

Responsible Business Conduct Policy

Preamble

This Responsible Business Conduct (RBC) policy is the foundation of how we conduct business under the values of the FOND OF Group. FOND OF GmbH and baesiq GmbH are part of FOND OF Group Holding GmbH (FOND OF Group) with their five brands Affenzahn, ergobag, satch, Aevor, and pinqponq. This policy shows our commitment to internationally acknowledged due diligence for RBC standards.

As outlined in our [Environment and Human Rights Declaration](#), the FOND OF Group is committed to identifying and preventing human rights violations, strengthening human rights, and providing remediation when violations occur. In addition, we also analyze our potential risks to the environment and try to reduce impact on the environment through our actions and to contribute our share to minimize climate harm.

In doing so, we base our actions on the implementation of the Fair Wear Code of Labor Practices and the textile and footwear-specific risks defined by the OECD.

Furthermore, this policy is drafted in accordance with:

- Conventions and recommendations of the International Labour Organization (ILO) on labour and social standards
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

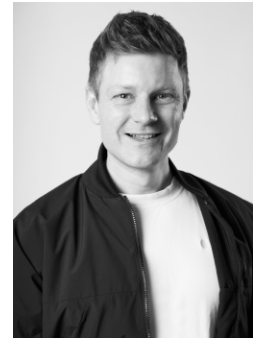
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- UN conventions on children's rights
- UN Convention on the Elimination of All Forms of Discrimination against Women

The FOND OF Group expects all business partners and employees to adhere to these principles. When selecting suppliers, we make sure that they share our basic understanding of sustainability and are willing to work on this together. We commit our suppliers to these values by having them sign our **Code of Conduct**. To carry this practice deeper into the value chain, we nominate most of our fabrics to align with the sourcing practices outlined in our Sourcing Strategy.

We are committed to protecting the rights of particularly vulnerable stakeholder groups such as children, women, migrant workers, homeworkers, people with disabilities, and ethnic and religious minorities. The specific risks to these stakeholder groups are also considered in our risk analysis.



Oliver Burger
Managing Director
FOND OF GmbH



Till László
Managing Director
baesiq GmbH

To minimize negative impacts on the environment, for sourcing our materials we rely on recognized standards and organizations like **bluesign**, the **Global Organic Textile Standard (GOTS)** and the **Leather Working Group**.

In addition, we annually assess our Scope 1–3 CO₂e emissions and, together with the Science Based Targets Initiative, have set reduction targets from 2022 until 2030 to reduce our Scope 1&2 emissions by 42 % and all emissions until 2042 by 90%.¹

The policy will be communicated internally and with external stakeholders. The main responsibility for implementation lies with the Procurement department (Team Purchasing and Corporate Responsibility (CR)), which is involved in product development through (bi-)weekly touchpoints. Also, we will publish the policy online to be transparent about our actions and stay accountable.

¹ This applies for FOND OF GmbH only.
The baesiq GmbH is currently working on a comprehensive strategy.

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Our vision & mission

Making small worlds bigger day by day – since 2010, the FOND OF Group has been about enthusiasm. For products, brands, design, sustainability, and above all people.

We want to be companions when small worlds become bigger. From kindergarten, school, and university to working life. In doing so, we do not disregard the people who help develop and manufacture our products with a lot of effort and dedication that combine innovative functionality and highest quality with unique design and sustainability. It is important to us to convey a responsible attitude towards the people in our supply chain and the environment from an early age. As a company that offers products for future generations, we see it as our responsibility to contribute with our business activities to ensure that future generations also have a future worth living. True to the motto: everyday for future.



Our values

The foundation upon which we build our partnerships rests on a set of core values that serve as guiding principles for every facet of our interactions. At the heart of our philosophy is the unwavering commitment to authenticity, curiosity, solidarity, responsibility, and ambition. These values do more than merely adorn our mission statement. They are the cornerstones of our approach to collaboration, communication, and growth.

Authenticity

We communicate our values proactively and ensure that all partners we work with have the same values, especially in upholding human rights. We exercise constructive criticism towards our partners and improve our cooperation together. We interact with our partners in an unbiased way.

Curiosity

We approach our partners in an open and solution-oriented manner. We are empathetic toward our partners. We communicate cooperatively by creating space to clarify problems, address questions, and understand decisions.

Solidarity

We encourage continuous feedback for good collaboration. We communicate clarity, transparency, and security. We can rely on each other.

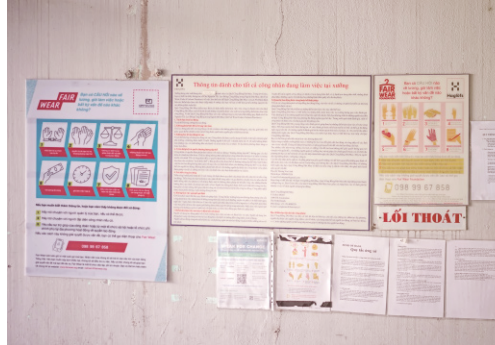
Responsibility

We take responsibility for our mistakes and learn from them together. We know our limits and communicate them clearly to our partners. We think relationships long-term as well as sustainable and act accordingly.

Ambition

We give open feedback and encourage mutual progress. We set measurable goals together and evaluate our performance openly and honestly in order to grow sustainably and operate in the market. We are passionate about our partners, celebrate our successes, and learn from our mistakes.

Scope



The scope of this policy refers to all product groups distributed by FOND OF GmbH and baesiq GmbH, which are both parts of FOND OF Group Holding GmbH (FOND OF Group). We do not limit ourselves to textile products. In the first step, this policy applies to all our business relationships with suppliers of the last production stage, i.e., our Tier 1 suppliers, including subcontractors, support processes, and intermediaries. The aim is to extend this policy to the entire supply chain in the long term. In the meantime, we are preparing our deeper supply chain to the extent that they will also meet the requirements in the future. Until then, the policy only applies to the final stage and our direct business partners.

For the definition of this scope, we are guided by the definition of Fair Wear, which interprets the world of work according to ILO C190 – Violence and Harassment Convention² as follows:

- a in the workplace, including public and private spaces where they are a place of work;
- b in places where the worker is paid, takes a rest break or a meal, or uses sanitary, washing and changing facilities;
- c during work-related trips, travel, training, events or social activities;
- d through work-related communications, including those enabled by information and communication technologies;
- e in employer-provided accommodation;
- f and when commuting to and from work.

² [Convention C190 – Violence and Harassment Convention, 2019 \(No. 190\) \(ilo.org\)](https://www.ilo.org/dyn/convenc/declaration/190/eng)

Commitment to Human Rights Due Diligence

As a company, our business activities and relationships influence people's (work) lives, and we therefore bear the risk that our actions may directly or indirectly have adverse impacts on human rights. This is why we have a responsibility to respect human rights both within our own operations and throughout our supply chain.

Our Human Rights Due Diligence – HRDD – is the ongoing process we undertake as a company to fulfill this responsibility. It involves identifying, preventing, mitigating, and, where necessary, remedying actual or potential negative impacts on human rights.

To reduce negative impact, we commit to Human Rights Due Diligence by continuously scoping human rights risk on the country, sector, business and sourcing model, and product levels. We also conduct a risk assessment of all our production locations to implement measures for remediation and prevention of identified risks. We are eager to validate and track our progress and communicate it openly with all stakeholders.

The FOND OF Group will collaborate with industry peers, civil society organizations, and other stakeholders to share best practices, address common challenges, and promote transparency in the textile sector. It will actively participate in multi-stakeholder initiatives and disclose relevant information about its human rights performance.



Commitment to Responsible Purchasing Practices

At FOND OF, we recognize that there is a link between our purchasing practices and working conditions or potential human rights violations in our supply chain.

To prevent negative impacts of our purchasing practices, we're guided by the Principles of the Common Framework for Responsible Purchasing Practices outlined below. These were developed by Multi-Stakeholder Initiatives to support their member companies in implementing practical improvements in purchasing, to increase the scope for improved working conditions in supply chains.³ To increase the impact we participated in the Learning and Implementation Community which is a peer-learning community, working together with supply chain partners, to practically implement changes. This is achieved by getting insights from different stakeholders and establishing an exchange with other brands and best practices.

³ [Responsible Purchasing Practices](#)

Equal Partnership Models

We believe in fostering equitable partnerships with our suppliers. We will engage in transparent, open, and mutually beneficial collaborations, treating our suppliers as partners rather than mere vendors.

Collaborative Planning

We will engage in collaborative planning processes with our suppliers to ensure that production schedules and orders are aligned with their capacity and capabilities. This will reduce the risk of excessive overtime while promoting efficiency throughout our supply chain.

Fair Payment Terms

We are committed to providing fair and timely payments to our suppliers. We will ensure that payment terms are negotiated transparently, taking into account the financial health of our suppliers and allowing them to invest in sustainable practices and their workers' well-being.

Sustainable Costing

We will consider the true cost of production, especially including labor costs and the goal to pay prices which promotes the payment of living wages. This will enable us to support sustainable practices and fair wages within our supply chain.

Ethical Sourcing

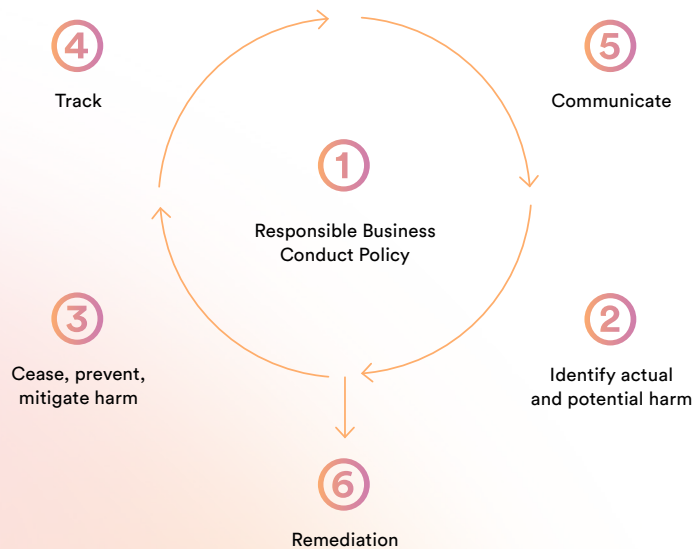
We will prioritize the sourcing of materials and fabrics that meet stringent environmental and social standards. Our goal is to reduce the environmental footprint of our products and ensure that workers involved in the production process are treated fairly and work in safe conditions.

Approach to conducting HRDD

To put our HRDD into practice, we follow the six steps of the HRDD cycle developed by Fair Wear, which is aligned with international guidelines for responsible business conduct by the OECD and the United Nations.

HRDD Cycle

Fair Wear Foundation



Step 1 – Responsible Business Conduct Policy

This policy outlines our values and commitments to responsible business conduct and HRDD and explains how we anchor and implement it in our strategies and management systems.

Step 2 – Identify actual and potential harms

For the FOND OF Group a risk-based HRDD approach means that our business decisions are guided by our continuous risk scoping and risk assessment. For conducting the risk assessment, we have selected eleven risk areas that are relevant to the textile industry, based on the indicators defined by the OECD and the Code of Labor Practices of Fair Wear Foundation.

»Sector risks in the garment and footwear sector include, but are not limited to, the following: child labour; discrimination; forced labour; excessive hours of work; work-related and health; violations of the right of workers to establish or join trade unions and representative organisations of their own choosing and the right of workers to bargain collectively; non-compliance with minimum wage laws and wage levels that do not meet the basic needs of workers and their families; discrimination; hazardous chemicals; water consumption; water pollution; greenhouse gas emissions; bribery and corruption.« (OECD)⁴

In the first step, we evaluate all current or potential production countries against those risks. Building upon the country evaluation, we take the risk analysis a step further by identifying the risks associated with all our active production locations. For this, we review current assessment and training reports, and complaints, as well as engage in on-site visits and email conversations. Special focus is set on gender equality, freedom of association, and social dialogue as we see the implementation of those as enabling rights for the improvement of working conditions in the long term. In order to determine which identified risks are to be addressed first, we prioritize based on the severity (degree, scope, irreversibility) of the identified risks.

⁴ [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector)

Step 3 – Cease, prevent and mitigate harm

Based on the prioritization, we create action and progress plans on two levels: production partner-specific and company-wide. The latter addresses overarching measures on risk topics that we have prioritized in several production countries, as well as internal improvements to our HRDD process and purchasing practices. The latter contain supplier-specific measures based on the risks that we have prioritized for that specific production location, which we then discuss and work on with our partners.

The identified risks and the implementation of the corresponding measures are incorporated into **our sourcing strategy** and determine, among other things, our order allocation. In addition, we hold **two-way feedback** discussions with our partners every year during our supplier days. We evaluate certain criteria and receive the same feedback from our partners. Only in this way can we constantly intensify our cooperation and ensure improvements on both sides in an open discourse.

Step 4 – Track progress

To verify the measures implemented, we regularly conduct third-party assessments and visit our partners on-site at least once a year. In addition, we started to track our progress through KPI's.

To integrate the approach outlined here into our daily business, we conducted workshops with various teams during the development of the Responsible Business Conduct Policy. Through this workshop we formulated various policies and strategies. These include the **Responsible Exit Strategy, the Responsible Sourcing Strategy, the Subcontracting Policy and the Homeworking Policy.**

Step 5 – Communicate about HRDD

We publicly communicate how we fulfill our HRDD obligations and how we address risks and issues related to compliance with human and labour rights in our annual Responsibility Report. The results of our Fair Wear Brand Performance Check, which externally validates our HRDD performance, are published on our website as well.

Step 6 – Identify and remediate actual harm

As part of Fair Wear's 'Shared Responsibility' approach, it is our duty to ensure that workers in the production facilities we work with have access to an effective grievance mechanism when labor standards are violated. We address this through multiple layers of grievance mechanisms: Internal grievance mechanisms at our suppliers: First, we collect information on the existence of internal complaint systems in factories and support and monitor their proper functioning. These mechanisms – such as anonymous complaint boxes or open-door policies – encourage dialogue between management and workers and ensure that grievances are addressed promptly and effectively. Moreover, we actively contribute to improving factory-level grievance mechanisms. We support our suppliers in establishing and strengthening their own systems so that workers feel confident in using and trusting them. Where possible, we collaborate with other brands to promote a unified grievance system at our shared production partners. If the internal mechanism proves insufficient or lacks credibility, workers can contact the Fair Wear complaint system. To ensure this, we display a Worker Information Sheet in every partner factory.

If any negative impacts on workers' rights are identified, we take responsibility in addressing them constructively. When we have directly contributed to a situation, we work to provide or support appropriate counter measures. In cases where we are not directly involved but connected through our business relationships, we use our influence to encourage our suppliers and partners to take proactive steps to prevent, mitigate, and resolve such issues. Our actions are guided by Fair Wear's Access to Remedy Policy and Grievance Handling Procedure, ensuring that all measures are fair, transparent, and focused on improving working conditions.

Additional focus areas

Promoting freedom of association & social dialogue

Our company recognises that in some of the countries where we source, legal and practical barriers may limit the full exercise of the rights to freedom of association (FoA) and collective bargaining (CB) as well as social dialogue – the structured exchange on working conditions between employers and workers. We acknowledge these constraints and the heightened human rights risks they pose. As these risks are often systemic, our influence is limited. Despite these challenges, we are committed to fostering an enabling environment for worker voice and representation through alternative, context-appropriate means. This includes supporting the establishment and strengthening of genuine worker committees, improving internal grievance and remediation mechanisms, and providing training for both workers and management to build trust, dialogue skills, and awareness of rights.





Applying a Gender Lens

Our company recognizes that human rights risks and impacts are not gender-neutral. We therefore apply a gender lens across all stages of our Human Rights Due Diligence (HRDD) to ensure that diverse gender identities and experiences are considered. This includes identifying and addressing gender-specific risks, collecting and analyzing gender-disaggregated data, and implementing measures to prevent and mitigate gendered impacts. We aim to foster gender equality through inclusive policies, open communication on progress and challenges, and by ensuring that grievance and remediation mechanisms are gender-responsive.

Transparency

We further aim to have a full overview of all our production locations. For the collaboration of our suppliers with potential subcontractors and/or homeworkers, we have drawn up a **Subcontracting Policy** to which each supplier must adhere. The agreement states that direct suppliers must provide us with detailed information about their collaboration with potential subcontractors before the start of production. The information about the subcontractors should at a minimum include the production location, outsourced production processes, and working methods. New subcontractors may only be used if the FOND OF Group has been able to check them in advance and has formally approved them. In addition, we have developed a **Homeworking Policy** to the cycle of hidden homework and actively support the disclosure of homework in our supply chain to mitigate the various human rights risks associated with homework, especially affecting women who are the majority practicing homework.

Review and update

This Responsible Business Conduct policy will be reviewed and updated regularly to reflect changes in legal requirements, industry standards, and our evolving commitment to Human Rights Due Diligence and environmental sustainability.

In this regard, we would like to point out that we are aware that we are not perfect, and that sustainable change and the fulfillment of due diligence for responsible business conduct in all its aspects is a continuous process. We don't have an answer for everything yet, but we are constantly working with our partners on joint ideas to make a positive impact on people and the environment in the long term. Our partners are encouraged to use this document to educate their suppliers and subcontractors on the standards and values of the FOND OF Group described in this policy.

Table of amendments

| Date | Version | Key changes | Valid from |
|--------------|---------|---------------|------------|
| July 2023 | 1.0 | First version | 31.07.2023 |
| October 2025 | 1.1 | Update | 21.11.2025 |