

Social Report 2021





Dear Reader,

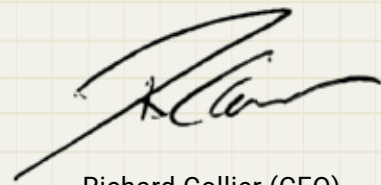
Thank you for taking the time to look at the working conditions at our production partners and our approach to social sustainability.

At Jack Wolfskin, since 2007 we have intensively monitored the working conditions at our production partners that are primarily located in Asia. We have been a member of the Fair Wear Foundation for more than 10 years.

We are proud of what we have achieved in the past years. All of our partners have not only formally accepted our Code of Conduct, they have undergone various independent audits, invested time and energy together with us to improve their operations, gone through training measures, exchanged ideas and inspired each other.

If there's one thing we've learned over the years, it's that social and environmental sustainability takes teamwork. Together, we achieve more. We started the process by prioritizing our collaboration efforts with our partners. But we quickly learned that we can achieve much more by involving other companies that use the same production facilities in this improvement process, as we all want it for the benefit of their fellow employees in the production factories. This practice is now a well-known success story that has been stimulated and is still promoted by the Fair Wear Foundation.

With this report, we would like to provide deep insights into what we do. If, while reading, you develop further ideas, please feel free to share your thoughts with us via email through sustainability@jack-wolfskin.com. Together we can achieve more.



Richard Collier (CEO)

01

Sustainability is an integral part of Jack Wolfskin's DNA

from page 06

02

Social responsibility is highly prioritised

- Responsible procurement and production planning
- Transparent, long-term business relationships with our manufacturing partners
- Commitment to living wages

from page 10

03

Established system to secure social standards in manufacturing facilities

- Annual audits to effectively establish higher social standards
- Straightforward and systematic assessment as well as individual improvement measures
- Rating results for 2021 in overview

from page 28

05

Jack Wolfskin responds to complaints coming from manufacturing facilities

- The complaints mechanism: open dialogue with all stakeholders
- Overview of complaint cases in fiscal year 2021

from page 52

07

Goals for 2022/2023

from page 64

04

Educational measures to improve social sustainability in the supply chain

- Effective training on-site at manufacturing facilities
- Continuously raising awareness among our own employees

from page 46

06

Jack Wolfskin's commitment beyond its commercial operations

- Jack Wolfskin transparently discloses its supply chain
- Where does my product originate?
- Proactive and open dialogue with our stakeholders

from page 60

Facts ...

1981
Jack Wolfskin
was founded

Number of Jack Wolfskin
– Employees worldwide
1440

Jack Wolfskin's
leaders are:
Richard Collier (CEO)
André Grube (CFO)

76.260
people work in the
production plants that sew
JACK WOLFSKIN products.
76 % of them are women.

Since the company's founding in
1981 Jack Wolfskin has been
operating a repair service with
the purpose to keep Jack Wolfskin
products in use as long as possible.
In 2015, this service was comple-
mented by a professional wash-
and reimpregnation service.

There are three product divisions
(Apparel, Footwear, Equipment),
working together with a total of
49 production sites worldwide

We are Jack Wolfskin, we are...

...adventurers, fans of the outdoors, explorers and nature lovers.
We Live to Discover. We'd like to share our passion with you.

Essential to outdoor

We represent the outdoors and
are inextricably linked to out-
door experiences. The search
for profound transformative
experiences in nature drives us.

Shared wanderlust

Our community is driven by
collective wanderlust. We
encourage people to welcome
the unknown with openness
and curiosity.treten.

Design & technology

As an outdoor brand, we place
the highest demands on design
and technology and will keep
developing advanced innova-
tions and integrate them into
our products.

Awe inspiring experiences

We would like to create trans-
cendent experiences and
encourage a slower pace of
life. That is the reason why
we share our knowledge and
spread harmony.

Advocacy & action

We stand up for our values and act
accordingly.

01 Sustainability is an integral part of Jack Wolfskin's DNA



We're at home outdoors. For us, there's no better place. We're drawn to wide open spaces and we draw strength from slowing down. We seek experiences rather than top performance. We are driven by fresh ideas and the passion to design outstanding products. We are committed to functionality. Our products shall offer protection, keep users warm and dry and be comfortable. Reliable for many years. We focus on details and how to improve in every facet of product development and our operations.. We respect nature's diversity and all living things. Our earth is simply the most beautiful place in the universe and it's the only one we have. We do everything we can to protect it and wish to experience and share it with everyone.

Jack Wolfskin – high-quality outdoor products with timeless appeal

Actively assuming social responsibility is a vital part of our self-concept as well as our corporate culture - ever since our company was founded in 1981. We firmly believe that fairness as well as environmental and social responsibility do not conflict with our company's success. We regard sustainability as being self-evident. Therefore, we emphasize functionality and longevity as well as contemporary designs. These criteria apply to our three business segments: apparel, equipment and footwear. We are committed to reducing our products' and manufacturing processes' ecological footprints. Equally dedicated, we assume social responsibility in regard to our manufacturing partners worldwide.

Our commitment to un's sustainable development goals

In 2015, the United Nations passed its Agenda 2030. This agenda sets 17 goals for sustainable development on a global scale - aptly called "Sustainable Development Goals" (SDG). They follow the guiding principle of globally establishing humane living conditions. It concerns all of us - hence we are all called upon to contribute to an environment worth living in. Also, to a society in which everyone can lead a fulfilling and self-determined life. We at Jack Wolfskin fully embrace the vision behind these Sustainable Development Goals.

In the context of our commercial operations, we prioritize specific SDGs. Firstly, these are the SDGs relating to our partner's manufacturing practices (SDG 1, 2, 3, 5, 8) and secondly, the SDGs which we may actively influence positively through our products and production processes (SDG 12, 13, 17).

SUSTAINABLE DEVELOPMENT GOALS



Product sustainability and Protecting the environment and climate

Accordingly, we continuously improve and intensify our ecological commitment at all levels. An increasing number of our products are made from recycled materials and complete elimination of PFCs in our products is a tangible goal. We have already succeeded to do so in our apparel and equipment ranges. In footwear, we will fully achieve this goal by 2025. Already today, we exclusively employ certified organic cotton and all of our down is certified according to the Responsible Down Standard. By 2025 we will source all wool from suppliers certified according to the "Responsible Wool Standard."

We advocate a responsible chemical and environmental management in our supply chain, in compliance with the bluesign® system. We have been a partner of this system

since 2011, so by now the majority of our materials comply with bluesign® system's requirements. Furthermore, we strictly monitor harmful substances, not just in our products, but also on-site in manufacturing facilities. This is accomplished through comprehensive lists of hazardous substances, which are banned in our finished products as well as in all manufacturing processes. Our sustainability goals motivate us to continue along this path and develop environmentally friendly as well as innovative materials in the future.

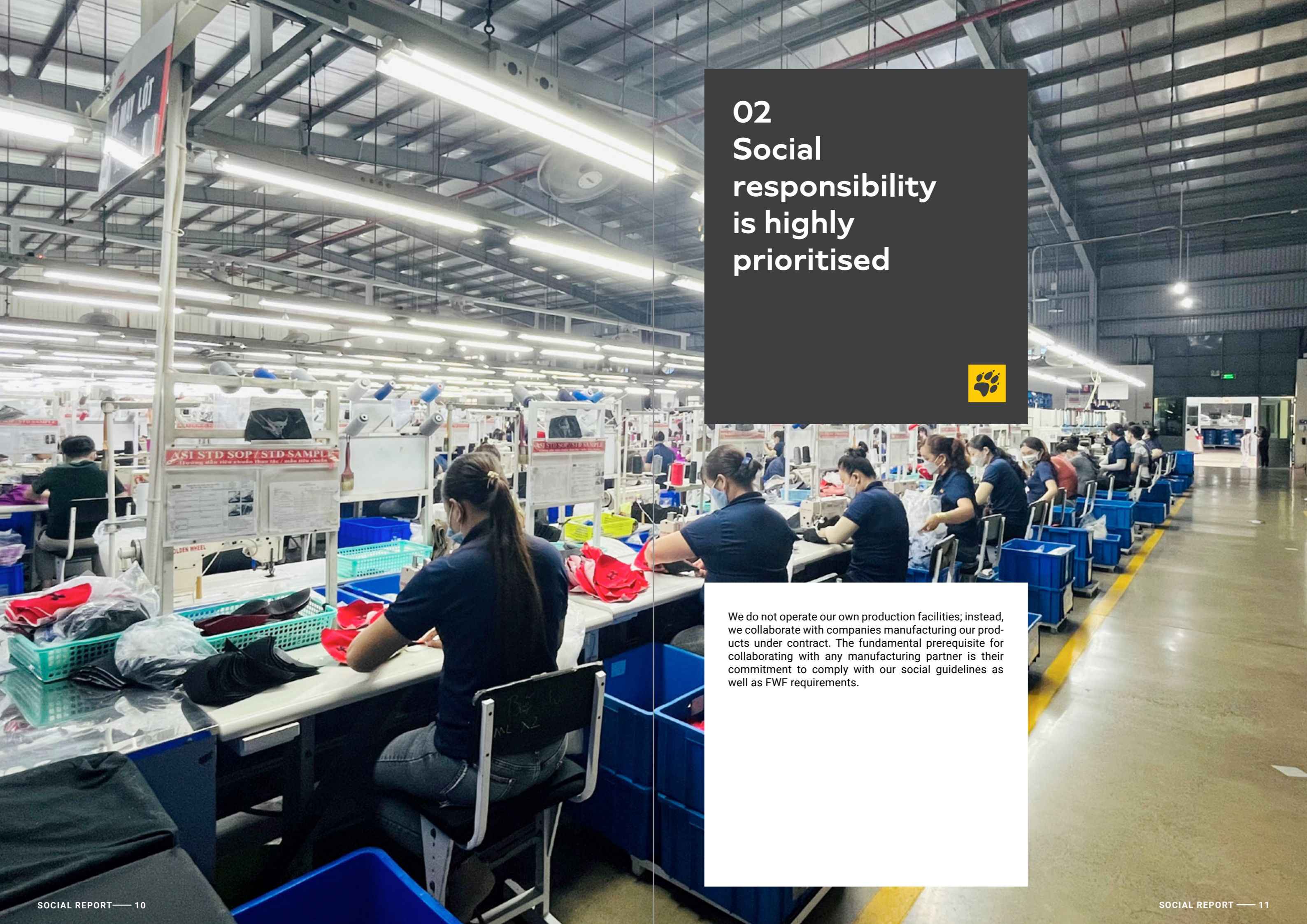
We continuously post details on the latest status on our website:
<https://www.jack-wolfskin.de/corporate-responsibility/>.

Social responsibility

Responsible relationships with our suppliers and manufacturing facilities constitute one of the most important foundations of our corporate operations. We are committed to fair working conditions, reasonable working hours, safe workplaces and fair wages. Transparently, we disclose our supply chains and openly report, for instance, the latest progress in locally implementing social standards in specific manufacturing facilities. Our manufacturing partners must commit to our Code of Conduct. We in turn offer support, so they can implement improvement measures and thus meet our strict standards. Jointly, we have already achieved considerable progress - and together we will continue along this path. The FWF provides support for these efforts. The FWF is an independent, non-profit organization working on many levels to improve working conditions in the textile industry. To this end, the FWF sets strict standards. Furthermore, it develops sensible and fitting strategies for manufacturing facilities worldwide, collaborating with all stakeholders involved. Those stakeholders are FWF member companies, such as Jack Wolfskin, but also non-profit, non-governmental organizations (NGOs), employers' and employees' associations in Asia and Europe, as

well as government representatives. Jack Wolfskin has been FWF member since 2010 - a logical step after having established our own independent program for managing social sustainability in our supply chains as early as 2007. In this report we present our commitment to social responsibility and provide a detailed account regarding financial year 2021.

2020 and 2021 was shaped by the Covid 19 pandemic, which took us all by surprise. Never before have we had to radically change the way we work and live in such a short time. During this time, it became apparent that consumers increasingly valued sustainable products and began to decidedly articulate their demand for such products. At the same time, we were faced with the challenge to establish entirely new methods for effective collaboration with our partners, while not being allowed to visit them on site. Here, our long-standing and close relationships with our partners were of great benefit.



02 Social responsibility is highly prioritised



We do not operate our own production facilities; instead, we collaborate with companies manufacturing our products under contract. The fundamental prerequisite for collaborating with any manufacturing partner is their commitment to comply with our social guidelines as well as FWF requirements.

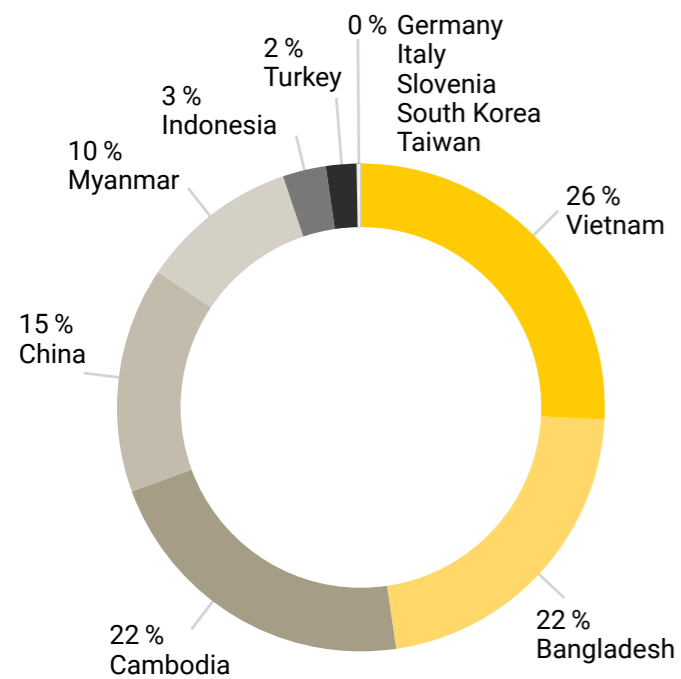
Responsible procurement and production planning

Our product range is highly diversified; therefore, we collaborate with various specialized manufacturing partners. However, we intend to consolidate the number of manufacturing partners as much as possible. This allows us to build individual as well as long-lasting relationships with our manufacturing partners and jointly establish a socially responsible procurement.

Procurement countries and manufacturing partners

As we do not operate our own production facilities, we rely on manufacturing partners. These are our primary business partners where we commission our products' final manufacture. Some of our partners operate in several locations; therefore, we generally establish direct communication with people from the individual manufacturing sites. This way we optimize the individual collaboration according to local conditions and circumstances.

In 2021, our products were manufactured in 12 countries; the majority of these countries are located in Asia. The largest part of our production volume originates from Vietnam, followed by Bangladesh, Cambodia, China and Myanmar. A smaller part of our production volume is sourced from manufacturing partners in a few European countries.



Country	Purchasing volume by country
Vietnam	25,75 %
Bangladesh	22,01 %
Cambodia	21,64 %
China	15,03 %
Myanmar	10,32 %
Indonesia	2,92 %
Turkey	2,03 %
Italy	0,11 %
Slovenia	0,11 %
Germany	0,05 %
South Korea	0,02 %
Taiwan	0,01 %

Purchasing Volume per country



New manufacturing partners

In the year under review, we maintained active ties to 49 manufacturing facilities. This number includes our direct business partners as well as subcontractors commissioned by them. Our partners do not only work for us, but also for other client companies. We therefore share the production capacity available at individual manufacturing facilities. Within the scope of our collaboration, we aspire to occupy a considerable volume of the respective capacity of a manufacturing facility, though. This allows our order volumes to be of greater significance to the respective partner. Subsequently, we may more emphatically demand implementation of our social standards and thus participate more effectively in positive changes.

In 2021, 49% of our production volume came from production sites where our orders accounted for at least 10% of the respective sales volume. This percentage dropped as compared to the previous year, as our suppliers - most likely motivated by Covid-19 - were expanding their client base in order to reduce their own risk in the event of client insolvency, etc. Approximately 38% of our order volume originates from production partners at which Jack Wolfskin occupies only a comparatively small production capacity (5% and lower). This is largely due to our broad product range.

We offer our customers an abundance of outdoor products: an extensive range of functional apparel; many different bags, backpacks, tents and sleeping bags, drinking bottles, mats, up to footwear for various purposes. Consequently, our manufacturing partners are highly specialized in terms of the respective machinery and have specific, long-standing experience in the manufacture of specialized products.

Though we always aspire to maintain long-term relationships with our manufacturing partners, from time to time we are required to establish new partnerships. This is due to various reasons:

- Expansion of our product range with a product category that none of our current partners is capable of manufacturing.
- Insufficient long-term production capacities and, as a result, overloading of the respective manufacturing facilities.
- Establishment of a new manufacturing facility by an existing partner, who asks us to support the setup of the respective facility.
- Integration of a subcontractor into an existing manufacturing process in order to compensate production peaks.
- Termination of a collaboration by a manufacturing partner, for instance if the partner wishes to change his strategic focus.
- Non-compliance with our strict social and/or high-quality standards by a manufacturing partner.
- Production in specific countries in order to keep transport distances short and simplify communication, which is particularly evident in our production for the Chinese market.

If any one of these scenarios becomes a reality, we thoroughly evaluate the potential new manufacturing partner before establishing a new, potentially long-term collaboration.

Selection process and assessment of new manufacturing partners

Basis of any collaboration is compliance with our Code of Conduct. However, further criteria such as quality or delivery times and costs must also meet our expectations. Prior to a collaboration, we thoroughly assess potential manufacturing partners accordingly. To this end, we employ a predefined assessment method designed to provide a consistent and fair evaluation. On initial contact, we gather all relevant details regarding the manufacturing facility. Then, our sourcing team conducts a first on-site inspection to evaluate the manufacturing process. In 2020 and 2021, this was unfortunately possible only to a limited extent. In this regard, our staff in the Asian subsidiaries and offices though provided us with great support. If this evaluation as well as a subsequent internal meeting have a positive outcome, we will provide our requirements specification in the next step. These specifications reflect our standards in terms of quality as well as packaging, logistics and transport. Furthermore, the specifications contain our requirements regarding management of hazardous substances and chemicals as well as the Code of Conduct defining the required social standards. To establish a collaboration, the future partner must sign a written confirmation that the code of conduct will be complied with. Simultaneously, we will place a trial order to evaluate the interaction with the manufacturing facility. We usually arrange the first social audit within three months; which allows us early on to assess to what extent our Code of Conduct requirements are already implemented. In 2020 and 2021, we had to rely on existing audits though, as we were unable to have the production sites audited by either Sumation's auditors or FWF's teams during that period. This was due to several lockdowns in different countries, extensive travel restrictions, as well as to minimize employee's risk in the production facilities. The intention was to avoid increasing infection risk through deployment of audit teams - as they would visit many different factories within a short period of time and could thus, in the worst case, spread the virus from factory to factory.

Hence in 2020 and 2021, findings based on older audits or from other audit companies, as well as a detailed assessment of supplier data - which by itself allow our experienced teams a fairly good understanding of what to expect - were thus instrumental in deciding whether to pursue a potential cooperation or to decide against it.

Our Code of conduct

Our Code of Conduct is based on the Human Rights Charter of the United Nations as well as the conventions of the International Labor Organization (ILO). It is a binding element of every contractual relationship with our manufacturing partners. Our Code of Conduct includes the following requirements, which must be complied with by each manufacturing facility:

- 1 Forced labor is strictly prohibited.
- 2 Discrimination in the workplace is strictly prohibited.
- 3 Child labor is strictly prohibited.
- 4 Freedom of association and the right to collective bargaining is granted.
- 5 Wages shall be sufficient to secure livelihoods.
- 6 Working hours must be fair.
- 7 Workplace environments must be safe and health-compatible.
- 8 Each employee must have a legally binding employment contract.
- 9 Environmental protection must be respected.

The complete Code of Conduct may also be found on our website: https://www.jack-wolfskin.com/on/demandware.static/-/Library-Sites-JackWolfskin_SharedContent-Lib/default/dwce05a34b/Content_Ressources/CR/CoC/Code_of_Conduct_English_Stand_01-2011_new.pdf

Frequent assessment of manufacturing partners

We audit our manufacturing partners not just at the very beginning of a collaboration. Throughout the course of our partnership, we continue to assess twice a year, whether manufacturing partners continue to meet required social as well as quality standards. This internal supplier assessment complements the social audits, which usually are conducted annually. This assessment is conducted interdisciplinary, involving our departments "Purchasing," "Product Development & Quality Assurance," "Logistics" and "Social Compliance and Sustainability" - our team responsible for sustainability. We audit each individual manufacturing facility, applying a comprehensive catalogue of criteria as well as a standardized evaluation matrix. This provides all participating departments with accurate information on each manufacturing facility's strengths and shortcomings, as well as on its progress. We transparently share the results of the evaluation with the respective manufacturing partner and devise an individual plan for corrective action. This plan is to be carefully implemented via improvement measures by both our manufacturing partner as well as us. Hence,

we establish an improvement process, individual to each manufacturing facility. The findings of these frequent audits, as well as the implementation of the respective improvement measures, directly influence future collaboration: Upon positive assessment as well as successful implementation of improvement measures, we aspire to gradually increase our order volume, provided free production capacity is available and no other contradicting risk factors are given. Upon negative assessment, or if improvement measures were failed to be implemented, we intend to gradually reduce our order volume.

2020 and 2021 presented us with particular challenges due to the pandemic. During these years, we were unable to visit our production partners on site. Audits were also virtually impossible. At the same time, our partners - just like us - had to implement stricter health protection and safety measures. This necessitated an increased exchange via email, telephone and video conferences in order not to lose contact and maintain constant exchange.

Termination collaboration

Long-term collaboration with a manufacturing partner may not be possible at all times. Termination of a collaboration may be initiated from both parties involved. Usually, this decision is preceded by a lengthy process in which improvement measures had been jointly devised, also we usually had offered active support in eliminating deficiencies. Irrelevant to this context is the type of any shortcomings. These might be quality problems, difficulties in meeting social or environmental standards, consistently poor delivery performance, as well as many other aspects. We intend to terminate a collaboration just as responsibly as it had been initiated. Thus, we notify our manufacturing partner well in advance, and only then gradually reduce our order volume. This allows the manufacturing partner to adapt to the changes and adjust production planning.

Transparent, long-term business relationships with our manufacturing partners

In 2021, we collaborated with 49 manufacturing facilities in 12 countries, our highest production volume originating from Vietnam, Bangladesh, Cambodia, China and Myanmar. Being clients of our manufacturing partners, long-term relationships, transparent pricing and fair production planning are of utmost importance to us.

Long-term nature of our business relationships

We highly value - and cultivate - stable, long-term and close business relationships with our manufacturing partners. Many of these partnerships reach back more than ten years. This long-term approach is of utmost importance both to us as well as our manufacturers. It allows our partners to expect sound as well as reliable orders. We, in turn, benefit as the respective manufacturing facility is yet very familiar with our requirements regarding compliance with social standards, as well as our requirements in terms of quality, delivery and transparent collaboration. On one hand, a partnership such as this must continuously be nurtured so as to reaffirm mutual trust. On the other hand, continuous efforts maintain loyalty and willingness to implement changes. Therefore, we do not only insist on a diligent selection process of our manufacturing partners, but furthermore on transparent pricing and anticipatory production planning throughout the duration of a collaboration.

Even in 2020 and 2021, we were able to continue cooperation with almost all of our partners. Although stores were affected by the lockdown in many countries around the world, we took delivery of all merchandise already produced also in the year 2021, thus securing continued sales for our partners even during these times of crisis. Some of the production facilities experienced shortage situations, because fewer employees were able to be present in the factories due to the risk of infection. In such cases we accepted delays in delivery time as well as reduced production volumes.

Long-term production planning

An integral part of sustainable production planning is a responsible procurement process. This involves, among other factors, closely monitoring a manufacturing facility's current production capacities. Only when manufacturing facilities are not overloaded, excessive overtime and its adverse effects may be avoided beforehand. In this context, close ties to, as well as transparent communication with our manufacturing partners are of crucial importance. Accordingly, we determine production as well as delivery schedules in close coordination with our manufacturing partners.

We produce two collections each year - a summer and a winter collection - each with a lead time of appr. 1.5 years. This allows us sufficient time for precise order forecasts. The more accurate these forecasts are, the easier our manufacturing partners may allocate their capacities in accordance with further clients' orders. This applies both to our partners for finishing as well as partners for intermediate products or material supplies. These partners supply, for instance, textile panels, buttons, zippers or strings. Consequently, we also submit order forecasts, including production and delivery schedules, to the according suppliers. Thus, it is warranted that all materials required for the final production stage will be produced and delivered to the respective manufacturing facilities for finishing in time. Based on our forecasts, we order several batches of a collection's production run, adjusted to our customer's actual order volumes.

Should a production facility unexpectedly experience overload during a production run, we may prioritize based on the orders and adjust delivery schedules or transportation modalities in consultation with the respective manufacturing facility. For this purpose, we employ our live-planning-system, which permanently maps the status of all of our orders, and which allows us to communicate with our manufacturing partners at all times.

In the wake of the Corona pandemic, we had to cancel small quantities of our orders for our winter season 2021, as a large number of stores were closed for several months due to the lockdown in many countries. In order to prevent over-capacities and to adapt to the changed market situation, we reduced order volumes in agreement with our production partners. All merchandise already produced naturally was accepted and paid for in full. We also covered the costs of pre-production material already purchased by our production partners. We modified our follow-up collection in regard to colour scheme and use of materials so that remaining stocks of fabrics and components could be utilized. To this end, we deployed a team of four people who, over the course of the two subsequent seasons, matched inventories with potential new products. With this process, we managed to utilize almost all of the previously ordered materials.

Compared to "regular" years, this entire process was much more time-consuming in terms of product development and production planning, but equally for our partners, with whom we were in close and permanent exchange for months in order to coordinate the quantities of remaining stock, production capacities under pandemic conditions, safety requirements and many other issues.

Thanks to the strong networking and close exchange, all of our production partners were able to continue their operations and therefore continue to employ their staff. Apart from the Covid 19-related lockdowns and the numerous pandemic-related protective measures, many companies were able to continue normal operations.



Meeting with our tent supplier 2011



Developing a tent with our supplier in 2013



Commitment to living wages

We firmly believe that all people deserve a wage adequate to provide a livelihood. From the very beginning of our commitment to establish fair, safe and socially responsible working conditions, we have asked our manufacturing partners to pay living wages. In 2007, this demand certainly was not self-evident. Our membership with the FWF as of 2010 had us reassured, that we were dedicating ourselves to an important, vital cause. After all, gradually establishing living wages in manufacturing companies is one of FWF's primary objectives.

What exactly is a living wage?

A living wage allows workers to provide for their families as well as themselves, to afford housing and furthermore cover day-to-day necessities such as clothing or transport. Moreover, funds should be disposable for children's education and healthcare. Also, it should be possible

to accumulate reserves for unforeseen expenditures. "Living wage" refers exclusively to the wage received within regular working hours - excluding any overtime pay or performance-related bonuses.



Food



Housing



Health



Education



Clothing



Mobility



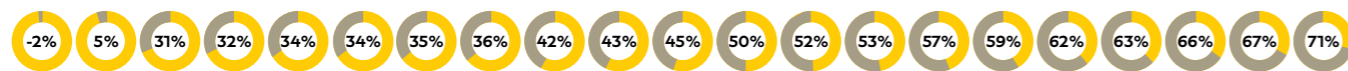
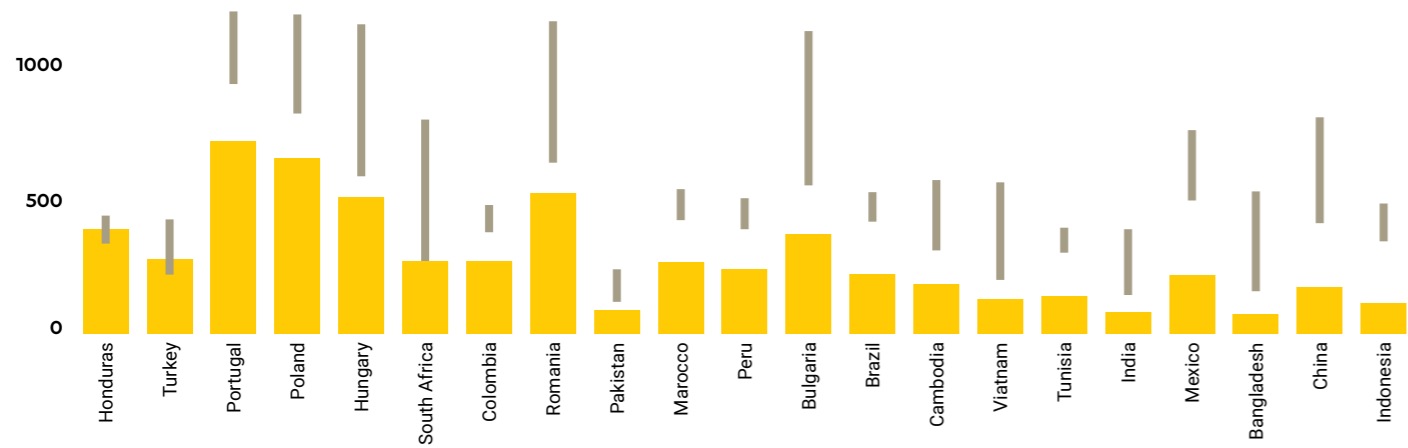
Savings

Living wages are a crucial issue requiring everyone's full commitment and support. Establishing those in the global marketplace, involving numerous stakeholders, is hugely complex, requires a creative approach - and may take some time yet to be realized.

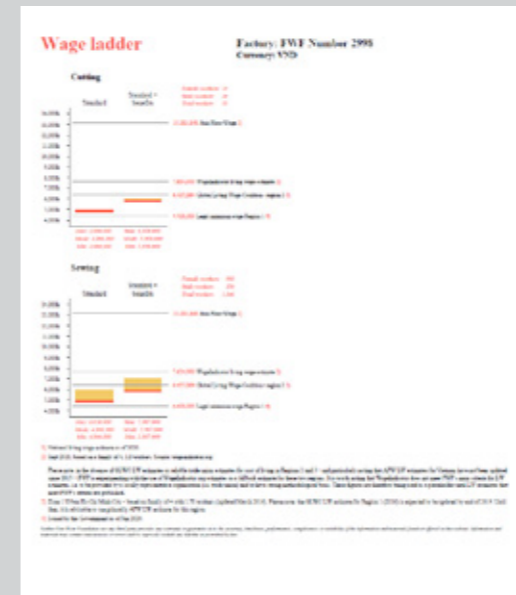
The challenges

There is no single one formally declared living wage. Therefore, depending on which stakeholder (local unions, international NGOs, factory owners, employee representatives, etc.) comments on living wages, varying - sometimes very different - amounts are specified as a living wage. Therefore, the FWF employs so-called “wage ladders”, indicating different salary brackets according to country and sometimes even individual provinces. The underlying data applied by the FWF is gathered from official sources or stakeholder surveys. These wage ladders reveal significant differences between many countries when estimating the salary level defined as a living wage.

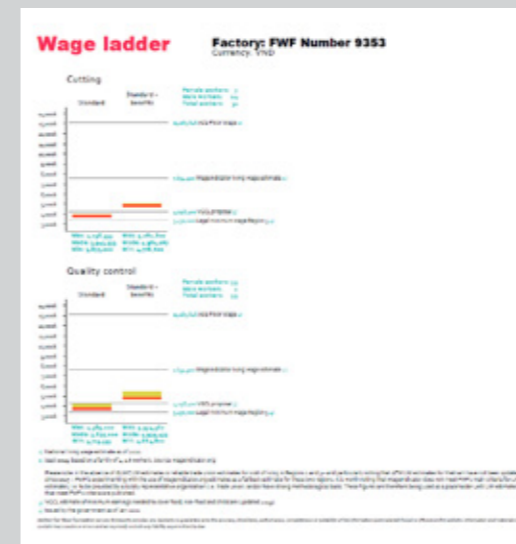
In addition, “The Industry We Want” (<https://www.theindustrywewant.com/wages>) was launched. This group is also concerned, among other things, with living wages in comparison with, for example, statutory minimum wages.



■ Living Wage Range (2021)
■ Applicable Minimum Wage for the Textile sector
○ Gap between the Minimum Wage and the average Living Wage



Exemplary wage ladder of a production partner in Vietnam



Exemplary wage ladder of another production partner in Vietnam

We do not operate our own manufacturing facilities; hence, Jack Wolfskin does not directly employ or pay production workers. Consequently, establishing living wages fast, and above all on our own authority, is rather challeng-

ing. In our collaboration with our manufacturing partners, we have made it our objective to actively convince them, in the spirit of partnership, that securing living wages is the right and the only way to be successful in the long run.



Transparent pricing

For each individual product we determine and negotiate prices directly with the respective manufacturing partner. In this process we follow the concept of transparent price calculation. Our purchasing price for any product is composed of costs for material and labor, as well as operational costs and the profit margin for the manufacturing partner.

Material costs may be determined quite accurately. We stipulate the raw materials to be used for each product in a parts list. This bill of material depicts all materials required to manufacture the product. The production partner tells us the actual quantity consumption of the fabrics, as he creates the patterns and can thus calculate the exact material consumption. Based on the known prices for the materials, we can calculate the unit costs together with the production partners. Thus, quantities and costs of materials may be determined transparently in the pricing negotiations.

Labor costs per product depend on the particular effort required for production as well as the respective degree of complexity. Manufacturing partners derive the required work input based on "sampling", i.e. trial production. Furthermore, the efficiency rate, a measure of productivity of the respective manufacturing facility, also enters into determining labor costs. Based on the effort required and the efficiency rate, labor costs may be determined accordingly.

In order to calculate the final purchase price, manufacturing partners must also consider operating costs and their intended profit margin. However, as our manufacturing partners are independent entities, which do not need to disclose their cost structure, fully transparent pricing is not feasible. Still, we strive for maximum transparency and face our manufacturing partners as equals when negotiating. To this end, we monitor changes regarding the labor and cost structure in the respective manufacturing countries and provinces and assess whether the agreed prices are realistic or whether they need adjustment. In this context, the team responsible for pricing can rely on years of in-depth experience and innumerable trips to our manufacturing countries.

It must be noted, however, that we are not an exclusive client in any of the manufacturing facilities. Thus, we have limited leverage to influence labor structures at our partners' facilities. Through our approach to pricing plus our continuous efforts to establish fair wages, we attempt to convince our partners, that adequate employee compensation is an investment into the partner's future viability. In many countries, there is evidence today, that employees not receiving adequate compensation, are turning to other industries for work. As a result, the supply of qualified employees is steadily decreasing.

Salary analyses and determination of a target wage

Jack Wolfskin has integrated a monitoring system into the social audits, which is designed to verify that our manufacturing partners' workforce receives fair and contractually agreed compensation for their work. The fundamental requirement, which must never be compromised, is compliance with statutory or industry minimum wages. Premise is that wages cover workers' basic needs and provide an amount for free disposal. Naturally, unlawful and arbitrary wage reductions or sanctions are not admissible and will not be tolerated. Also, all employees clearly must be aware of the detailed breakdown of their wages at the time of signing the contract.

Due to our social audits, we may accurately estimate the actual salary levels in factories, as well as how they compare to statutory minimum wages. As we may not

disclose exact wages for the sake of privacy, we classify actual wages into clusters for the purposes of this document. We regularly share the exact figures and progress regarding wages with FWF.

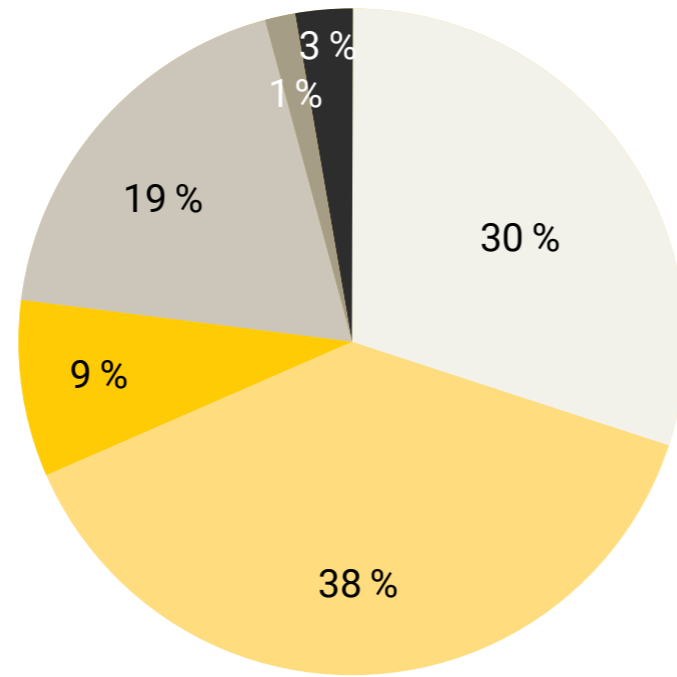
In 2019, we looked at various studies and assessments of living wages and developed the following levels from them for the first time. This year, the matrix was compared with TIWW data and we continued to find the scale to be a good way to make an assessment of all suppliers on the same basis.

Based on data, studies and estimates available to us, we have defined 5 target wage levels (not only for Vietnam). At level 5, wages exceed the minimum wage by at least 70 %. According to the Global Livingwage Coalition, a living wage thus is provided for. The right-hand column indicates the percentage of manufacturing sites currently having attained the respective level target.

Basic Level 1	Paid wages must be known.
Basic Level 2	The statutory minimum wage must never be undercut. Paid wages are up to 25 % higher than the statutory minimum wage.
Target Level 1	Paid wages are 26-40 % higher than the statutory minimum wage. We consider attaining this level to be the first step towards a living wage.
Target Level 2	Paid wages are 41-70 % higher than the statutory minimum wage. We consider this target wage to be the second step to be taken towards securing a livelihood.
Target Level 3	Paid wages are over 71% higher than the statutory minimum wage. When attaining this level, sewing workers have reached target level 3 and thus have secured a livelihood. (Based on the findings of the Global Livingwage coalition in regard to Vietnam)

Organization/study on living wages (matrix creation using the example of Vietnam)	Percentage of the minimum statutory wage that is used to determine the amount of the living wage.
Wageindicator.org Calculation of a living wage for a single person	When paid 47 % above legal minimum wage. (Wageindicator.org estimate ranges from 11 % – 82 %).
Wageindicator.org Calculation of a living wage for a typical Family	When paid 146 % above legal minimum wage. (Wageindicator.org estimate ranges from 91 % – 196 %)
Global Livingwage Coalition https://www.globallivingwage.org/wp-content/uploads/2018/04/living-wage-report-urban-vietnam.pdf	72 %

Average wages paid to sewing worker in relation to Jack Wolfskin's sales volume at the production sites



Wage scale levels	Wage payed above legal Min wage	% Purchasing Volume
Target level 3	more than 70 % above legal Min wage	30,11
Target level 2	41%-70 % above legal Min wage	38,33
Target level 1	26%-40 % above legal Min wage	8,55
basic level 2	0 %-25 % above legal mn wage	18,81
basic level 1	wages has to be known	1,47
unknown	due to external audit/ low Risk/audit result not yet there	2,72

Average wage levels (excluding performance and overtime bonuses) based on sales volume commissioned by Jack Wolfskin in factories in 2021.

Our goal: gradually establishing living wages

The first goal is always complete transparency about wages. We aim to motivate these partners to pay wages in line with our target level 1 (see table). With partners whose wages already correspond to those of target levels 1 or 2, we will explore the possibility of a gradual salary increase in order to ultimately ensure livelihoods for all.

The pandemic has caused a setback to our specific efforts towards living wages. Since we were not able to conduct audits and therefore actual wages could not be determined by external experts, data availability has become rather unreliable. Furthermore, the general economic situation of companies in virtually all sectors -

including the textile industry - currently remains extremely challenging at all stages of the value chain. Therefore, in 2020 and 2021, our top priority was to stabilize operations in order to secure a stable revenue situation for ourselves, our partners and, most of all, their employees. As soon as the situation further stabilizes and we may travel again, we will re-assign a high priority to living wages

Wage levels for Vietnam, Bangladesh and Myanmar

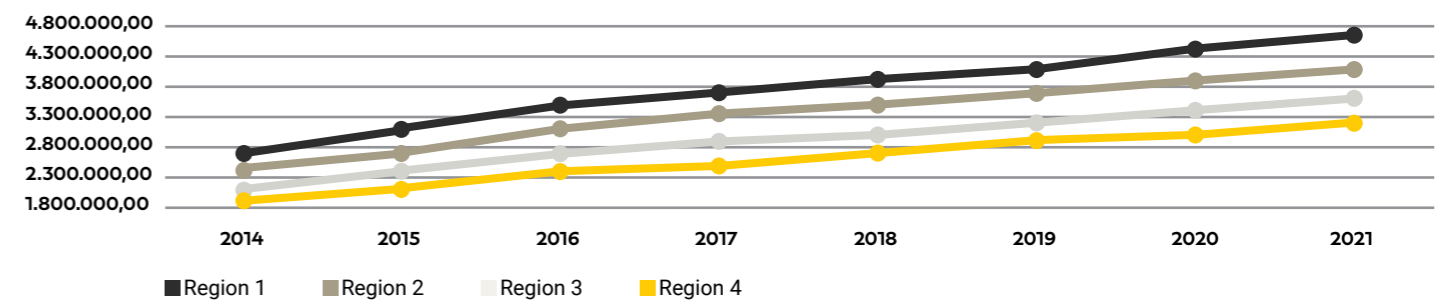
In order to illustrate wage structures in specific countries, we to introduce some of our most important manufacturing countries in the following section. Corresponding data was collected during audits.

Vietnam

Vietnam is one of our most important production countries; therefore, to us, progression in regard to the general salary structure in Vietnam - and with our partners in particular - is of great relevance.

In regard to salaries, the country is divided into four regions. In each of those, the statutory minimum wages were increased significantly between 2014 and 2021:

Development of the statutory minimum wage in Vietnam from 2014 – 2021



	2014	2015	2016	2017	2018	2019	2020	2021
Region 4	1.900.000,00	2.150.000,00	2.400.000,00	2.580.000,00	2.760.000,00	2.920.000,00	3.070.000,00	3.250.000,00
Region 3	2.100.000,00	2.400.000,00	2.700.000,00	2.900.000,00	3.090.000,00	3.250.000,00	3.430.000,00	3.640.000,00
Region 2	2.400.000,00	2.750.000,00	3.100.000,00	3.320.000,00	3.530.000,00	3.710.000,00	3.920.000,00	4.160.000,00
Region 1	2.700.000,00	3.100.000,00	3.500.000,00	3.750.000,00	3.980.000,00	4.180.000,00	4.420.000,00	4.680.000,00

Progression of the statutory monthly minimum wage in Vietnam between 2014 and 2021 (Figures in VND - Vietnamese Dong; VND 4,680,000.00 corresponds to approximately EUR 200.-)

Despite this significant increase, minimum wages are still not in line with living wages (refer to the estimates of Wageindicator. com and the Global Living Wages Coalition cited above). We have therefore defined target levels on the basis of which we work with our suppliers on improvements.

Factory	Region in Vietnam	Statutory minimum wage	Payment above the statutory minimum wage	Target Levels
Kido Vinh Co. LTD.	Region 4 VN	3.070.000,00 VND	158%	Target level 2
Elegant Team Manufacturer Co. Ltd.	Region 2 VN	3.920.000,00 VND	209 %	Target level 3
X-20 Join Stock Company (Gatexco 20) - Binh Minh	Region 3 VN	3.430.000,00 VND	208 %	Target level 3
Branch of Astro Saigon Company	Region 4 VN	4.420.000,00 VND	108%	basic level 2
Bac Ninh Garment Joint Stock Company Tham May	Region 2 VN	3.920.000,00 VND	210 %	Target level 3
Max Zone (Astro Saigon)	Region 4 VN	4.420.000,00 VND	135 %	Target level 1
Bethel Vina Co.,Ltd	Region 2 VN	3.920.000,00 VND	153%	Target level 2
Youngtech Vietnam Co Ltd	Region 3 VN	3.430.000,00 VND	220 %	Target level 3
Fulgent Sun Footwear Co., LTD	Region 3 VN	3.430.000,00 VND	194 %	Target level 3
Bags Connection				not audited yet
Broadpeak Soc Trang Co., Ltd	Region 3 VN	3.430.000,00 VND	130%	Target level 1
(Dona Biti's) Binh Tien Bien Hoa Company Limited	Region 1 VN	4.420.000,00 VND	142 %	Target level 2

Of the 12 production partners in Vietnam, five (42 %) are in target level 3 and thus pay a living wage. Three other production partners (25 %) are in target level 2 with the wages paid and two others (17 %) are in target level 1. One supplier is still in base level 2 and another could not yet be independently audited, which is why the verified figures are not yet available.

The salary situation we documented in the previous fiscal year shows that Vietnam is doing relatively well in terms of the average wages actually paid. We will keep a close eye on the development after the Covid 19 years to ensure that the trend continues to develop positively.

Bangladesh:

The statutory monthly minimum wage in Bangladesh outside the textile industry amounts to 1,500 BDT (Bangladesh Taka). This equals about EUR 16,-. As of December 1, 2013, a sector-specific minimum wage of 5,300 BDT (EUR 56,50) was established in the textile industry. On December 1, 2018 this was increased to 8,000 BDT (approx. EUR 85,-). Thus, the statutory minimum wage in the textile industry exceeds five times the statutory minimum wage applicable to other industries in Bangladesh. As the majority of the population in Bangladesh works in the textile industry, this industry serves as a pioneer in the development of the country.

Nevertheless, the minimum wage level in Bangladesh's textile industry is still low as compared to surrounding production countries.

Factory	Statutory minimum wage	Payment above the statutory minimum wage	Target Levels
Youngone Hi-Tech Sportswear Ind. Ltd. & Savar Sportswear Company Ltd.	8.000,00 BDT	278 %	Target level 3
Kadena Sportswear Ltd.	8.000,00 BDT	141 %	Target level 2
Karnaphuli Shoes Ind., Ltd. (Garments Unit)	8.000,00 BDT	141 %	Target level 2

In Bangladesh, all three production partners were audited in 2020 or 2021. The FWF auditors were able to verify the wages. All three partners pay wages far above the legal minimum wage, but only one of them can be described as a living wage. For the other two partners, the salary is in our target level 2.

Myanmar:

In 2021, we collaborated with two production partners in Myanmar.

Unfortunately, the situation in Myanmar has dramatically worsened in 2021, which is why we did not look for further partners in the country and concentrated on a stable relationship with our two existing partners:

Sawbwa VT Co., Ltd.

The collaboration with Sawbwa VT has been established as early as 2014. Training regarding our code of conduct and the complaints process was conducted with this partner in May 2017 as well. Both employees and management participated in the training.

The first audit at the factory was conducted in October 2014. As a manufacturing country, Myanmar is still "fresh" in the global market, so the risk of not (yet) meeting our requirements for workplace conditions is high. Therefore, follow-up audits have been conducted prior to the pandemic annually for the purpose of providing adequate support to continuously improve the workplace environment. Unfortunately, in 2020 and 2021 we were unable to continue this practice due to the pandemic. However in 2022, we managed to arrange an audit in the production facility again.

Kido Yangon Co., Ltd.

This manufacturing facility was acquired in 2018 by a long-term partner that is already manufacturing for us at locations in Vietnam. Here as well, the first audit was conducted in November 2017, before commencing collaboration. Subsequently, in 2018 and 2019, one social audit per year was conducted by the FWF.

Due to the pandemic and the political situation in Myanmar, the audits in 2020 and 2021 could not be conducted as originally planned. Also in this factory, we were able to conduct another independent audit in 2022 with good results again.

Furthermore, this production facility has started participating in a FWF training program in 2019. Main objective of this programme is to improve and intensify communication between employees and their superiors at all management levels. The core elements of the Code of Conduct are also an elementary aspect of this long-running training initiative. *fristig angelegten Schulungsinitiative.*

Factory	Statutory minimum wage	Payment above the statutory minimum wage	Target Levels
KIDO YANGON COMPANY LIMITED	144.000,00 KYD	193 %	Target level 3
Sawbwa VT Limited	144.000,00 KYD	165 %	Target level 2

Salary overview of the production sites in Myanmar

The average wages paid to employees at both production sites exceed the statutory minimum wage. The overview includes non-performance related bonuses, but not overtime.



03 Established system to secure social standards in manufacturing facilities



We are committed to truly being familiar with the actual situation in manufacturing facilities. Due to our approach of auditing locations even before placing the first order and routinely conducting recurring audits. Only this approach allows us to react quickly to undesirable developments and to continuously work on improvements in cooperation with our suppliers. Unfortunately, due to the pandemic, we were only able to carry out very few audits at our partners in 2020 and 2021, as health protection is a top priority for both the auditors as well as the employees in the production facilities. We will resume our audit activities from 2022. Our definite objective is to have independent teams visit all facilities as soon as possible, so as to get a clear understanding of the situation on site and, above all, it is particularly important for us to establish contact with the employees of the companies via the auditors on site. We expect to be able to resume our normal audit cycle from 2022 or 2023 at the latest.

Annual audits to effectively establish higher social standards

Through auditing, we monitor whether our manufacturing partners' efforts and our own supporting measures have been effective. As the majority of our manufacturing partners already complies with our requirements to a very high standard, these audits should in most cases be regarded more as an analysis of potential rather than a conventional inspection. We strive to continuously improve ourselves along with our partners - and thus pave the way to a "new normal", as the FWF very nicely puts it. Fair working conditions then are the norm, not the exception!



Independent auditors

A team of independent auditors periodically visits the manufacturing facilities of all of our partners. They assess the working conditions at each individual facility and whether improvement measures formerly agreed upon, have been implemented successfully.

Our team at Jack Wolfskin partially consists of trained social auditors as well. However, we have decided to continue to have audits at the production sites carried out primarily by auditors not employed by us. Independence secures impartiality. This is necessary to document actual conditions in the factories and to report both positive and negative developments to us. For these audits, we have been working with the independent, globally active auditing company Sumations since 2007, complemented by FWF auditors since 2010. This allows us to make our established auditing system even more robust and protect it from being compromised.

Sumations' audit teams generally consist of at least two individuals with different cultural backgrounds. One of the auditors typically originates in the country in which the audit is conducted; whereas the audit team partner will typically belong to an entirely different cultural background. Due to the fact that at least one team member lacks a culturally biased perspective in the sense of "this is common local practice and therefore acceptable", he or she can assess local conditions more objectively.

Audit planning: annual audits

The FWF encourages its members to audit their manufacturing partners at least every three years. Thereby required is a coverage of 80 % of the revenue. We have chosen to exceed this FWF requirement. As a general rule, we audit all our suppliers once a year - even those with small revenue as well as all sewing subcontractors. This allows us to exercise an even greater degree of influence in order to support our partners in meeting our requirements regarding working conditions. However, exceptions are made for manufacturing facilities that consistently have had excellent audit results over a long period of time, and where we have not received any serious complaints. In these cases, we extend the interval in between audits. Conversely, we shorten these intervals if particular suppliers suddenly exhibit poor performance.



The higher audit frequency gives us far more opportunities to positively influence our manufacturing partners' operations.

Audit procedure and scope

Duration of an audit:

Generally, an audit requires two days, depending on the size of the facility to be audited. Whereas the audit of a small company with only 20 employees may be concluded in just one day, large manufacturing facilities with several thousand employees require two to three days.

What happens before an audit?

Before any audit, auditor teams familiarize themselves with the facility's background. That may involve previous corrective action plans or known issues in the facility that may have been brought to attention through an employee complaint. Depending on the quality and extent of the auditors' local network, they will meet with various local stakeholders (e. g. trade unions or employee representatives) as well as, for instance, local residents in the vicinity of the manufacturing site in order to gain a first impression. Also prior to the actual audit, the - preferably local - auditors pass by the respective manufacturing site on weekends or during late hours. A favorable time would also be at the end of a shift. These visits allow us to assess whether and to what extent overtime work is being performed. These visits provide an opportunity to interview individual employees at ease. The insights thus gained may also serve to verify the accuracy of statements made during an audit.

What happens during an audit?

The audit is initiated via an introductory session. This meeting is attended by the entire management team, ideally employee representatives, as well as the sustainability team, which is in charge of compliance with the Code of Conduct at the manufacturing facility. Both the expectations of all those involved as well as the procedure of the audit will be considered. Furthermore, all parties involved are given the opportunity to address unresolved issues.

Subsequently, the entire premises of the manufacturing facility will be explored. On this tour, primarily safety precautions are checked. This encompasses employee protection measures, the use of personal protective equipment, architectural characteristics, fire safety and many other aspects relevant to health and safety in the facility. During this tour, auditors are also alert, for instance, to the presence of particularly young employees. Auditors also use the opportunity to conduct initial interviews with individual employees and actively involve them.

Following the tour, documents provided by the manufacturing partner will be reviewed comprehensively. These include, for instance, payroll records, time sheets as well as personnel records. Also relevant are documents resulting from collective bargaining; records of employee absences; but also work instructions, work orders, process documentation, etc. Auditors furthermore conduct individual as well as group interviews with employees, obviously without any managers present. The overall impression gained through the tour, the documentation and the staff interviews allow the audit team to assess to what extent the Code of Conduct is complied with on site.

Once the audit process has been concluded, a corrective action plan is compiled for this site. This plan briefly summarizes the issues, that management, in cooperation with the employees who are also responsible for compliance with the Code of Conduct, need to address for improvement.

To conclude the audit, the corrective action plan will be thoroughly reviewed with management, employee representatives, as well as the sustainability team. It is crucial that all parties involved fully understand the individual issues so improvements may actually be implemented.



Cooperation with other brands

Occasionally, several global brands that are FWF members have their products manufactured in the same facility. In such cases, we cooperate with these FWF members and jointly conduct audits as well as support implementation of corrective measures. This has a number of benefits for all parties involved. Firstly, the manufacturing partner must implement only one single corrective action plan for multiple clients and can be certain not to receive any contradictory requirements from his clients. Secondly, the brands can jointly organize and finance support measures such as training.

The following offers some insight on successful cooperation with other FWF members, improving working conditions in manufacturing facilities:

<https://www.youtube.com/embed/YjgCuzx5o3U?wmode=opaque>

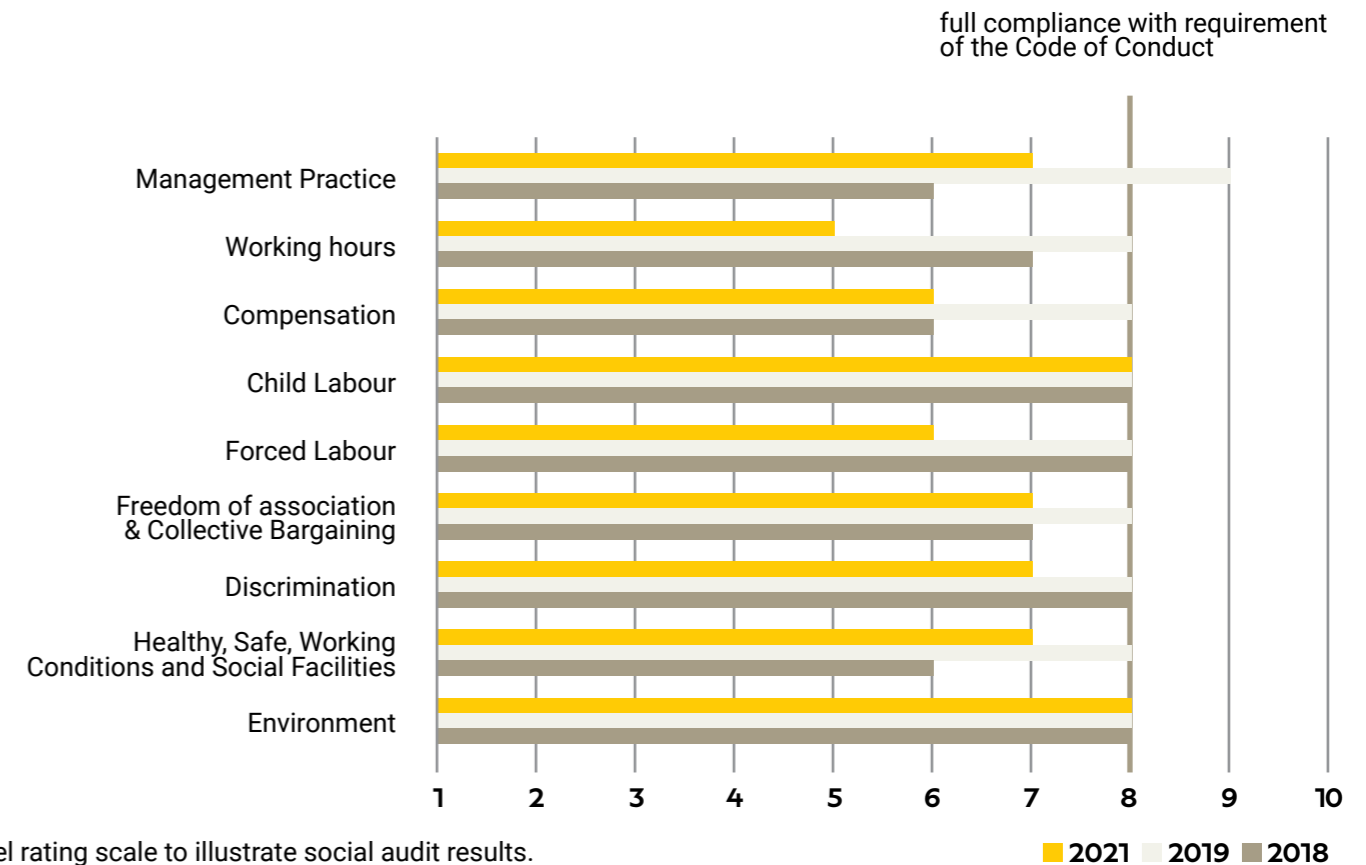


Straightforward and systematic assessment as well as individual improvement measures

A systematic assessment provides clarity and allows the findings of social audits to be comprehensible even to parties not immediately involved. Therefore, we have established a 10-level rating scale providing a straightforward summary of audit results.

1-10 rating scale

Since 2007, we as well as auditing teams have relied on a systematic and precise assessment when auditing. Audit results are illustrated applying a 10-level rating scale. In order to clearly document progress, we depict up to three consecutive audits in a diagram. This allows to identify new and existing challenges - but also major leaps in terms of improvement - at a single glance.



Improvement measures based on corrective action plans

The corrective action plan identifies all issues that were identified during the audit as either offering potential or requiring improvement. Accordingly, manufacturing partners devise improvement measures independently on their own, coordinating these with us periodically. We thus act as a "sparring partner" and also may contribute useful suggestions. Also, we may evaluate proposed measures before their implementation. We monitor the actual implementation based on documentation and photos, as well as interviews with employees. Final review of the implementation will take place during the next independent audit on site.

Vietnam

- Freedom to association and collective bargaining remain a challenge
- Management of overtime continues to be less than ideal - the orders piled up by Covid 19 are an additional challenge
- Compliance to building codes as well as occupational safety generally tend to be good
- There is progress in the development of the statutory minimum wage as well as the general salary level

China

- The textile industry is the second-strongest sector
- No statutory right to freedom of association and collective bargaining
- Overtime remains common practice
- Cultural challenges, e. g. lack of open dialogue regarding areas of improvement

Bangladesh

- In recent years, safety of buildings has generally improved significantly
- Harassment and violence, especially against women, continues to be an issue. Facilities do actively counteract and thus have established various anti-harassment-committees
- Salary levels are increasing

Cambodia

- Textile industry is a significant economic sector
- Structurally, the county is still rather weak, though currently experiencing considerable development and changes
- The population's average age is rather young

Myanmar

- The situation in the country is tense due to the military coup
- Trade union freedom is currently not guaranteed under the military regime.
- It is currently difficult to monitor social standards
- ATMs often do not work, which is why cash payments have to be resorted to.
- Since the FWF has currently discontinued its presence in Myanmar, training is not possible
- An independent complaints system is more difficult to maintain.

Indonesien

- Textile industry is a small but nevertheless very significant sector
- Above-average number of female employees in the textile industry's facilities
- Quite often rather large production facilities employing a large workforce
- Considerable differences in salary levels depending on the specific region of the country

Rating results for 2021 in overview

In 2021, we had to focus our audit activities on individual countries due to limited travel opportunities. In addition, we successfully tested a new form of auditing, the "blended audit".

In fiscal year 2021, we worked with production facilities – same as during the previous years – in Vietnam, Bangladesh, China, Cambodia, Myanmar, Indonesia, South Korea, Taiwan, Turkey, Italy, Slovenia and Germany. Every country has specific national regulations, a unique culture and history, as well as specific contemporary social changes, traditions and customs. This leads to country-specific peculiarities and possibly even risks, that must be taken into account when trying to establish fair and safe working conditions. Apart from these country-specifics, factors individual to each manufacturing facility may also play an important role. These include, for instance, the respective management practices, the local environment or the individual history of the local facility. In the following we will provide an overview of our personal experience as well as some background in the various manufacturing countries.

Vietnam

According to an FWF study, the textile industry continues to be one of Vietnam's most important export industries. For some years now, the country has been seeing positive economic growth and as a manufacturing country is attracting an increasing number of brands from the apparel sector. However, according to the FWF, the right to free unionization and collective bargaining remains one of the country's greatest challenges. So far, it is not legal to form independent trade unions. All trade union activities must conform with the Vietnam General Confederation of Labor (VGCL), the only officially approved trade union in Vietnam.

Generally speaking, this does not imply that workers' interests are not adequately represented within the manufacturing facilities. Nevertheless, in the context of social audits, we are paying very close attention whether local trade union representatives actually do represent workers' interests. A further challenge in Vietnam still is observance of reasonable working hours. Frequently, the statutory overtime limits are exceeded - which, clearly, we deem unacceptable. During the social audits, we therefore verify in particular, if working hours are properly accounted for. If manufacturing facilities report excessive over-time, we attempt to find individual approaches to keep employee overtime within acceptable limits.

According to a further FWF study, compliance with building codes as well as occupational safety and health regulations has significantly improved in Vietnam. However, some of our contracted manufacturing facilities still show potential to improve occupational safety, an issue that we consistently address during our periodic social audits and also in the corrective action plans. Positive is, as well, the improvement in the statutory minimum wage, which has been considerably increased in recent years

Although Vietnam was largely spared major outbreaks due to restrictive policies at the beginning of the first major pandemic wave in the spring of 2020, various harsh and long lockdowns in some regions made the situation very difficult for people and production partners. Travel was also heavily regulated by the Vietnamese government.

China

According to a FWF country study, the textile industry is the second most important economic sector in China, only surpassed by the electronics industry. At the same time, China is the world's largest exporter of textiles. According to the FWF, the most serious challenges in the textile industry are exceeding statutory overtime limits as well as low wages. Furthermore, free unionization and collective bargaining is illegal, as independent trade unions are not permitted. Thus, when auditing our contracted manufacturing facilities, we observe that reasonable working hours and adequate compensation are not necessarily provided. We try to actively resolve these issues in cooperation with the manufacturing partners.

Unfortunately, we still receive incomplete or inaccurate time sheets from some of our Chinese partners. In such cases, it is not possible to validly estimate compensation in these facilities. Here our task remains to identify why records are incomplete or inaccurate. In the past, we have been able to obtain accurate time sheets in nearly all of these instances, through extensive talks and confidence-building measures.

Once we are provided accurate records, we may, cooperating with the respective manufacturing facility, devise measures to reduce overtime.

The Coronavirus was first detected in China. The Chinese government very quickly imposed massive restrictions on its citizens to limit the spread of the virus. After initially recording high infection rates, the situation in China normalized relatively quickly; nevertheless, consistent, strict hygiene measures were implemented in 2020 and 2021. China also started vaccinations relatively early, which nevertheless did not protect the country from further - mostly very regional - outbreaks as the pandemic progressed. Even today, China reacts quickly and very consistently with curfews and lockdowns when local outbreaks become apparent.

Bangladesh

In Bangladesh, textiles are also the most important export good, according to the FWF. The main challenge in Bangladesh remains compliance to building codes - despite significant improvements in recent years. Following the collapse of the Rana Plaza building in 2013, the "Bangladesh Accord" and the "Alliance for Bangladesh Worker Safety" were formed. Both initiatives aim to improve the safety standards of facilities, i.e. buildings, in the textile industry. To this end, experts closely inspect manufacturing facilities on site regarding compliance with building codes and fire safety. Corrective action plans derived from the inspections are publicized; inspections are repeated periodically. As a result, the safety of Bangladesh's manufacturing facilities in general has significantly improved in recent years. All manufacturing facilities we contract in Bangladesh, have been audited in the past by either of these initiatives, and have implemented the necessary improvement measures. In the meantime, initiative "Bangladesh Accord" has been disbanded and was transferred in meantime to the International Accord.

Unfortunately, harassment and violence, usually directed against women, is still widespread in Bangladesh. We continuously and emphatically address this delicate, highly important issue during the annual audits as well as in the corrective action plans. We insist on forming so-called "Anti Harassment Committees". These committees provide a point of contact for female workers in the factories who are victims of physical and/or psychological aggression.

Even though the wages paid in the textile industry are significantly higher than the wages paid in other industries in Bangladesh, the legal minimum wage can still not be considered a "living wage." The wages in the factories we work with have a variance of about 40 % to almost 180 % above the legal minimum wage. Even though our partners pay far more than an average factory in Bangladesh, at least two of the three factories are still below the living wage calculations made by stakeholders.

The corona situation in Bangladesh was very unclear, especially in the beginning of the pandemic, as it was likely that only a small percentage of infections were detected due to a lack of testing capacity. This factor increased the risk for workers to get sick. Thus, our partners have implemented comprehensive hygienic measures from the very beginning. Nevertheless, the risk of falling ill was relatively high - especially in factories with many employees.

Especially in the first 1-2 years of the pandemic, we were in close contact with our partners to exchange information about safety measures, risks and production losses. In the meantime, the vaccination coverage of the population is already very high and the problems are steadily decreasing.

Cambodia

The textile industry is currently considered Cambodia's fastest growing sector. Compared to neighboring countries, such as Vietnam, Cambodia is rather structurally weak. Both infrastructure and overall living standards are comparatively low. To date, the FWF is not present in Cambodia; however, social audits are conducted on site by an independent team of auditors approved by the FWF. This team offers many years of experience with our Code of Conduct. Unfortunately, no audits could be conducted in Cambodia in 2020 and 2021. Audit activities will resume in 2022 to determine the status quo. Based on the audits up to 2019, we see potential for improvement in the management of the factories, particularly with regard to the implementation of social standards. The manufacturing partners we collaborate with, are generally committed to establishing higher standards. However, their efforts to achieve this goal require our support, which we provide.

For a long time, our partners in Cambodia considered the corona situation to be rather uncritical. It goes without saying that hygiene concepts have also been and are being implemented in the plants in Cambodia to protect their employees. Vaccination rates among our partners factories were very high relatively quickly, as the companies covered the cost of vaccinations for their employees and provided the vaccine doses.

Myanmar

Myanmar's business environment has undergone fundamental changes since 2014 when the country's borders were opened (information is available on the FWF Website). Labor laws have gradually been revised and approximated more closely to global standards. This positive development was abruptly stopped by the military coup in the spring of 2021.

The living and working conditions have changed drastically. Since then, we have been in active exchange with our partners and are constantly evaluating the situation - also with the help of the diverse information we receive from the local FWF team in Myanmar.

So far, we have decided to continue the cooperation with our two partners in Myanmar, as neither the management of the factories nor the employees can do anything about the situation in the country. After consultation with Fair Wear, we have decided to keep the orders in Myanmar stable for the time being and to remain loyal to our partners.

Since the military coup, it is not easy to fulfill the human rights due diligence obligations as a company, since many organizations do not work in Myanmar in the current situation. For this reason, the Fair Wear Foundation has supported its member companies in ensuring that their grievance system is available and working. Thousands of cards were printed and given to all workers in the factories. They contain the number of the FWF complaints hotline.

We have also managed to implement social audits at the partners for 2022. The results are very good, especially considering the current situation in the country.

There are demands from e.g. international trade unions to end any cooperation with Myanmar-based companies. Some western companies have already withdrawn orders or moved out completely from the country. Jack Wolfskin has decided for the time being to continue with stable orders to ensure that the partners and especially their employees continue to have an income. We would like to continue on this course until there are, for example, clear recommendations from the ILO or other organizations to discontinue the cooperation.

Until then, we will of course be very careful not to support the military regime with our actions, not to commission any further partners in Myanmar and to remain in close communication with our local partners. With the help of the Fair Wear Foundation, we would also like to strengthen the communication with the employees of our two partners in order to be able to keep an eye on the perspective of the employees in addition to the reports of the management.

Indonesia

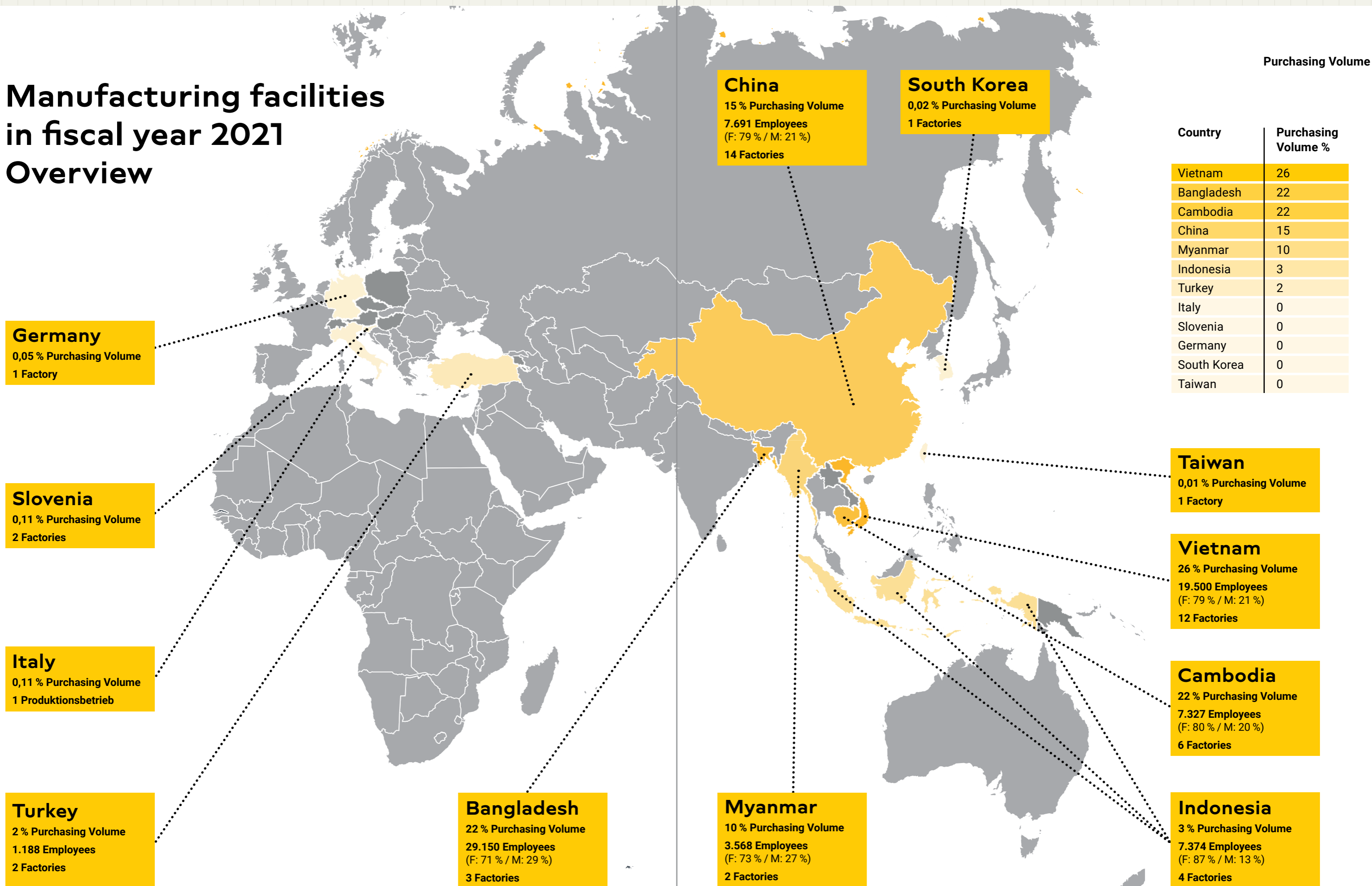
According to the FWF country study, the textile industry is a significant economic sector that accounts for a substantial share of Indonesian exports. Noteworthy is the high proportion of female employees working with our manufacturing partners; at around 87 %, it surpasses most other manufacturing countries.

The share of our total purchasing volume that we receive from Indonesia is only three percent. Also, our order volumes are comparatively small for the manufacturing facilities. Therefore, in Indonesia, we are facing different challenges as compared to our more important procurement countries. Our influence on the production partners is for that reason very limited.

In 2020 and 2021, the influence of the pandemic at our Indonesian production partners was not as critical as in other regions. Nevertheless, protective measures were also taken here to avoid compromising employees' health.

Manufacturing facilities in fiscal year 2021

Overview



Germany
0,05 % Purchasing Volume
1 Factory

Slovenia
0,11 % Purchasing Volume
2 Factories

Italy
0,11 % Purchasing Volume
1 Produktionsbetrieb

Turkey
2 % Purchasing Volume
1.188 Employees
2 Factories

Bangladesh
22 % Purchasing Volume
29.150 Employees
(F: 71 % / M: 29 %)
3 Factories

Myanmar
10 % Purchasing Volume
3.568 Employees
(F: 73 % / M: 27 %)
2 Factories

China
15 % Purchasing Volume
7.691 Employees
(F: 79 % / M: 21 %)
14 Factories

South Korea
0,02 % Purchasing Volume
1 Factories

Taiwan
0,01 % Purchasing Volume
1 Factory

Vietnam
26 % Purchasing Volume
19.500 Employees
(F: 79 % / M: 21 %)
12 Factories

Cambodia
22 % Purchasing Volume
7.327 Employees
(F: 80 % / M: 20 %)
6 Factories

Indonesia
3 % Purchasing Volume
7.374 Employees
(F: 87 % / M: 13 %)
4 Factories

Table Overview Manufacturing Sites in fiscal year 2021

FWF Factory ID	Factory Name	Address	Country	number of female Worker	number of male Worker	Legal Min Wage	wage of an average payed worker without OT inc. not-performance related bonus compared to legal min wage	Wage Levels	Date of last audit	Audit Company	Overall Result of Factory Audit result (average of all labour standards)	Employment is freely chosen	Freedom of Association	No discrimination	No Child Labor	Payment of a living wage	Working Time	Safe and healthy working conditions	Legally binding employment relationship
5309	Kido Vinh Co. LTD.	Lac Son Industrial Park, Do Luong Dist, Nghe An Province	Vietnam	3322	299	3.070.000,00	158 %	Target level 2	remote: 20.05.2021 - 24.03.2022 on site: 24.03.2022	Sumations-Blended Monitoring	8	Low 8	Low 8	Low 8	Low 8	Medium 7	Low 8	Medium 7	Low 8
2962	QMI Industrial Co. Ltd.	National Road No 4Angsnoul, Phnom Penh	Cambodia	3264	864	\$ 177,00	140 %	Target level 1	01.-02.07.2019	Sumations	6	High 3	High 4	High 3	Low 8	Low 8	Low 8	Medium 5	Medium 5
12964	KIDO YANGON COMPANY LIMITED	Nayung Hna Pin Street, Hmawbi Township, Yangon	Myanmar	1954	870	144.000,00 KYD	193 %	Target level 3	15.-16.07.2022	Sumations	7	Low 8	Medium 6	Low 8	Low 8	Medium 7	Medium 6	Medium 6	Medium 6
33897	HOTA FOOTWEAR CO., LTD	Pum Preysala , Sangkat kakab2 Khan, Porsenchey, Phnom Penh	Cambodia	279	179	789.968,00 KHR	115 %	Target level 2	23.-24.10.2019	Sumations	5	Medium 6	Medium 5	Medium 6	Low 8	High 4	High 4	High 4	Medium 6
13476	Qingdao Youngone Sportswear Co., ltd	#97, Laoshan 1 Road, Jimo Economic Development ZoneQingdao 266200 Shandong	China	1174	103	1.640,00 CNY	147 %	Target level 2	17.-18.05.2018	Sumations	8	Low 8	Low 8	Low 8	Low 8	Medium 7	Medium 7	Medium 7	Low 8
7583	Sawbwa VT LimitedNo..	No. 131, Yangon Industry Zone, Mingaladon Garden City Yangon	Myanmar	646	98	144.000,00 KYD	165 %	Target level 2	07.-08.07.2022	Sumations	7	Low 8	Medium 6	Low 8	Low 8	Medium 7	Low 8	Medium 6	Medium 7
3277	Elegant Team Manufacturer Co. Ltd.	Lot I2-03, I2-04, Within Lot I2, Que Vo IZ, Phuong Mao commune Que Vo, Bac Ninh	Vietnam	242	50	3.920.000,00	209 %	Target level 3	remote: 26.11.2021 - 10.01.2022 on site: 27.07.2022	Sumations-Blended Monitoring	8	Low 8	Low 8	Low 8	Low 9	Low 8	Low 8	Low 8	Low 8
5837	Gartha International Co., Ltd.	Village,Ang Por Pel Commune, Kong Pisey District,Kampong Speu Province Phnom Penh	Cambodia	772	112	789.968,00 KHR	116 %	Target level 2	25.-26.10.2019	Sumations	7	Medium 7	Low 8	Low 8	Low 8	Medium 6	Medium 7	Medium 5	Medium 5
33895	Quanzhou Aojia Shoes Co., Ltd.	First Industry Chendai, Jinjiang, Fujian ChinaJinjiang 362211 Fujian	China	210	264	1.720,00 CNY	272 %	Target level 3	01.-02.11.2021	Sumations	4	High 2	High 4	Medium 7	High 3	High 3	High 3	High 4	High 4
6245	X-20 Join Stock Company (Gateco 20) - Binh Minh	An Thai Hamlet, Thai Nguyen Province, Dong Hy District	Vietnam	459	116	3.430.000,00	208 %	Target level 3	remote: 17.06.2021 - 29.08.2021 on site: 21.03.2022	Sumations-Blended Monitoring	7	Medium 7	Low 8	Low 8	Low 8	Medium 7	Medium 7	Medium 7	Medium 7
9353	Branch of Astro Saigon Company	7A/5 Tan Hung Hamlet, Tan Hanh Commune, Long Ho Distrinct, 891390 Vinh long	Vietnam	544	87	4.420.000,00	108 %	Target level 2	13.-14.08.2020	Fair Wear Foundation	7	Low 8	Medium 6	Low 8	Low 8	Medium 6	Medium 6	Medium 6	Medium 7
33891	Bac Ninh Garment Joint Stock Company Tham May	Công ty cô phần thãm rmay BắcNinh, Nguyen Van Cu, Bắc Ninh; Ninh Xa	Vietnam	125	47	3.920.000,00	210 %	Target level 3	remote: 25.11.2021 - 03.12.2021 on site: 26.07.2022	Sumations-Blended Monitoring	6	Medium 7	Medium 6	Low 8	Low 8	High 4	High 4	Medium 6	Medium 6
15127	JAW Co. Ltd. & Jocam Footwear Ltd.	Plov Lum, Phum Chumrov Sangkat Koukroka Khan PrekpnovChoikvaPhnom Penh	Cambodia	1004	40	789.968,00 KHR	125 %	Target level 2	22.-23.08.2019	Sumations	6	Medium 6	Medium 5	Low 8	Low 8	Medium 6	Medium 7	High 4	Medium 5
35049	Lake Sports (Cambodia) Industrial Investment Development Co., Ltd.	Dragon King Special Economic Zone Road No.1, AngSala Village, Sangket Prey Ankunh, Bavet City; Svay Rieng	Cambodia	310	250	\$ 194,00	119 %	Target level 2	29.-30.08.2022	Sumations	6	Medium 6	Medium 6	Medium 6	Low 8	Low 8	Medium 5	Medium 5	Medium 6
13157	K unzhou Industrial (Jiangsu) Co., Ltd (QMI)	No. 1, Jinshajiang West Rd., Sihong County 223900 Suqian, Jiangsu	China	242	27	1.840,00 CNY	189 %	Target level 3	29.-30.11.2021	Fair Wear Foundation	7	Low 8	Medium 5	Low 8	Low 8	Low 8	Medium 6	Medium 7	Low 8
13160	Kunzhou Industrial (Shanghai) Co., Ltd (QMI Shanghai)	No.515 Yuanfu Rd, Anting Town, Jiading District 201814 Shanghai	China	270	19	2.590,00 CNY	160 %	Target level 2	01.-02.12.2021	Fair Wear Foundation	7	Low 8	Medium 6	Low 8	Low 8	Low 8	Medium 5	Medium 7	Low 8
2998	Max Zone (Astro Saigon)	Lot 70-72 Linh Trung 1 EPZ, 720400 Thu	Vietnam	1111	208	4.420.000,00	135 %	Target level 1	18.-19.06.2020	Fair Wear Foundation	7	Low 8	Medium 6	Low 8	Low 8	Medium 7	Medium 7	Medium 7	Medium 7
2967	PT. Ameya Livingstyle Indonesia	Bantul, Special Region of Yogyakarta	Indonesia	1947	180	1.527.150,00 IDR	100 %	Target level 2	02.-03.08.2018	Fair Wear Foundation	7	Low 8	Medium 7	Low 8	Low 8	Medium 7	Medium 6	Medium 6	Medium 7
10784	Bethel Vina Co.,Ltd	Hoa Khanh Tay Commune, Duc Hoa District, Long An Province	Vietnam	261	61	3.920.000,00	153 %	Target level 2	remote: 20.02.2022 - 26.02.2022 on site: 29.03.2022	Sumations-Blended Monitoring	7	Low 8	Medium 6	Low 8	Low 8	Low 8	Medium 5	Medium 6	Low 8
2910	Youngone Hi-Tech Sportswear Industries Ltd & Savar Sportswear Company Ltd.	Plot No: 1-4, 9-12, Export Processing Zone Savar, 1349 Dhaka	Bangladesh	4473	749	8.000,00 BDT	278 %	Target level 3	25.-26.12.2021	Fair Wear Foundation	8	Low 8	Medium 7	Medium 7	Low 9	Low 8	Low 8	Medium 7	Medium 7
12250	Youngtech Vietnam Co Ltd	Địa chỉ: Xã Văn Tố, huyện Tứ kỳ, tỉnh Hải Dương (My An Hamlet, Van To Commune, Tu Ky district,Hai Duong Province	Vietnam	617	45	3.430.000,00	220 %	Target level 3	remote: 03.06.2021 - 10.08.2021 on site: 01.04.2022	Sumations-Blended Monitoring	8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Medium 7	Medium 7
5670	SLN Tekstil ve Moda San. Tic. A.S.	Fatsa Organize Sanayi Bolgesi. M. AKIF BESIK Sokak. No: 7; Fatsa Ordu 52400	Turkey					no recent wage	19.-20.02.2019	Puma Safe	8	Low 8	Low 8	Medium 7	Low 8	Low 8	Medium 7	Low 8	Low 8
5845	New Koko's (*)	Via dell'Industria, 28 32016 Alpago (BL)	Italy	9	4			no recent wage	30.-31.08.2021	Bureau Veritas CPS/ Smeta 6.1 Audit	8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8

Table Overview Manufacturing Sites in fiscal year 2021

FWF Factory ID	Factory Name	Address	Country	number of female Worker	number of male Worker	Legal Min Wage	wage of an average payed worker without OT inc. not-performance related bonus compared to legal min wage	Wage Levels	Date of last audit	Audit Company	Overall Result of Factory Audit result (average of all labour standards)	Employment is freely chosen	Freedom of Association	No discrimination	No Child Labor	Payment of a living wage	Working Time	Safe and healthy working conditions	Legally binding employment relationship
5843	Kadena Sportswear Ltd.	SFB # 5, Plot No 113-121, MS SFB # 2, Old Airport Area, Comilla EPZ 3500 Comilla	Bangladesh	3182	3918	8.000,00 BDT	141 %	Target level 2	11.-12.12.2021	Sumations	5	Medium 5	High 4	Medium 6	High 4	Medium 5	High 4	Medium 5	Medium 5
5414	Fulgent Sun Footwear Co., LTD	Vuong Town, Hung Yen, Tien Lu	Vietnam	4245	950	3.430.000,00	194 %	Target level 3	remote: 01.06.2021 - 10.01.2022 on site: 04.04.2022	Sumations-Blended Monitoring	7	Low 8	Medium 7	Low 8	Low 8	Low 8	Medium 6	Medium 7	Medium 7
9325	Karnaphuli Shoes Ind., Ltd. (Garments Unit)	Korean Export Processing Zone, Anwara 4371 Chittagong 130173811	Bangladesh	13017	3811	8.000,00 BDT	141 %	Target level 2	28.-30.11.2020	Fair Wear Foundation	7	Low 8	Medium 6	Medium 6	Low 8	Medium 5	Medium 7	Medium 5	Low 8
13220	Bags Connection	3/548 Duong Cong Khi, Tan Thoi Nhi, Hocmon; 700000 Hochiminh	Vietnam	278	123	4.420.000,00		not audited yet	September 2022 no results yet	Fair Wear Foundation		unknown	unknown	unknown	unknown	unknown	unknown	unknown	unknown
12374	Li Jia Garment Ltd. (Sunicon Apparel Ltd.) (Huizhou)	Licheng Industrial Zone, ShuiKou Street, HuiCheng District, Huizhou; Guangdong	China	96	62	1.550,00 CNY	234 %	Target level 3	03.-04.06.2019	Sumations	6	Low 8	Medium 5	Low 8	Low 8	Medium 5	High 3	Medium 7	Medium 7
15131	Zhongshan Ju Bang technology group Co., Ltd.	Jubang Industrial Park, Longsheng road, Shaxi	China	256	265	1.720,00 CNY	182 %	Target level 3	14.-15.06.2019	Sumations	7	Medium 7	Medium 6	Low 8	Low 8	Medium 6	High 4	Medium 7	Medium 6
33893	Changzhou Suxing Century Apparel co., Ltd	Benniu Town, Xinbei District, 213131 Changzhou City	China	392	165	2.020,00 CNY		basic level 1	17.-18.06.2019	Sumations	6	Medium 6	Medium 6	Low 8	Low 8	High 3	High 3	Medium 7	Medium 6
13528	PONTUS FOOTWEAR LTD.	National Road No.3, Khla Krahoem Village, Taphem Commune, Trankak District, 21562, Takeo Province	Cambodia	215	38	789.968,00 KHR	121 %	basic level 2	19.-20. 03. 2018	Sumations	7	Low 8	Medium 6	Low 8	Low 8	Medium 7	Low 8	Medium 5	Medium 5
13100	PT. Anggun Kreasi Garmen	Bakal Dukuh, Argodadi, Sedayu, Bantul, D.I Yogyakarta 55752	Indonesia	1065	96	1.527.150,00 IDR	116 %	basic level 2	28.02.-01. 03. 2018	Sumations	7	Medium 6	Low 8	Low 8	Medium 7	Medium 6	Medium 7	Medium 5	Low 8
2693	Pantera IC VE DIS TIC Ltd	Mahmutbey Mahallesi, Devekaldirimi Caddesi, No. 52, Bagcilar, Istanbul	Turkey	235	295	2.324,00 TRL	152 %	Target level 2	14.-15.12.2020	Fair Wear Foundation	7	Low 8	Medium 6	Medium 6	Low 8	Medium 7	Low 8	Medium 7	Medium 6
5840	PT. Morich Indo Fashion	JL. RAYA KARANGJATI KM25 KEL.KARANGJATI KEC.BERGAS, KAB.SEMARANG50552Central Java	Indonesia	1932	323	1.900.000,00 IDR	112 %	Target level 2	26.-27.02.2018	Sumations	7	Medium 7	Medium 7	Medium 7	Low 8	Medium 7	Medium 5	Medium 6	Medium 7
8459	PT. Greentex Indonesia Utama II	Jl.Raya Banjaran Km16.5 Desa Batu Karut, Kecamatan Arjasari - Kabupaten Bandung 40377 West Java	Indonesia	1486	345	2.684.029,00 IDR	100 %	basic level 2	20.-21. 02.2018	Sumations	7	Medium 6	Medium 6	Low 8	Low 8	Medium 6	Medium 6	Medium 6	Medium 6
13527	Broadpeak Soc Trang Co., Ltd	An Nghiep industrial park, Chau Thanh district, Soc Trang province	Vietnam	2219	330	3.430.000,00	130 %	Target level 1	remote: 27.05.2021 - 27.01.2022 on site: 31.03.2022	Sumations-Blended Monitoring	8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8
13533	Lpv Sports Hubei Co., Ltd	NO.5 of Fenghuang Road,Li Ning Industrial Park High-tech Zone, Duda District Jingmen, 448000 Hubei	China	694	260	1.650,00 CNY	267 %	Target level 3	04.-05.11.2021	Sumations	6	Medium 6	Medium 5	Medium 5	Low 8	Medium 5	High 4	Medium 6	Medium 6
4575	Jaingsu Yayuan Headwear Manufacturing Co., Ltd (Asian Sourcing)	No 2 South Guangzhou Road; 223005 Huai	China	778	74	1.830,00 CNY	192 %	Target level 3	11.-12.06.2020	Fair Wear Foundation	7	Low 8	Medium 7	Low 8	Low 8	Low 8	Medium 6	Medium 6	Low 8
33409	Topshark Shoes Trade Co., Ltd	Kengwei Industrial Zone, Neikeng Town, Jinjiang City, Fujian Province, 362268	China	26	22			not audited yet	31.03.2020	BSCI/Amfori	6	Medium 7	Medium 5	Low 8	Low 8	Medium 5	High 4	Medium 5	Medium 7
5849	Recinko D.O.O.	Rosca Cesta 411330 Kocevje	Slovenia					no recent wage details	26.-27.09.2016	Sedex	7	Low 8	Medium 5	Low 8	Low 8	Medium 6	Medium 6	Medium 5	Medium 6
6033	Naschem Co., Ltd.	462 Youkgokro, Ojeong-Gu	South Korea	7	2			no recent wage details	30.11.-01.12.2016	Sumations	6	Low 8	Low 8	Medium 6	Medium 7	High 4	Medium 5	Medium 5	Medium 5
2997	Feng Yi Outdoor Leisure Equipment Enterprise (Foam Tex)	275 Ke Liao Road, Lung Jin Village, Lung Ching Hsiang	Taiwan	84	80			no recent wage details	13.-14-10.2015	Sumations	7	Low 8	Medium 6	Medium 6	Low 8	Medium 6	Low 8	Medium 6	Medium 6
10787	Shanghai Weijie Garment Co.,Ltd (ASI Headwear)	No 1228 Huiping road, Nanxiang town, Jiading district 201802 Shanghai	China	300	45	2.590,00 CNY	173 %	Target level 3	02.-03.12.2021	Fair Wear Foundation	8	Low 8	Low 8	Low 8	Low 8	Low 8	Medium 6	Medium 7	Low 8
5964	Top Eagle Heshan Garment Ltd. (E-One)	District 3 of Hecheng Industrial Park Hesang	China	661	82	1.550,00 CNY	265 %	Target level 3	08.-09.08.2019	Sumations	9	Low 9	Low 9	Low 9	Low 8	Low 8	Low 8	Low 9	Low 8
10779	Top Eagle Garment Ltd. (Hubei)	No. 9, Yongxing Road, Economic Development District, City East Industrial Zone	China	283	39	1.152,00 CNY	246 %	Target level 3	05.-06.08.2019	Sumations	8	Medium 7	Low 8	Low 9	Low 8	Low 8	Low 8	Low 8	Low 8
10785	(Dona Biti's) Binh Tien Bien Hoa Company LimitedBINH	BINH TIEN BIEN HOA 101/2 BIEN HOA LONG BINH	Vietnam	1961	1800	4.420.000,00	142 %	Target level 2	remote: 31.05.2021-23.02.2022 on site: 26.03.2022	Sumations-Blended Monitoring	8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8
10427	P.A.C. GmbH		Germany					low risk			8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8
2959	Intersocks D.O.O.	Reška cesta 29, 1330 Kočevje	Slovenia	128	55			low risk	15.04.2022	SA8000	8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8	Low 8
11301	Huai An Yuan Tong Headwear Mfg. Co., Ltd.	No. 30&32 Yan Huang Avenue, Lian shui Economic Developmental District, Jiang Su Province	China	693	189	1.520,00 CNY		basic level 1	30.-31.05.2018	Fair Wear Foundation	7	Low 8	Medium 6	Low 8	Low 8	Medium 5	Medium 5	Medium 6	Low 8



04 Educational measures to improve social sustainability in the supply chain



Sustainability in manufacturing facilities may not be achieved overnight; instead, it is the result of a dedicated cooperation at a global level. Fair working conditions may only be established when all those involved are committed to the same objectives. All parties have to be willing to assume responsibility and to take action - while also possessing the necessary knowledge and the appropriate resources. In this regard, continuous training is a key factor which is why we routinely support local manufacturing facilities with comprehensive training measures on-site.

In 2020 and 2021, training measures couldn't be realized. We did not push our production partners to participate in external trainings and only consulted with the partners on how to proceed with internal trainings in small groups. We hope to start again in 2023 with trainings for the people working in the production plants.

Effective training on-site at manufacturing facilities



Training that was held by FWF in a factory in Myanmar

Sharing responsibility

First and foremost, it is the manufacturing facilities' responsibility to implement our Code of Conduct as well as FWF social standards. We consider it our role to encourage and support our partners in their efforts to improve working conditions. We do not expect them to fully succeed straight from the beginning of a collaboration. Sometimes, necessary knowledge or the required resources are lacking. Therefore, we support our partners with trainings, tailored to individual requirements on site. After all, only those relying on proper qualification may assume responsibility for fair and safe working conditions.

FWF worker information sheets

We verify that FWF "Worker Information Sheets" are on display in every manufacturing facility in the respective local language. These provide important information on fair and safe working conditions. Also, contact details for any enquiries or complaints.



FWF Worker Info Sheet; Vietnamese

FWF Workplace Education Programme (WEP)

In years not affected by the pandemic, we provide trainings at local production sites as part of the FWF Workplace Education Program (WEP). To this end, we send experienced FWF employees who are well acquainted with the local language, culture and characteristics of that particular country.

Trainings are not intended for management only. Primarily we wish to address employees. The objective is to create awareness towards safe and fair working conditions. Also conveyed are the rights and obligations of all parties involved; as quite often employees and management lack sufficient knowledge. Additional training focuses on the means and possibilities of constructive communication when encountering issues in the workplace as well as on FWF's complaints management system). As a whole, training as well as expertise should help improve internal communication and dialogue within the manufacturing facilities. After all, sound social dialogue is the basis for establishing high social standards at any manufacturing facility.



05 Jack Wolfskin responds to complaints coming from manufacturing facilities



The complaints system is an organised process that allows employees of our manufacturing partners to file complaints relating to non-compliance with one or several of the requirements of our Code of Conduct.



The complaints mechanism: open dialogue with all stakeholders

Via the FWF, employees of manufacturing facilities collaborating with FWF member companies, are given the opportunity to directly consult an outside authority, should they encounter difficulties. Thus, they may be reassured that their concerns will be treated with absolute confidentiality, if so desired. FWF member companies are obliged to consider each individual complaint in detail. They bear the responsibility that each issue will be addressed with all parties involved and, if possible, resolved. This system is a key element for implementing sound, social and fair working conditions. In particular, the system provides a voice for every single worker and is therefore the foundation of the Code of Conduct.

Why is a "complaints system" necessary if compliance with social standards is monitored

The term complaints system may sound negative at first. However, it actually indicates a positive as well as progressive process. Only companies having the courage to address the concerns and needs of their employees, are willing and able to change operations for the better. This usually does not "only" benefit the workers, but ultimately serves towards the prosperity of the entire company.

Overall, it is evident that the number of complaints is steadily increasing. This we regard as a positive sign. It demonstrates that the workers in the manufacturing facilities by now have such confidence in the system, that they are sharing their worries and distress without fearing any negative repercussions. This in turn allows us, as the client of the manufacturing facilities, to intervene and participate in an active and positive dialogue with our manufacturing partner - even as an intermediary between management and workers.

How exactly does the complaints system work?

Should workers in a manufacturing facility face an issue they cannot resolve via standard approach - i. e. by speaking to their superiors or management - they may contact Jack Wolfskin or the FWF, or use Combox.com, a complaints system we have specifically set up for this purpose. If desired, this may also be done anonymously. We will investigate each complaint and, if necessary, also involve local FWF employees or other stakeholders. We attempt to understand the issue in detail, also considering the perspectives of all parties involved. This helps to avoid exposing, accusing or prejudging individual people. Instead, we are aiming to identify a fair and legally compliant solution. We believe it is crucial that those concerned, if at all possible, engage in personal dialogue. In some cases, a mediator must be involved so as to establish a suitable and fair atmosphere for the dialogue. The mediator role may be assumed by FWF employees or even by Jack Wolfskin.

Complaint, that may be resolved within the company

A worker complains about an issue to her immediate supervisor, employee representative or management, seeking to resolve the specific issue. The respective contact person reacts appropriately and supports the worker in re-solving the issue.

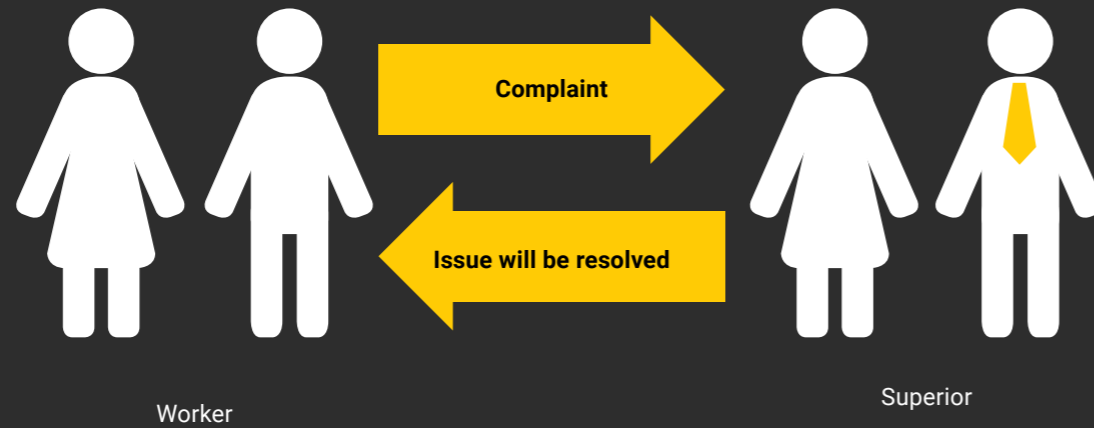


Chart exemplary process for resolving complaints

Successfully resolving complaints

In almost all cases, open dialogue about a specific issue is the key to resolving the conflict. Often complaints are caused due management's or workers' false expectations and neither addresses the problem until it escalates. However, nearly all complaints may be taken care of with relative ease, if all parties involved are open to consider the other party's perspective. In our experience, very valuable as well, is a personal meeting, in which an impartial observer, who is not involved in the conflict, is present. This role is often assumed by FWF employees, external mediators or Jack Wolfskin employees.

Complaint for which the complaint hot line may be addressed

It may be the case that the worker's concern cannot be resolved within the manufacturing facility because she or he does not receive any support from superiors, employee representatives or management. Possibly one of the parties implicated in the complaints system may even be the cause of the complaint.

Chart external process for resolving complaints



Overview of complaint cases in fiscal year 2021

To FWF Website – Complaints Overview: <https://fairwear.force.com/public/s/complaints>



COMPLAINT NO. 1081

(Case numbers assigned by FWF)

Country where complaint originates:

China

Complaint received on 22.05.2021

The case was handled by Jack Wolfskin and one further FWF member in cooperation with the management of affected production Facility

The complaint relates to the following claims:

Salary

Complaint status:

The complaint case was marked as “Closed” by the FWF, as there was no conclusive evidence that the complaint was justified. For this reason, no report was published.



COMPLAINT NO. 1096

(Case numbers assigned by FWF)

Country where complaint originates:

Myanmar

Complaint received on 08.07.2021

Link to the complaint report on the FWF website:
<https://fairwear.force.com/public/s/complaints#!complaint-1096-sch%C3%B6ffel-sportbekleidung-gmbh-jack-wolfskin>

The case was handled by Jack Wolfskin and one further FWF member in cooperation with the management of affected production Facility

The complaint relates to the following claims:

Safe and healthy working conditions

Complaint status:

The complaint case was marked as “Closed” by the FWF



COMPLAINT NO. 1105

(Case numbers assigned by FWF)

Country where complaint originates:

Myanmar

Complaint received on 25.07.2021

Link to the complaint report on the FWF website:
<https://fairwear.force.com/public/s/complaints#!complaint-1105-sch%C3%B6ffel-sportbekleidung-gmbh-jack-wolfskin>

The case was handled by Jack Wolfskin and one further FWF member in cooperation with the management of affected production facility.

The complaint relates to the following claims:

Salary

Complaint status:

The complaint was solved successfully for the complainant.



COMPLAINT NO. 1119

(Case numbers assigned by FWF)

Country where complaint originates:

China

Complaint received on 16.08.2021

The case was handled by Jack Wolfskin and several FWF members in cooperation with the management of affected production facility.

The complaint relates to the following claims:

Working time

Complaint status:

The complaint case was marked as “Closed” by the FWF, as there was no conclusive evidence that the complaint was justified. For this reason, no report was published.

06 Jack Wolfskin's commitment beyond its commercial operations



To us, building trust is very important. Therefore, we wish to establish maximum transparency in all processes. Since 2014 we have been listing all our manufacturing partners and their respective facilities on our website. Furthermore, we always provide up-to-date information regarding the implementation of social and ecological standards. We emphasize transparency towards the FWF and its members. This enables us to work effectively with other companies to positively influence working conditions and compliance with the Code of Conduct in production facilities.

Jack Wolfskin transparently discloses its supply chain

Supply chains disclosed online

Our products' supply chains are very complex. The majority of our products are assembled from many individual components. This includes fabrics, as well as zippers, buttons, etc., each supplied by different manufacturers from different countries. The assembly of all these fabrics and components into a finished product is the final step in the manufacturing process. This so-called finishing takes place in the manufacturing facilities we commission. This is mostly done by hand and requires a lot of manpower. Therefore, a large number of individuals are involved in this process, which is why compliance with social standards and the implementation of fair and safe working conditions are particularly important. We believe that the practical implementation of social standards is reflected by transparency and disclosure of detailed specifics. Consequently, we have been disclosing our manufacturing partners' and their facilities' addresses as well as the respective outcomes of the latest social audits as early as 2014.

The production facilities can be seen here:
Corporate Responsibility - Supply Chain – JACK WOLFSKIN
 (jack-wolfskin.com)

Rating of manufacturing facilities

To provide an easy overview, we have organized manufacturing facilities into three categories. "Pioneers" we decorate with the "Gold" label. Manufacturing facilities that already perform well, but still offer potential for improvement, are awarded "Silver". Those manufacturing facilities that are still at an early stage regarding fair and safe working conditions, but also demonstrate a commitment to improve, are awarded the "Bronze" label.

Where does my product originate?

Each manufacturing partner has a so-called supplier code, which we also list on the transparency page. This supplier code may be found on each of our apparel and equipment products on the market. Thus, referring to this code, all our customers may identify the respective manufacturing partner who has made this particular product, and via our transparency page obtain detailed knowledge on the conditions at that specific manufacturing facility.



Proactive and open dialogue with our stakeholders

Jack Wolfskin actively seeks to engage with various stakeholders (e. g. NGOs, consumers, trade associations, trade unions) to promote fair and safe working conditions in manufacturing facilities and in the supply chain. After all, only by actively exchanging ideas, we will be able to make progress. In particular, we attend the annual FWF stakeholder meetings and conferences, actively support NGOs in their queries and projects, and engage in active dialogue with our customers, addressing sustainability topics. At trade fairs, conferences, lectures as well as panel discussions, we value and also promote the open exchange of ideas with all interest groups. This stakeholder dialogue provides us with valuable external input and provides us with new inspiration.

Goals for 2022/23

In 2022 and 2023, we would like to re-audit and re-evaluate all our suppliers after a long period of absence. Based on the fact, that the time with restricted travel, lockdowns, supply chain challenges of all kinds has moved a lot, we would like to re-evaluate our partners.

Also, we would like to further expand synergies with our parent organization to further leverage the local teams in China and Vietnam.

In order to be able to identify risks even earlier and better in the future, we are working on a risk matrix for our direct suppliers. This will create transparency with reference to the country of production, the product, the conditions in the respective production plants and our options for exerting influence and will make it easier for us to take decisions.

We are also working on our Human Rights Due Diligence Statement.





Imprint

Publisher

Jack Wolfskin

AUSRÜSTUNG FÜR DRAUSSEN GmbH & Co. KGaA

D-65510 Idstein

www.jack-wolfskin.com

Editorial

Melanie Kuntnawitz - Social Compliance & Sustainability

sustainability@jack-wolfskin.com

Layout

Kasel Designbüro, Düsseldorf

