

LUHTA SPORTSWEAR COMPANY CODE OF CONDUCT

Social responsibility, environmental protection and fair cooperation are integral parts of the operations of Luhta Sportswear Company (hereinafter: "**Luhta**"). Luhta's procedures in social responsibility and environmental protection are based on continuous improvement in order to ensure that both Luhta and its partners act in a responsible way.

In 2021, Luhta reviewed and updated its Code of Conduct. The update does not represent major changes in the requirements of Luhta but reflects the principle of continuous improvement in social responsibility and environmental protection.

Luhta's Code of Conduct is based on the United Nations Universal Declaration of Human Rights, the Conventions of the International Labour Organisation (hereinafter: "**ILO**"), the United Nations Convention on the Rights of the Child, the United Nations Convention on the Elimination of All Forms of Discrimination against Women and the amfori BSCI Code of Conduct.

Luhta's Code of Conduct applies to Luhta itself, and its business partners (such as suppliers, sub-suppliers, manufacturers, service providers and other business partners (hereinafter: "**Partners**" and individually "**Partner**" as the context may require)).

Compliance with this Code of Conduct is mandatory for all Partners. The principles set forth in this Code of Conduct are to be regarded as minimum requirements for both Luhta and Partners and they are to be exceeded whenever possible.

By signing this Code of Conduct, Partner also expressly commits to comply with all applicable national and international laws and regulations, industry minimum standards, the Conventions of the ILO, the United Nations Convention on the Rights of the Child and the United Nations Convention on the Elimination of All Forms of Discrimination against Women.

Luhta is a member of the amfori BSCI (Business Social Compliance Initiative) and also requires all its Partners to comply with the BSCI Code of Conduct (*Appendix 1 to this Code of Conduct*). By signing this Code of Conduct, Partner also expressly commits to comply with the BSCI Code of Conduct.

In case of any conflict between these above-mentioned requirements, Luhta and Partners shall actively seek ways to abide by the requirements that provide the highest protection to workers and environment.

We are confident that we can engage in business activities that are both successful and responsible. It is a promise to our valued customers and a requirement for our Partners and, most of all, ourselves.

Juha Luhtanen
Chief Executive Officer
Luhta Sportswear Company



Compliance

All workers must be familiarized with the laws and regulations concerning their own work in order to enhance compliance with applicable laws and regulations.

Freedom of Association and Collective Bargaining (ILO Conventions 11, 87, 98, 135 and 154)

Workers have the right to form and join trade unions and any other legitimated organizations of their choosing, participate in trade union activities, and to bargain collectively and their doing so must not result in any negative consequences to them. Partner must not interfere with establishment or functioning of trade unions or collective bargaining. Partner must not discriminate against workers because of trade union membership or participation in trade union activities.

When operating in countries where trade union activity is unlawful, Partner allows workers to elect their own representatives with whom the Partner can enter into dialogue about workplace issues. Such representatives must have access to their member workers in the workplace.

Prohibition of Discrimination (ILO Conventions 100, 111, 143, 158, 159, 169 and 183)

Luhta does not accept any discrimination. Partners must not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in trade unions or any other legitimated organizations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. Workers must not be harassed or disciplined on any of the grounds listed above. No discrimination is tolerated in hiring, remuneration, access to training, promotion, retirement or termination.

Compensation (ILO Conventions 12, 26, 101, 102 and 131)

Partners must respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted.

Partners must comply, as a minimum, with wages mandated by governments' minimum wage legislation, industry standards approved on the basis of collective bargaining, or the prevailing industry wage, whichever is higher.

The Partners are encouraged to provide their employees with adequate compensation if the legal minimum wage or the industry standard wage does not cover living expenses and provide some additional disposable income. Wages must be paid in a timely manner, regularly, and fully in legal tender. The level of wages is to reflect the skills, experience and education of workers and shall refer to regular working hours. Deductions are permitted only under conditions and to the extent prescribed by law or fixed by collective agreement.

Working Hours (ILO Conventions 1 and 14 and ILO Recommendation 116)

Partners must ensure that workers are not required to work more than allowed by the applicable law or 48 regular hours per week, whichever is less. Possible overtime hours must not exceed the number allowed by the applicable law or 12 hours per week, whichever is less. Overtime work must be exceptional and always voluntary. Overtime work must be paid at a premium rate of not less than one and one-quarter times the regular rate and must not represent a significantly higher likelihood of occupational hazards.

Partners must grant their workers with the right to resting breaks in every working day and the right to at least one (1) day (24 hours) off in every seven (7) days.

Workplace Health and Safety (ILO Conventions 155, 184 and ILO Recommendations 164 and 190)

Partners must ensure a safe and healthy work environment for all of their workers.

Partners must therefore establish systems to detect, assess, avoid and respond to potential threats to the health and safety of workers and protect workers against any foreseeable emergency or danger.

Partners must also take measures to prevent workers from having accidents, illnesses or injuries, arising from, associated with, or occurring during work. These measures should minimize the causes of hazards inherent within the workplace.

For example, hazardous equipment or unsafe buildings must not be used. Personal Protective Equipment (PPE) must be provided to workers free of charge and fire drills should take place regularly. Emergency exits must be clearly marked, well-lit and remain always unblocked all the way out so that evacuation through these emergency exits is always possible. Workers must have the right to exit the working premises from imminent danger immediately and without seeking permission.

Partners must also ensure that workers have access to clean and safe

- i. toilet facilities;
- ii. resting areas;
- iii. cooking, eating and food storage areas; and
- iv. drinking water.

Vulnerable individuals such as young workers, expecting mothers and workers with disabilities must receive special protection.

In order to always ensure the health and safety of workers, Partners expressly agree to strictly comply with the related international standards such as the ILO Conventions, BSCI Code of Conduct and this Code of Conduct where domestic legislation is weak or poorly enforced.

Partners must have adequate occupational medical assistance and adopt compulsory insurance schemes.

The active co-operation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees. Upon request, Partner shall inform Luhta about possible establishment of such Committees.

No Child Labour (ILO Conventions 10, 79, 138, 142 and 182 and Recommendation 146)

Luhta does not accept child labor.

Partners must never employ, directly or indirectly, children under the age of 15, or below the minimum age of completion of compulsory schooling as defined by applicable law, or below the minimum working age as defined by applicable law, whichever is higher.

Young workers under the age of 18 must not perform work which is likely to harm their health, safety or morals.

Partners must establish age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to workers.

If dismissing children from the workplace, Partners should identify in a proactive manner, measures to ensure the protection of affected children from, for example, prostitution or drug trafficking. When appropriate, Partners should provide decent work for adult household members of the affected children's family.

Special Protection for Young Workers (ILO Convention 138)

Partners must ensure that young workers are protected against conditions of work which are prejudicial to their health, safety, morals and development.

Partners must ensure that young workers do not work at night.

Partners must also ensure that the working hours of young workers do not prejudice their attendance at school.

No Forced Labor (ILO Conventions 29 and 105)

Partners must never engage, directly or indirectly, in any form of forced or compulsory labor such as servitude, bonded, indentured, trafficked or otherwise non-voluntary labor.

Forced or compulsory labor is defined as all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

All workers are treated with respect and dignity. Partners must never engage in or tolerate physical, sexual, psychological, or verbal harassment or abuse.

Workers must be free to terminate their employment with Partners.

Environmental Protection

Partners must comply with all environmental laws and regulations in the countries or jurisdictions in which they operate. Partners must obtain and have all required environmental licenses and permits for their operations.

Partners strive to minimize freshwater withdrawals and promote water reduction and efficiency in its operations. Partners must ensure that outgoing wastewater is treated before it is discharged and that the treated wastewater quality meets the requirements of the applicable laws, at a minimum.

Partners must constantly improve resource efficiency and strive to reduce and minimize waste generation in its operations. Partners segregate, manage, and dispose of all waste in compliance with local and national laws and regulations.

Partners strive to minimize emissions through improved efficiency and use of renewable energy sources.

Animal Rights

Luhta does not accept any form of cruelty to animals. Luhta expects that Partners recognise animals as sensitive beings which must be treated with respect. Partners shall comply with applicable animal welfare laws and international recommendations relating to animal welfare and ensure that materials derived from animals are from animals that are treated in accordance with applicable animal welfare laws and international recommendations.

Chemicals

Partners must comply with applicable national and international chemicals laws such as the Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).

Bribery and Corruption

Luhta does not accept any form of bribery or corrupt practices. Luhta expects Partners to fully comply with applicable national and international laws and regulations concerning bribery and corruption and to conduct business in a professional, fair and lawful manner. All gifts and hospitality must be in compliance with applicable law, reasonable and always handled carefully with due consideration of bribery and corruption risks as well as potential conflicts of interests.

Intellectual Property Rights

As a brand company, Luhta highly values intellectual property – its own as well as those of others. Luhta therefore expects Partners to operate in accordance with the same principles and to use their best efforts to avoid any infringements of intellectual property rights.

Antitrust

Luhta is determined to improve fair and lawful competition and does not accept any violations of applicable national or international competition laws. Luhta therefore expects Partners to operate in accordance with the same principles and to use their best efforts to avoid any violations of applicable competition laws.

Conflict of Interests

Personal interests of employees or directors of Luhta must not be in conflict with the interests of Luhta. Employees or directors of Luhta may not engage in competitive business with Luhta.

Monitoring and Non-Compliance

Partners are responsible to ensure that the requirements of this Code of Conduct are met. Partners need to ensure that any third parties working on their behalf also observe this Code of Conduct.

Luhta or a third party on behalf of Luhta may conduct a review of the Partner's compliance with this Code of Conduct. For the purpose of the review, the Partner agrees to have its facilities audited by Luhta or a third party.

This Code of Conduct is part of all contracts between Luhta and Partners.

Luhta has the right to terminate its contracts with Partner with immediate effect in case of Partner's substantial breach of this Code of Conduct. In such an event, Partner waives all its rights to claim for any damages from Luhta.

Complaints and Information

Complaints or information concerning violations of this Code of Conduct may be reported to Luhta.

Updates

Luhta has the right to update this Code of Conduct in order to continuously improve its procedures in social responsibility, environmental protection and fair cooperation as well as to develop its compliance processes.

Signature

By signing this document, we agree to comply with this Code of Conduct and other laws, regulations and standards mentioned in this Code of Conduct.

We acknowledge that a breach of this Code of Conduct constitutes a breach between the contract between our company and Luhta.

Name of the Partner:

Date and place:

Signature and name of the signatory of the authorized legal representative of the Partner:

Contact Information

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