

ORTOVOX

ORTOVOX

Human Rights Due Diligence Policy

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1. Foundational Beliefs

Our foundational belief is that responsible business conduct begins with strong, ethical relationships across the entire supply chain. At ORTOVOX, we recognize that human rights due diligence is not a standalone activity but an integral part of how we operate. This policy outlines our approach to embedding these principles into every aspect of our supply chain management – from building partnerships with suppliers and integrating due diligence into business processes, conducting risk assessments, promoting social dialogue, addressing gender inequalities, and ensuring accountability. By doing so, we aim to create a transparent, fair, and sustainable system that respects the dignity and rights of all individuals involved in our operations.

1.1 Spirit of Partnership

We view our suppliers as partners in our business and recognize the role they play in helping us achieve our goals. We are committed to working with our suppliers in a transparent, open, and respectful manner. We expect our suppliers to share our commitment to human rights and to take proactive measures to promote and protect the rights of workers in their operations. On our end, we support our suppliers by committing ourselves to responsible purchasing practices as defined by the [Common Framework for Responsible Purchasing Practices](#) and cooperating with other brands – especially with members of the [Fair Wear Foundation](#) and members of the [Partnership for Sustainable Textiles](#) – in risk identification, prevention, mitigation and remediation.

ORTOVOX is committed to engage with different stakeholders¹. Therefore, ORTOVOX is participating in multi-stakeholder-initiatives such as the Fair Wear Foundation and the Partnership for Sustainable Textiles. Our risk-assessment is the corner stone of our HRDD approach. In addition, on-site factory assessments, the development of corrective action plans, the verification and validation and monitoring of impacts, and the design of grievance mechanisms as well as capacity building mark the pillars of our sustainability efforts.

1.2 Integration of Due Diligence into Business Processes

We integrate human rights due diligence into our business processes to align our operations with our commitment to the “Guiding Principles for Business and Human Rights” defined by OECD². Our Supplier Code of Conduct and Chemical Compliance Guideline thus include clauses that require suppliers to comply with our sourcing standards and respect the human rights of their workers.

To uphold the Fair Wear’s Code of Labor Practice we train new suppliers on our ethical guiding principles and the Fair Wear approach. All suppliers with a direct business relationship to ORTOVOX are required to sign our Supplier Code of Conduct facilitating the ILO-Conventions on fair labor. This ensures that commitment includes working with suppliers who share our values and respect human rights at all levels.

¹ Stakeholders refer to people or groups of persons who are or could be directly or indirectly affected by the actions of ORTOVOX’s business practice.

² Organisation for Economic Co-operation and Development

1.3 Risk Assessment for Countries and Business Processes

We conduct risk assessments for the countries in which we operate or intend to operate, and for our business processes, to identify potential risks to human rights and the environment. This includes an assessment of the legal and regulatory framework, labor rights, health and safety, and other relevant fields defined by the "OECD Due Diligence Guidance for Responsible Business Conduct". Based on the risk assessment, we develop mitigation measures to address the identified risks. These may include supplier capacity building, worker training, improved monitoring and reporting mechanisms, or measures tailored to the risk and the specific situation. To increase the effectiveness of measures, we monitor and re-evaluate the risks and situations in regular intervals.

You can find more information about our risk management in Chapter 5.

1.4 Promotion of Social Dialogue

We believe that social dialogue is a key element in promoting and protecting human rights in the garment industry. We are committed to promoting social dialogue between our suppliers, workers, and other stakeholders. This includes supporting the development of mechanisms for worker representation and participation and promoting constructive dialogue between workers and management.

ORTOVOX's onboarding process therefore covers the following aspects, among others:

- ▶ **Assessment:** New suppliers complete a detailed onboarding questionnaire covering worker representation (unions/committees), grievance mechanisms, election processes, meeting frequency, and complaint handling. This is verified with supporting documents and annual factory data surveys for ongoing compliance.
- ▶ **Awareness & Training:** Suppliers receive introductory communication, CSR presentations, and training on Fair Wear principles. They must provide evidence of social dialogue awareness (e.g., training records, onboarding materials, and use of the Fair Wear worker information sheet).
- ▶ **Grievance Mechanisms:** Suppliers must demonstrate accessible grievance systems that allow anonymous complaints without retaliation.
- ▶ **Continuous Monitoring:** The process includes ongoing dialogue, annual surveys, and audits. ORTOVOX aligns with Fair Wear Foundation standards and regularly updates requirements.
- ▶ **Documentation:** Key elements (worker representation, grievance mechanisms, elections, collective bargaining agreements, complaint handling) are systematically assessed and documented.

1.5 Gender Inequalities in the Garment Sector

We recognize that gender inequalities exist especially in the garment sector and are committed to addressing them as best we can. Therefore, we commit to promoting gender equality in our supply chain and to collaborating with partners to encourage opportunities for women to enter and develop their careers in the industry. Furthermore, we commit to addressing gender-based violence and harassment in the workplace and promoting a safe and inclusive workplace for all.

We address gender issues actively in our risk assessments and audits and strive to get gender-specific data from our supply chain to assess and mitigate harms accordingly.

1.6 Accountability

We are accountable for our human rights obligations and committed to ensure that our actions are consistent with our policies. We will regularly monitor and evaluate our human rights due diligence and take corrective action as needed. We engage with stakeholders, including workers and civil society, to be transparent about our actions and open to feedback. Every fiscal year, we also publish a list of our production partners on the Open Supply Hub and publish a social and environmental report communicating insights into our sustainability efforts.

2. Business Conduct

At ORTOVOX, our actions revolve around balancing social responsibility, environmental sustainability, and economic performance. As premium outdoor apparel and equipment provider, we recognize the importance of protecting human rights, promoting ethical labor practices, and minimizing our environmental impact. Our policy outlines essential principles to guide our activities, foster transparency, and support continuous improvement across our value chain.

We demonstrate our commitment to responsible purchasing practices by ensuring coordination and support throughout the whole organization. Responsible purchasing is firmly embedded in our strategic and operational structures through the commitment of top management. A central sustainability unit coordinates all activities, while each department has a dedicated sustainability representative who drives progress, monitors results and acts as a representative for their area in the cross-departmental working group called the Sustainability Hub.

Employees involved in purchasing and related processes receive regular training to strengthen their understanding of responsible commercial decision-making, including specific guidance for the procurement team on costing for living wages. Continuous exchange between procurement, product development, sustainability, and other relevant functions foster consistent messaging, aligned expectations, and coordinated actions toward suppliers.

2.1 Law and Compliance

This chapter outlines the principles and measures that state ORTOVOX's commitment to responsible business conduct, setting clear requirements for legal compliance and ethical practices across all operations and supply chain partners.

2.1.1 Compliance with Laws and Regulations

ORTOVOX is committed to complying with all relevant national and international laws and regulations. This includes labor laws, environmental protection laws, and ethical business practices. ORTOVOX enforces a zero-tolerance policy for corruption, bribery, and extortion. Any violation may result in the termination of business relationships.

2.1.2 Social Management System

An effective social management system helps to continuously improve social performance. It includes the planning, implementation, review, and adjustment of measures for social responsibility. Suppliers are required to provide detailed information about their operations, including the HIGG FEM³ & FSLM⁴ modules and other reporting schemes, to promote traceability and accountability regarding their sustainability efforts.

2.2 Transparency

Transparency is fundamental to building trust and accountability in our supply chain. ORTOVOX believes that openness is key to responsible business conduct and effective Human Rights Due Diligence. By sharing information proactively and requiring disclosure from our partners, we create a system that enables monitoring, risk management, and continuous improvement.

We publish detailed data on our global production network through Open Supply Hub, covering not only tier 1 supplier⁵ but also nominated tier 2 supplier⁶ as well as their subcontractors.

The supplier lists can be found here: [Open Supply Hub - ORTOVOX Sportartikel GmbH](#).

In our PROTACT Report, we share comprehensive information about factory locations, audit coverage, and partnership history. Our approach goes beyond compliance: We disclose wage levels and living wage gaps for each production country, track trade union representation, and publish the results of our risk analyses.

All suppliers must adhere to our Supplier Code of Conduct, Chemical Compliance Guideline, and remain open to audits and Occupational Health & Safety checks. Transparency also means clear expectations – suppliers are required to share information about their operations, subcontractors, and sustainability performance, ensuring traceability and accountability throughout the supply chain.

2.3 Vigilance against Corruption

We uphold a zero-tolerance policy toward corruption and bribery across all operations and our global supply chain. Fairness, honesty, and integrity form the foundation of our collaboration with stakeholders. Any form of corruption, fraud, or unethical conduct that undermines compliance with labor, environmental, or safety standards is strictly prohibited. Employees and business partners must never offer, promise, grant, or accept bribes or unlawful advantages, directly or indirectly. Business decisions must be based solely on objective criteria and free from personal benefit. These principles are binding through our Supplier Code of Conduct.

At ORTOVOX, we reject any form of corruption or unethical behavior and go beyond legal compliance to act responsibly and fairly. We do not offer or accept benefits intended to influence decisions. Gifts and hospitality must never create the appearance of impropriety; monetary gifts or equivalents are prohibited. We respect all applicable laws, including those governing public officials, and expect the same from our partners.

We foster a culture of accountability and encourage employees to speak up without fear of retaliation. By living up to these principles, our actions remain ethically sound aligned with our values of sustainability, fairness, and social responsibility.

³ HIGG FEM (Factory Environmental Module): Assessment tool for ecological sustainability data.

⁴ HIGG FSLM (Factory Social and Labor Module): Assessment tool for social sustainability data.

⁵ Tier 1: Direct supplier of our choice, which assembles or produces finished goods.

⁶ Nominated tier 2: Supplier of our choice, which provides inputs (fabric, trims, components) to Tier 1 factories.

2.4 Labor Practices

As a minimum, ORTOVOX expects its suppliers to comply with local legislation, the OECD Due Diligence Guidance for Responsible Business Conduct and the relevant ILO conventions. ORTOVOX expects suppliers to support the protection of internationally recognized human rights, to fight forced labor and child labor, to uphold the freedom of association and right to collective bargaining, to provide a workplace free of harassment and unlawful practices of discrimination, to comply with regulations regarding minimum wages and working hours, and to work towards a living wage in accordance with local living conditions.

2.4.1 Employment is freely chosen

There shall be no form of forced labor or compulsory labor. Forced labor or compulsory labor is any form of service that is required of a person under threat of any penalty, and for which the person has not volunteered, including bonded or prison labor. Employees shall not be required to lodge deposits or identity papers upon commencement of employment and shall all be free to leave the company following an agreed term of notice. (ILO Convention 29, 105 and 182.) If additional costs are incurred in connection with hiring and employment it is demanded that no employment fees or equivalent costs are to be borne in whole or in part by employees.

Measures to ensure compliance:

- ▶ ORTOVOX requires business partners to sign binding agreements explicitly prohibiting forced labor, bonded labor, and human trafficking.
- ▶ ORTOVOX conducts regular audits and announced inspections to identify any practices requiring workers to lodge deposits, surrender identity papers, or work under coercion.
- ▶ ORTOVOX mandates suppliers to implement hiring policies that prevent employment fees being passed onto workers as all fees shall be covered by the employer.
- ▶ ORTOVOX provides training to suppliers on international labor standards, including ILO Conventions 29, 105, and 182 as well as Fair Wear Foundation principles, including zero tolerance for forced labor.
- ▶ ORTOVOX partners with suppliers to integrate systems that ensure compliance with ethical labor standards.

2.4.2 No exploitation of child labor

No children younger than 15 years of age or under the age of compulsory school attendance, whichever is higher, may be employed. Young workers (15–17 years of age) may not perform work that, given their circumstances, is detrimental to health safety, or morals. (ILO Convention 138 and 182.)

Measures to ensure compliance:

- ▶ ORTOVOX requires suppliers to verify worker ages through a robust documentation process and periodic cross-checks with local authorities and to implement age verification policies at recruitment and during audits.
- ▶ ORTOVOX collaborates with suppliers to create systems ensuring compliance with ILO Conventions 138 and 182.

- ▶ ORTOVOX monitors, if young workers (15–17 years) are employed. The supplier is urged to keep young workers away from hazardous tasks and to provide opportunities for education and training.
- ▶ ORTOVOX requests its suppliers to adhere to strict no-child-labor policies, which must be demonstrated in audits or through partnership agreements.
- ▶ ORTOVOX supports training programs for suppliers to enhance their understanding of child labor risks and mitigation.

2.4.3 Diversity, equity and inclusion

Every person shall be treated with respect and dignity. No employee shall be the target of physical, sexual, psychological, or verbal harassment or abuse, monetary penalties, or degrading actions. No individual shall suffer discrimination in any aspect of employment, including recruitment, hiring, compensation, benefits, work assignments, access to training, advancement, disciplinary action, termination or retirement, on the basis of religion, color, gender, pregnancy, childbirth, age, nationality, ancestry, sexual orientation, physical or mental impairment, medical condition, disease, genetic characteristics, family support, marital status, socioeconomic status, political opinion, union membership, ethnic group, and all others protected under the law. All hiring decisions must be based upon the principle of equal employment opportunity, and shall include effective mechanisms to protect migrant, temporary, or seasonal workers from any form of discrimination. (ILO Convention 100 and 111.)

Measures to ensure compliance:

- ▶ ORTOVOX requires suppliers to adopt anti-discrimination policies aligned with ILO Conventions 100 and 111.
- ▶ ORTOVOX actively promotes gender equality and a harassment-free workplace environment and provides training on workplace inclusivity and mechanisms to address harassment or abuse.
- ▶ ORTOVOX suggests recruitment and employment decisions are based solely on skills and job requirements, free from bias.
- ▶ ORTOVOX conducts worker interviews during audits to assess treatment and promote a culture of respect.
- ▶ ORTOVOX works with suppliers to implement policies protecting migrant, temporary, and seasonal workers.

2.4.4 Remuneration

We believe that decent work starts with fair pay, which is why living wages are at the heart of our PROTACT strategy. Our ambition is clear: everyone involved in manufacturing our products should be able to support a decent life from their income, no matter where they work. Within the people focus area of our PROTACT strategy, we have therefore set the goal of supporting the achievement of living wages in Asia and target wages in Europe. A living wage, as defined by the Living Wage Coalition, is the remuneration a worker receives for a standard work week that is sufficient to provide a decent standard of living for themselves and their family in their local context.

Employees shall be paid regular wages and overtime compensation. Rules on minimum wages, social security costs, benefit laws and further local regulations are to be complied with. If there is no legal minimum wage or overtime pay in the local law and regulations, the supplier shall ensure that the wages are at least equal to the average minimum in the industrial sector in question, and that overtime compensation is at least the equal to the usual rate of pay. Deductions from wages are not to be made for disciplinary purposes. Deductions shall never constitute an amount that will lead the employee to receive less than the legal minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages, including wage rates and pay period. (ILO Convention 26 und 131.)

Measures to ensure compliance:

- ▶ ORTOVOX mandates suppliers to pay at least the legal minimum or industry-standard wage, whichever is higher.
- ▶ ORTOVOX requires transparent wage documentation, including regular pay slips detailing hours worked, overtime, and deductions.
- ▶ ORTOVOX prohibits unauthorized wage deductions, ensuring compliance with ILO Conventions 26 and 131.
- ▶ ORTOVOX conducts worker interviews and payroll reviews to verify adherence.
- ▶ ORTOVOX strengthens internal structures and collaboration to advance living wage goals.
- ▶ ORTOVOX embeds a living wage expert within the purchasing team to guide key decisions.
- ▶ ORTOVOX establishes a cross-functional working group to promote knowledge transfer and coordinated action on living wages.
- ▶ ORTOVOX introduces Open Costing Sheets with more suppliers to increase transparency on wage components and drive targeted improvements.
- ▶ ORTOVOX integrates wage levels into supplier evaluations to systematically track progress and incentivize proactive supplier engagement.
- ▶ ORTOVOX emphasizes the social and business benefits of living wages, such as increased productivity, reduced turnover, and stronger supplier relationships, through ongoing dialogue.

Specific Efforts:

We make every effort to ensure that piece-rate payment is avoided and that suppliers provide their workers with a fair base salary. However, in some countries piece-rate systems are common practice, and we rely on the cooperation and transparency of our suppliers in these cases. Whenever piece-rate workers are employed, we take a careful approach. We review wage structures, analyze pay slips, and monitor working conditions to ensure that workers receive fair and lawful compensation. ORTOVOX is committed to gradual and responsible progress toward living wages for all workers in the supply chain. By assessing actual wage levels and identifying existing gaps, ORTOVOX and its partners develop appropriate action plans that support phased and sustainable improvements over time. In our risk assessment we analyze wage level and identify living wage gaps and their cause. For further information please check our latest PROTACT Report.

2.4.5 Legally binding employment contracts

Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided using seasonal work arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programs.

Measures to ensure compliance:

- ▶ ORTOVOX requires suppliers to issue written contracts outlining all terms of employment in a language workers understand.
- ▶ ORTOVOX prohibits labor-only contracts or exploitative apprenticeship schemes.
- ▶ ORTOVOX monitor employment practices to ensure alignment with labor and social security laws.
- ▶ ORTOVOX conducts supplier management training on fair employment practices, ensuring compliance with local and international labor laws.

2.4.6 Reasonable hours of work

Applicable local laws and regulations on working hours are to be complied with. Excessive overtime may not be imposed. In any case, employees may not regularly work more than 48 hours per week. The total number of hours worked per week may not exceed 60 hours, including overtime, and employees shall be entitled to at least one day off in every seven-day period or, in both cases, the maximum stated in local laws and regulations. Employees shall have the right to leave the workplace premises after completing a standard workday, unless otherwise negotiated, as all overtime shall be voluntary. (ILO Convention 1.)

Measures to ensure compliance:

- ▶ ORTOVOX requires suppliers to comply with local laws and ILO Convention 1, setting a maximum 48-hour workweek with a 12-hour overtime limit. Overtime is required to be voluntary and fairly compensated at a premium rate.
- ▶ ORTOVOX monitors work schedules and production targets to avoid excessive overtime.
- ▶ ORTOVOX collaborates in forecasting and demand planning.
(See section 4. Sourcing Standards)
- ▶ ORTOVOX conducts audits regularly to evaluate supplier time records and employee feedback mechanisms.

2.4.7 Freedom of association and the right to collective bargaining

Employees must be granted the right to join organizations of their choice. Freedom of association and collective bargaining must be recognized and respected. An effective grievance mechanism must be available to all employees to resolve internal disputes, employee grievances and to ensure effective, respectful and transparent communication between employees, their representatives and management. Employees' representatives shall be freely elected, shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their relative functions. (ILO Convention 87, 98 and 135 and Recommendation 143.)

Measures to ensure compliance:

- ▶ ORTOVOX supports suppliers in establishing grievance mechanisms and ensuring employees can form unions without discrimination or retaliation. The Fair Wear Foundation grievance mechanism is implemented in every tier 1 facility used for ORTOVOX textile production.
- ▶ ORTOVOX initiates supplier training on labor rights.
- ▶ ORTOVOX verifies during audits that union representatives have access to facilities and management.
- ▶ ORTOVOX promotes transparency and open dialogue between employees and management in its supply chain by partnering with organizations like the Fair Wear Foundation to improve workplace conditions through education and monitoring.

2.4.8 Safe and healthy working conditions

Our suppliers shall provide a safe, healthy and non-hazardous working environment for all employees to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. Our suppliers shall ensure provision of appropriate personal protective equipment at their own expense after effective minimization or elimination of the causes of all workplace hazards and shall ensure that security arrangements protect physical integrity and are consistent with international standards. Furthermore, we expect our suppliers to set up systems to detect, avoid or neutralize any threat to their employees' health and safety, and to comply with all applicable local health and safety laws and regulations. The same principles shall apply to any of our suppliers who provide housing to employees. (ILO Convention 155.)

The organization should provide all employees with free access to clean toilets, drinking water and suitable rooms for meal breaks. If dormitories are provided, they must be clean, safe and meet the basic needs of employees, whether the Supplier owns the dormitories, rents them, or contracts with a service provider.

Special care should be taken with new, expectant and nursing mothers, especially in the case of hazards arising from their work activities; ensure all reasonable steps are taken to eliminate or reduce any risks to their health and safety.

When subcontracting work to subcontractors or sub-suppliers who are classified as home workers, the supplier must take effective measures to ensure that these home workers receive a level of protection that is substantially equivalent to the level of protection afforded to the company's other workers.

In the event of imminent danger, all employees must have the right to leave without seeking permission. At the operational level, the supplier shall enable its employees and others who could be affected negatively, to report concerns or potentially unlawful practices in the workplace.

Measures to ensure compliance:

- ▶ ORTOVOX requires suppliers to identify and mitigate workplace hazards through regular safety audits.
- ▶ ORTOVOX mandates the provision of personal protective equipment (PPE) at no cost to workers.
- ▶ ORTOVOX demands access to clean facilities, potable water, and safe housing, where applicable.
- ▶ ORTOVOX checks emergency evacuation protocols and health and safety training programs.
- ▶ ORTOVOX monitors the needs of vulnerable workers, including pregnant and nursing employees.

The above-mentioned points are checked during factory visits.

2.5 Subcontractors

ORTOVOX monitors business partners across the supply chain to conduct due diligence regarding significant risks that have been identified for textile supply chains. The use of subcontractors, by definition, includes all subcontracts that are not carried out by the direct business partner of ORTOVOX and refers also to the outsourcing of work to homeworkers and the use of handwork.

2.5.1 Transparency and Approval

The use of subcontractors within our supply chain requires full transparency and prior approval. All subcontractors are subject to the same standards and obligations as direct suppliers, including compliance with our Supplier Code of Conduct, legal requirements, and sustainability commitments. Subcontractors must provide all mandatory documentation, complete onboarding questionnaires, and remain open to audits, certifications, and partnerships. This approach ensures that subcontracting does not compromise human rights, ethical labor practices, or environmental standards. ORTOVOX discloses 100% of its suppliers, including subcontractors, on recognized transparency platforms and integrates them into the internal risk assessment and monitoring systems to maintain accountability across all tiers of production.

2.5.2 Preventing unauthorized subcontracting

Subcontracting can pose significant risks to human rights and working conditions if not properly managed. Hidden or unauthorized subcontracting often leads to reduced oversight, increased vulnerability to labor rights violations, and diminished transparency. At ORTOVOX, we implement proactive measures to prevent and mitigate these risks by ensuring early and reliable production planning, reasonable lead times, and predictable order schedules to address the root cause of subcontracting.

To prevent adverse impacts, we require suppliers to disclose all subcontracting arrangements and obtain this prior approval for any subcontracted work. Monitoring and auditing of subcontractors are integrated into our due diligence process, including checks on compliance with our Supplier Code of Conduct and Fair Wear standards.

Unreasonable penalties for delays are avoided to reduce pressure that could lead to hidden subcontracting.

In cases where unauthorized subcontracting is identified, we work collaboratively with suppliers to implement corrective actions. We conduct a root-cause analysis and require a clear commitment of the supplier to full transparency in the future to continue the business relationship.

3. Grievance Mechanism

ORTOVOX encourages everybody to address actions or behaviors observed, which are contrary to the Code of Conduct – whether as employees, business partners or stakeholders. We are committed to hear and address all substantiated complaints regarding its own operations.

- ▶ **Effective Grievance Mechanism:** Establishment of an effective and accessible grievance mechanism for all employees. This mechanism allows employees to raise concerns or complaints anonymously and without fear of retaliation.
- ▶ **Awareness and Accessibility:** The mechanism must be known and easily accessible to all employees. ORTOVOX encourages that all employees are informed about their rights and the available grievance channels.

To empower workers and ensure access to grievance mechanisms, ORTOVOX provides multiple channels for workers and factories. Through the Fair Wear Foundation hotline, we offer an effective way to raise concerns and seek remedies for our tier 1 factories. This helpline is accessible for all tier 1 factories within the Fair Wear scope, giving workers a direct voice to Fair Wear. In close cooperation with Fair Wear, we investigate complaints, work towards solutions, and ensure appropriate follow-up. If issues recur, we conduct additional audits and implement Corrective Action Plans (CAPs). Our risk analysis helps us assess complaints in context.

Additionally, we have initiated a project to launch tier 2 grievance mechanisms and provide training to strengthen understanding of international and national labor standards among workers and managers. Through awareness-raising and tailored training, workers are empowered to use both internal and external channels. A digital grievance system was introduced to enhance accessibility and ensure anonymity.

Another point of contact is our annual factory data survey, which collects information on grievance systems, the number of complaints, and how they are resolved. While we are not yet proactively engaged with trade unions in grievance resolution, we aim to collaborate more closely in the future to further improve grievance processes.

4. Sourcing Standards

ORTOVOX expects its suppliers to uphold the standards regarding human dignity, fair business practices in line with national laws and international standards and environmental responsibility.

4.1 Supplier Selection and Onboarding

At ORTOVOX, we are aware of our impact of buying processes within the supply chain and support Human Rights Due Diligence by responsible purchasing practices and processes. Our purchasing decision should lead to fair and good working conditions throughout the supply chain. Therefore, our purchase decisions incorporate social and environmental principles and goals, while ORTOVOX aims to develop and maintain stable and long-term business relationships. Negotiations and agreements are based on equal partnership and fair business conduct.

We select new suppliers and factories based on our risk assessment, quality, price, delivery times and performance and commitment to HRDD. We work together with our suppliers to develop and maintain a stable, long-term business relationship. For further insights about our supplier relationships please check our latest PROTACT Report.

Furthermore, we focus on strengthening existing supplier relationships. At the same time, we minimize the risk of over-dependency by aiming to utilize production capacities adequately.

ORTOVOX maintains a supplier base of a manageable size to ensure that our HRDD standards can be effectively implemented and monitored. We aim to build long-term partnerships that provide sufficient leverage to drive improvements in working conditions, while also avoiding that suppliers are placed in a position of excessive dependency on our purchasing decisions. This balanced approach supports constructive collaboration, shared responsibility, and continuous progress across our supply chain.

During the supplier selection and onboarding process, we systematically collect and evaluate relevant data to assess HRDD compliance. This may include, but is not limited to, supplier self-assessments, certifications, third-party audit reports, and country- or sector-specific risk indicators.

Only suppliers that meet our basic HRDD requirements and demonstrate a credible commitment to continuous improvement will be considered for a business relationship.

The onboarding begins with supplier research and a detailed Factory Data Survey, through which we collect key information on the respective supplier and each production site. The survey captures data such as country of operation, number of workers, payment schemes, working hours, complaint mechanisms, environmental data, production processes, existing certifications and social audits (e.g. FSLM, Fair Wear, BSCI, SA8000), as well as indicators related to wages, occupational health and safety, non-discrimination, child labor, and freedom of association. We also ask specifically about the presence of trade unions, whether a collective bargaining agreement is in place, and how worker representatives engage with management.

Our risk assessment then brings these data points together to evaluate several core areas. We look at country-level risks, such as labor rights and the strength of legal enforcement; process-related risks, which consider the inherent risks of specific production stages (e.g. dyeing or other chemical processes vs. lower-risk activities like sewing); and factory-level social risks, including working conditions, wage practices, worker representation, and occupational safety. Certifications, positive audit findings, and evidence of effective mitigation measures can lower the overall risk rating. Where information is missing or unclear, or when no reliable audit is available, we conduct further assessments to ensure we have a complete picture before proceeding.

In parallel, our Development and Quality teams verify whether the factory can meet our technical requirements and conduct an Occupational Health and Safety Check. Only when CSR, Development, Procurement and Quality jointly confirm that all standards are met and risks are manageable do we add a supplier to our supply chain.

4.2 Managing Supplier Transitions Responsibly

When production conditions change and we need to terminate a contract with a supplier, we apply a responsible exit strategy to ensure fairness, transparency, and minimal disruption. This process begins with input from all relevant departments and a joint evaluation of the supplier. If challenges arise, we conduct a risk assessment for both parties and explore improvement options. When no viable solutions exist, an exit plan and capacity reduction are agreed upon collaboratively, and the supplier is usually informed at least one year before the last purchase order. To avoid abrupt termination, ongoing production cycles are usually maintained, and all parties agree on a gradual phase-out without placing new style orders, ensuring a smooth and ethical transition.

4.3 Dealing with Material Suppliers

When ORTOVOX nominates material suppliers to be used by our manufacturing partners, we establish clear quality standards together with these suppliers and ensure ongoing compliance throughout both the development and sourcing phases. We actively monitor delivery schedules to prevent delays and safeguard our production partners against potential disruptions. Our commitment extends to taking responsibility for any leftovers of nominated materials, which were purchased on the behalf of ORTOVOX and working closely with suppliers to minimize waste wherever possible. In situations where nominated suppliers are unable to fulfill requirements, we ensure that our production partners do not bear negative consequences, maintaining fairness and reliability across the supply chain.

4.4 Fair Payment Terms

ORTOVOX commits to fair and responsible payment terms with all suppliers. Payment conditions are set with consideration of each supplier's company structure, financial background, and the financing period required for materials, including any advance material costs. Standard payment terms will have adequate due dates, and ORTOVOX is dedicated to ensuring that all payments are made within the agreed timeline.

ORTOVOX requests detailed and transparent cost breakdowns from suppliers, including direct and indirect labor, materials, overhead, and margin. This ensures that purchasing prices reflect true production costs and help promote fair compensation throughout the supply chain.

If external cost changes occur – such as increased raw material, energy, or logistics costs – these must be transparently documented and justified by open costing. Such cost increases must not be shifted in a way that negatively affects workers' wages, benefits, or working conditions.

4.5 Collaborative Production Planning

ORTOVOX is committed to supporting stable and efficient planning throughout each season by providing suppliers with multiple forecasting rounds that begin at the development stage. By sharing product lifecycle planning, we enable early capacity planning and actively work to minimize material leftovers. To ensure transparency and alignment, our forecasting system is tailored to match realistic material and production lead times and supplier capacities, with timelines established in close dialogue with suppliers across all tiers each season. Production capacities, delivery schedules, and deadlines are collaboratively evaluated, with suppliers expected to make their capacities transparent based on standard factory working hours. ORTOVOX takes supplier capacity into account when placing orders and scheduling deliveries, allowing suppliers adequate time for material procurement and production, thereby helping to avoid excessive overtime, last-minute subcontracting, and reliance on temporary labor. We work with suppliers to balance production throughout the season, making use of off-season capacity whenever possible.

If a delay is caused by ORTOVOX, we accept delivery date adjustments and openly discuss the costs associated with our partners. National holidays and factory closure periods are incorporated into timeline planning, and suppliers must provide this information prior to order placement. In cases where nominated materials are delayed, we jointly agree on appropriate measures such as rescheduling deliveries, arranging partial shipments, or prioritizing certain orders – rather than compressing production schedules. Penalties for delays are only issued when fault is clearly established, are reasonable, and are based on actual damages, never exceeding the original order value. Throughout, ORTOVOX works in close cooperation with suppliers to prevent disputes over shipment delays or quality issues and to identify fair, practical solutions. Both parties strive to avoid the use of airfreight by planning collaboratively and proactively managing timelines.

Also, for sample development, ORTOVOX works collaboratively with suppliers to ensure fair and efficient processes. A mutually agreed development timeline is established, allowing reasonable time for sample creation and ensuring that ORTOVOX provides timely and constructive feedback. Accurate and complete technical packs are supplied before sample production begins to avoid unnecessary revisions and additional workload. The number of development samples is jointly managed to reduce financial pressure on suppliers, and digital sampling solutions are used where appropriate to further minimize costs and resource use.

5. Risk Scoping

At ORTOVOX, we firmly believe that ethical business practices are foundational to the integrity of our products and the well-being of everyone involved in their manufacture. Our approach to risk analysis and human rights due diligence reflects our commitment to safeguarding the rights and dignity of workers throughout our supply chain. The purpose of this section is to provide a clear overview of how we identify, assess, and address social risks to ensure that our products are made under fair, safe, and respectful conditions. We recognize that the landscape of social responsibility is constantly evolving. This awareness motivates us to remain vigilant and proactive, continuously updating our risk assessment processes and responding to new information and the changing realities faced by our suppliers and their employees.

At ORTOVOX, risk assessment is not a one-off project but an ongoing, dynamic process. We systematically monitor, evaluate, and adapt our approach to human rights due diligence to address new challenges in our supply chain at an early stage. By focusing our resources on the most significant risks, we ensure that our actions have the greatest possible impact.

This process includes ongoing dialogue with suppliers, site visits, and collaboration with industry experts. We place great importance on transparency, openly sharing both our successes and challenges with stakeholders, thereby fostering trust and continuous improvement throughout the entire supply chain.

At ORTOVOX, we implement a systematic, data-driven approach to assessing social risks in our supply chain. This process is designed to enhance transparency, accountability, and ongoing improvement for the people who make our products.

For each factory of every tier 1 and nominated tier 2 supplier, we aim to collect a wide range of information, including:

- ▶ Country of operation (e.g., Vietnam, China, Romania)
- ▶ Number of factories and employees
- ▶ Production processes (e.g., cutting, sewing, knitting, dyeing, textile printing)
- ▶ Certifications and audits (e.g., Fair Wear Foundation, BSCI, SA8000)
- ▶ Social risk indicators (e.g., wage gap, working hours, freedom of association, child labor, discrimination, occupational safety)
- ▶ Audit results and corrective actions

Each risk factor is rated on a scale from low to high risk. The key categories are:

- ▶ Country risk: Reflects the general risk of the country in terms of labor rights, legal enforcement, and social standards.
- ▶ Process risk: Assesses the inherent risks of the specific production process (e.g., sewing has a lower risk than dyeing or processes involving handling of chemicals).
- ▶ Social risk factors: These include topics such as wage levels, working hours, union representation, child labor, discrimination, and occupational safety.
- ▶ Risk mitigation: Certifications and positive audit results can lower the overall risk score.

The ratings are aggregated to provide a breakdown of specific risk categories (e.g., occupational safety, living wages, discrimination, etc.) and an average social risk score per country. By including environmental aspects, an overall risk score per country is generated. Our methodology combines direct supplier engagement, regular audits, and careful analysis of external information. We consider country-specific factors, industry trends, and stakeholder feedback to build a comprehensive picture of the risk environment. In doing so, we deliberately avoid technical jargon and make our assessments accessible and relevant for our customers and partners.

Within our dynamic risk analysis, the following areas of action have emerged as particularly high priorities:

- ▶ Occupational Safety: Ensuring safe working conditions is non-negotiable for us. We work closely with our suppliers to identify hazards, improve safety standards, and implement measures that meet at least the legal requirements.
- ▶ Employment Relations: We believe that respectful and fair relationships between employers and employees are crucial for well-being and productivity. This also includes protecting the rights of migrant workers and promoting fair recruitment practices throughout the supply chain.
- ▶ Freedom of Association: We support employees' right to organize and engage in collective bargaining. Where unions are not present, we foster open communication and alternative forms of representation.
- ▶ Wages: Paying living and timely wages are a central pillar of our social responsibility. We advocate for all employees in our supply chain to be paid fairly – at minimum in line with legal requirements, but ideally at a level that covers local living costs. Through audits and close engagement with our partners, we regularly review wage structures and support suppliers in ongoing improvement.
- ▶ Working Hours: Reasonable working hours and compliance with legal or industry standards are essential for employee well-being. Overtime shall be limited, while rest periods must be guaranteed. Transparent time tracking and raising supplier awareness about these issues are integral to our approach.

Our risk assessment has revealed both achievements and ongoing challenges. While we have made progress in occupational safety standards, hurdles remain in ensuring freedom of association, particularly in regions with limited union activity.

We address these challenges openly and actively seek solutions through dialogue with our suppliers. Continuous feedback and data collection allow us to keep improving our approach and respond to new developments. We firmly believe that acknowledging challenges is a key component for building trust and driving real change.

To address the identified risks, ORTOVOX has implemented specific measures, including:

- ▶ Occupational safety audits: Regular audits to evaluate and enhance safety practices among our suppliers.
- ▶ Supplier training: Investments in training programs to raise supplier awareness and competencies in key risk areas such as fair recruitment and workers' rights.
- ▶ Supplier engagement: Ongoing dialogue and collaboration to understand the situation on the ground and develop tailored solutions together.
- ▶ Continuous monitoring: A dynamic risk assessment process that continually adapts our strategies to new information and feedback.

These measures are part of our comprehensive commitment to ongoing improvement, ensuring our due diligence remains effective and relevant in the face of changing risks. For further details and insights into the identified risks, please check our latest PROTACT Report. Looking ahead, we remain committed to further strengthening responsible business conduct together with our partners and stakeholders. By fostering transparency, encouraging open dialogue, and striving for continuous improvement, we aim to create positive impact throughout our supply chain. We believe that upholding human rights, supporting fair labor practices, and advancing sustainability are ongoing journeys, which benefit from collaboration, shared learning, and a spirit of integrity.



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