each other to develop ourselves further and to grow with our tasks.

Safety

Thanks to the company-wide guard rails and the scope for action defined in the team, we feel empowered to make decisions and take responsibility for them. We trust each other. We encourage each other to take the initiative.



Leadership culture

Within Maier Sports GmbH, we see ourselves as a cross-departmental team. We practise a collegial manner of cooperating on equal terms and distribute the leadership across different shoulders. In order to avoid people being under-challenged or overburdened, we ensure that the work packages are fairly distributed. All employees have the opportunity to participate in various workshops and training courses. We endeavour to resolve conflict situations by consensus among the concerned employees. In our regular employee appraisals, both personal and professional goals are determined and set together – open and constructive feedback from both sides is also explicitly desired.

Trust-based working hours system at Maier Sports GmbH

The system of trust-based working hours at Maier Sports GmbH supports the long-term success of the company and the achievement of the company's goals by ensuring fair, constructive and friendly interactions with one another. Thanks to open communication, a culture of feedback and a greater level of personal responsibility, all employees, teams and departments actively contribute to the continuous development of the corporate culture. We are convinced that a personal conversation will lead to the goal faster than rigid rules. Clearly defined guard rails and a service promise define the scope for decisionmaking and set the rules. These are checked regularly by the works council, at the latest after six months, and will be adjusted or further developed if necessary. Maier Sports GmbH aims to be an attractive and modern employer with a high level of employee satisfaction. The work life balance is also very important. The low turnover rate is certainly a parameter that confirms this.

STATEMENT ON THE SUPPLY CHAIN ACT

Yes to the supply chain law



The “Supply Chain Act for Compliance with Duty of Care” is the name of a law introduced by the Federal Government that was passed by the Bundestag in June 2021. We at Maier Sports strongly support the proposed law. Even if we have further demands regarding certain points. The legislative initiative is about tracking global industrial supply chains. This obliges all German companies with more than 3,000 employees to check compliance with social standards, fair working conditions, the prohibition of child labour, etc., at their suppliers and upstream suppliers. Manufacturers are not only to be liable for their own actions, but also for those of their partners in the entire manufacturing and logistics chain. We think that’s good. We would like this to apply to all German companies – or, even better, to all European ones – regardless of the number of employees. The next step, though, should see the law also apply to German companies with over 1,000 employees. This is a first step in which Germany is playing a pioneering role. Let’s hope that the law will soon be rolled out at EU level so that the impact and transparency are greater, and competition is fairer.

“

“We from Maier Sports support the proposed law emphatically...”

OUTLOOK & GOALS

Ecology at the heart of our social responsibility



1. Better Together

Better Together is our approach to improving relationships and communication with all our international suppliers. Maier Sports has set the goal of solidifying our strong relationships with suppliers and to establish the importance of CSR relevant topics. Without good teamwork and a mutual understanding of the importance of CSR along our entire supply chain, we will not be able to realize our goals and future projects. This project represents the basis for all future projects and is therefore of particularly high importance.

The Better Together project is scheduled to start in August/ September 2022.

2. Climate Strategy: CO2 Reduction Project

The Climate Strategy project will be our biggest CSR project. The project will start in October of 2022. The Climate Strategy project consists of several smaller projects, one of them will be the CO2 reduction project.

The CO2 reduction project is comprised of three main steps:

1. Project preparation
2. Collection of all emissions and consumption
3. Reduction of our emissions

Our intention is to face environmental issues with honesty and through a holistic approach. Modifying our operations through an eco-friendly lens will eliminate platitudes and replace them with real-world alternatives.

GONSO®

maier
sports