



Amer Sports Social and Environmental Compliance Benchmarks

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Version History / Summary of Changes

The Amer Sports Social and Environmental Compliance Benchmarks (the Compliance Benchmarks) will evolve in response to changing regulations, emerging social labor issues, and stakeholder expectations. Amer Sports will communicate updates to Suppliers when there are changes. Please get in touch with the Amer Sports Vendor Sustainability Team (VS Team) to ensure that you have the most recent version of this document.

Version	Major Change
Version 1.0 (2021)	<ul style="list-style-type: none"> Align with Amer Sports Ethical Policy revision May 2021
Version 0.1 (2020)	<ul style="list-style-type: none"> First Release of Amer Sports Compliance Benchmarks

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Preamble

Amer Sports is a sporting goods company and sports lifestyle retailer with internationally recognized brands including Salomon, Arc'teryx, Peak Performance, Atomic, and Wilson. Through our products we want to help people to stay healthy throughout their lives. Amer Sports is committed to sustainability and dedicated to continuously improving its performance regarding labor, workplace conditions and environmental issues in its supply chain and partners with its vendors to foster workers' well-being.

Amer Sports upholds human rights in the spirit of internationally recognized social and ethical standards including the International Labor Organization (ILO) Standards and the United Nations' Universal Declaration on Human Rights.

The Amer Sports Ethical Policy defines social labor and environmental standards that its Suppliers (i.e. any business entities engaged by Amer Sports Group for the purpose of providing goods or services to Amer Sports, include but not limited to finished goods manufacturing facilities, contractors, Subcontractors, and any party running facilities producing components, materials for Amer Sports' products in whole or partially) shall comply with. The Ethical Policy is developed based on international labor standards, national laws and regulations, and industry best practices. The Ethical Policy is aligned with Fair Labor Association (FLA) Code of Conduct.

This document, Amer Sports Social and Environmental Compliance Benchmarks (the Compliance Benchmarks) supplements the Ethical Policy by translating the standards in the Ethical Policy into specific requirements at factory floor. When differences of standards arise, Suppliers shall apply the strictest standard where applicable.

Amer Sports operates internal manufacturing facilities. The Ethical Policy (as supplemented by the Compliance Benchmarks) applies to Suppliers and Amer Sports' internal manufacturing facilities alike (collectively referred to as "Employers").

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Ethical Policy

Review: May 2021

The Amer Sports Ethical Policy (hereafter, "Ethical Policy") sets out the social and environmental fundamentals for the Amer Sports supply chain. The Ethical Policy – being an integral part of Amer Sports' responsible operations strategy – is based on our commitment to uphold human rights in the spirit of internationally recognized social and ethical standards including International Labor Organization (ILO) Standards and the United Nations' Universal Declaration on Human Rights. This holds true especially for women, children and migrant employees. Amer Sports shares this commitment within its entire supply chain to treat employees with respect and dignity.

The Ethical Policy applies to all operators in the Amer Sports supply chain including Suppliers (as defined below) and Amer Sports' internal manufacturing and distribution facilities alike (collectively referred to as "Employers"). "Suppliers" are business partners through the entire supply chain including but not limited to contractors, subcontractors, and any party running facilities producing components, materials for Amer Sports' products in whole or partially.

The standards set in the Ethical Policy are further elaborated in the Social and Environmental Compliance Benchmarks (hereafter, "Compliance Benchmarks"). Employers shall comply with these standards (as supplemented by the Compliance Benchmarks) and all applicable national and international laws, rules, legal regulations and industry best practices pertaining to any of Employers' activities including, without limitation, those applicable to the manufacture, sale, and distribution. When differences of standards arise, Employers shall apply the strictest standards.

As the Amer Sports Executive Committee (hereafter, "ExCom") is accountable to uphold the Ethical Policy, it reviews and approves the Ethical Policy on a regular basis. For owned manufacturing and distribution facilities, ExCom considers their respective General Managers in charge of the implementation of the Ethical Policy. Suppliers agree to uphold and implement the Ethical Policy by signing Supply Agreements with Amer Sports Corporation or one of its subsidiaries. Amer Sports' Sourcing Directors are responsible for their Suppliers to sign such Supply Agreements. Finally, ExCom holds the Vendor Sustainability team responsible for monitoring Employers' adherence to the Ethical Policy.

According to that and following the Amer Sports responsible operations strategy, employers are monitored regularly, and their performance is part of our consideration to retain and grow our business. Employers are required to remediate any issues that cause adverse human right impacts. Effective management systems shall be implemented to drive continuous improvement from meeting the requirements of the Ethical Policy to demonstrating sustainability leadership in their own facilities and their tier suppliers. Employers shall maintain adequate and transparent records to demonstrate compliance with all provisions under the Ethical Policy.

If there is a violation of any standards of the Ethical Policy, employees are encouraged to bring issues to Amer Sports' attention by emailing to vs@amersports.com in English or their native language. Amer Sports will keep all information strictly confidential. Employees shall be free from retaliation because of issues raised.

1. EMPLOYMENT RELATIONSHIP

Employers shall adopt and adhere to rules and conditions of employment that respect employees and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

2. PROHIBITION OF CHILD LABOR

Employment of child labor is prohibited in any capacity. No person under the age of fifteen (15), or under the age for completion of compulsory education, or under the legal minimum age for employment in the country, whichever is higher, shall be employed. The employment of young persons shall comply with any laws applicable for the protection of such persons. The hiring procedure shall include collection and maintenance of all documentation necessary to confirm and verify the date of birth of all employees. An effective remediation procedure shall be implemented if child labor is identified.

3. PROHIBITION OF FORCED LABOR

The employment of persons shall be voluntary and it is prohibited to use any forced or involuntary labor, whether prison, bonded, indentured, or otherwise. All forms of human trafficking and forced labor, such as lodging deposits or the retention of identity documents from employee upon commencing employment, are also forbidden. Neither Employers nor any entity supplying labor to it shall withhold any part of any employee's salary, benefits, property, or documents in order to force such employee to continue working for the Employers.

4. PROHIBITION OF HARASSMENT AND ABUSE

Each employee shall be treated with dignity and respect, and it is prohibited to use corporal punishment, threats of violence, or any other forms of physical, sexual, psychological or verbal harassment or abuse.

5. PROHIBITION OF DISCRIMINATION

Discrimination is prohibited in hiring and employment practices including salary, benefits, access to training, advancement, discipline, termination or retirement, on the basis of race, religion, caste, birth, age, nationality, social group or ethnic origin, sexual orientation, gender, family responsibilities, marital status, membership in employees' organizations including unions, political affiliation, political opinion or disability.

6. COMPENSATION

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by applicable law, regulations or respective employment contract. Employers are committed to continuous improvement and encouraged to take actions to progressively implement employees' compensation rights.

7. WORKING HOURS

Employers shall not require employees to work more than the regular and overtime hours allowed by the law of the country where the employees are employed. The regular work week shall not exceed forty-eight (48) hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed sixty (60) hours. Employers shall allow employees at least twenty-four (24) consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate.

8. HEALTH AND SAFETY

Employees are to be provided with a safe and healthy workplace in compliance with applicable laws, ensuring, at a minimum, access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. The same standards of health and safety shall be applied in any housing employers provide for employees. Effective steps shall be taken to prevent potential accidents and injuries to employees' health arising out of, associated with, or occurring in the course of work, by minimizing the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards. All employees shall receive regular and recorded health and safety training, moreover, such training shall be repeated for new and reassigned employees.

9. ENVIRONMENTAL STANDARDS

In addition to complying with applicable environmental laws and regulations regarding the handling and disposal of chemicals and other dangerous materials, waste disposal and management, Employers strive to reduce negative environmental impacts of their operations and continuously improve the environmental performance.

10. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

Employers respect the rights of employees to freedom of association, and the right to organize and collectively bargain without penalty or interference. Employees are free to join an organization of their choosing and that their doing so will not result in any negative consequences to them. Employees are allowed to freely elect their own representatives. When the right to freedom of association and collective bargaining is restricted under law, employers shall not obstruct legal alternative means of employees association.

11. MONITORING

Amer Sports and its designated agents (including third parties) will engage in monitoring activities on a schedule that is specified in the Amer Sports Ethical Policy Implementation Guide. To verify compliance, monitoring activities include reviews of books and records and private interviews with employees. Employers shall maintain on site all information and documentation necessary to demonstrate compliance with this Ethical Policy.

12. PROTECTION OF INTELLECTUAL PROPERTY

Employers avoid directly or indirectly infringing or misappropriating any patent, trademark, copyright, trade secret, or other intellectual property right of any third party, or otherwise violate any rights of any third party in the manufacturing process.

13. COMMUNICATION TO EMPLOYEES

Employers shall take appropriate steps to ensure that this Ethical Policy is communicated to employees through a prominent posting of this Ethical Policy in languages that employees understand. The Ethical Policy is also available on Amer Sports' web site www.amersports.com. Employers shall establish effective grievance mechanisms which are accessible directly to employees who may be impacted by adverse human right issues. Employers shall ensure that reviews of grievance issues are conducted in a fair, credible and effective manner without any retaliation.

14. PRIVACY OF DATA

Employers respect the privacy of their employees. All personal data collected or held will be processed in a fair, discreet and lawful manner that protects the privacy of individuals.

15. PROHIBITION OF CORRUPTION & BRIBERY

Employers do not engage in the giving or receiving, directly or indirectly, of bribes, kickbacks, other illicit payments or improper benefits intended to achieve business advantage or financial gain. Situations that involve a conflict or the appearance of a conflict between duty to Employers and personal interest shall be avoided.

16. SUBCONTRACTING

Suppliers shall not subcontract finished goods or components production work without prior written approval from Amer Sports. Employers shall monitor its authorized subcontractors (if any) to ensure compliance with this Ethical Policy.



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1. Legal Compliance & Monitoring

Employers shall comply with this Ethical Policy (as supplemented by the Compliance Benchmarks) and all applicable national and international laws, rules, legal regulations and industry best practices pertaining to any of Employers' activities. When differences of standards arise, Employers shall apply the strictest standards.

Amer Sports and its designated agents (including third parties) will engage in monitoring activities on a schedule that is specified in the Amer Sports Ethical Policy Implementation Guide. To verify compliance, monitoring activities include reviews of books and records and private interviews with employees. Employers shall maintain on site all information and documentation necessary to demonstrate compliance with this Ethical Policy.

LCM.1 Law and Regulation

LCM.1.1 Employers shall comply with all applicable law, rules, regulations and industry best practices of the countries in which the employees are employed. When differences of standards arise, employers shall apply the strictest standards.

LCM.2 Monitoring

LCM.2.1 Employers shall be transparent and provide access to Amer Sports and its representatives including but not limited to Fair Labor Association (FLA) to conduct announced or unannounced inspections at manufacturing facilities. Inspection activities include: management interview, factory tour, private employees interview, and documentation review. Below practices consider violations of this code:

LCM.2.2 Bribery attempt to auditors

LCM.2.3 Double book of compensation or working hours record.

LCM.2.4 Record inconsistency among different records.

LCM.2.5 Employees are coached for employees' interview.

LCM.2.6 Denied access or partial denied access to facilities, document, employees' interview.

LCM.2.7 Unauthorized subcontracting and lack monitoring of subcontractors.

2. Employment Relationship (ER)

Employers shall adopt and adhere to rules and conditions of employment that respect employees and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

ER.1 Employment Management Systems / Human Resources

ER.1.1 Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

ER.1.2 Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure

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employees at all levels receive communication and training about existing policies and procedures or any revisions.

- ER.1.3 Employers should implement an annual, review process with input from employees of all policies, procedures, and their implementation to ensure they meet legal requirements and the Amer Sports Ethical Policy.

ER.2 Employment Management Systems / Special Categories of Employees

Employers shall ensure that all legally mandated requirements for the protection or management of special categories of employees, including migrant, juvenile, contract/contingent/temporary, probationary employees, home employees, and pregnant or disabled employees, are implemented. Where local laws and Amer Sports Ethical Policy differ, the employer is expected to follow the highest applicable standard.

ER.3 Employment Management Systems / New Employee Orientation

- ER.3.1 Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, employees' rights and responsibilities, Amer Sports Ethical Policy, health and safety, and environmental protection.
- ER.3.2 Training should be updated on a regular basis, and in particular, when any policies and procedures are revised.
- ER.3.3 Employees should be provided with written documentation that substantiates all the issues covered in orientation briefings.

ER.4 Employment Management Systems / Communication

Employers shall inform employees about workplace rules, environmental protection systems, health and safety information, and laws regarding employees' rights with respect to freedom of association, compensation, working hours, and any other legally required information, the Amer Sports Ethical Policy through appropriate means, including posted in local language(s) throughout the workplace's common areas.

ER.5 Employment Management Systems / Supervisor Training

- ER.5.1 Employers shall ensure that all supervisors are trained in national laws, workplace regulations, the Amer Sports Ethical Policy, workplace grievance systems, and the appropriate practices to ensure compliance.
- ER.5.2 Employers shall inform supervisors that they should not use any form of harassment or abuse to maintain labor discipline.
- ER.5.3 Trainings should be updated on a regular basis.

ER.6 Employment Management Systems / Skills Development Training

- ER.6.1 Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of employees with the goal of raising or broadening skills in order to advance in their careers within the workplace or beyond.
- ER.6.2 The policies and procedures should include how employees will be informed of training opportunities, eligibility requirement for participation, if the training will be compulsory

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or voluntary, if it will take place during or after working hours, and if the training time will be compensated.

ER.7 Employment Management Systems /Performance Reviews

- ER.7.1 Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.
- ER.7.2 The performance review process should be communicated to the workforce and reviewed regularly.

ER.8 Employment Management Systems/Promotion, Demotion and Job Reassignment

Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.

ER.9 Recruitment and Hiring / Contract, Contingent or Temporary Employees

- ER.9.1 Employers shall hire contract/contingent/temporary employees only if such hiring is consistent with the national law of the country of production.
- ER.9.2 Employers shall have in place written policies and procedures regulating the recruitment and hiring of contract/contingent/temporary employees.
- ER.9.3 Contract/contingent/temporary employees shall only be hired if one of the following conditions is met:
 - ER.9.3.1 the permanent workforce of the enterprise is not sufficient to meet unexpected or unusually large volume of orders;
 - ER.9.3.2 exceptional circumstances* may result in great financial loss to the supplier if delivery of goods cannot be met on time; or
 - ER.9.3.3 work that needs to be done and is outside the professional expertise of the permanent workforce.

ER.10 Recruitment and Hiring / Invalid Use of Contract, Contingent or Temporary Employees

- ER.10.1 Employers shall not hire contract/contingent/temporary employees as a means to support continuing business needs on a long-term basis.
- ER.10.2 Employers shall not renew contracts for multiple successive short terms in lieu of providing regular employment.

ER.11 Recruitment and Hiring / Terms for Contract, Contingent, Migrant or Temporary Employees

Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary employees:

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

- ER.11.1 The enterprise must define the job functions or tasks that contract /contingent /migrant /temporary employees are hired to perform and maintains information on the use of contract/ contingent/ migrant/ temporary employees in relation to production needs;
- ER.11.2 Contract/contingent/migrant/temporary employees shall be provided an employment agreement in their native language setting out the employment terms and conditions. For migrant employees, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin;
- ER.11.3 Workplace rules and regulations apply to contract/contingent/migrant/temporary employees the same as for permanent employees;
- ER.11.4 National laws governing contract/contingent/migrant/temporary employees shall be observed.
- ER.11.5 Personnel files and all relevant employment information for contract/ contingent/ migrant/ temporary employees shall be maintained and accessible at the workplace site at all times;
- ER.11.6 Contract/ contingent/ migrant/ temporary employees who are hired on more than one occasion for seasonal production and specialization shall sign a separate contract for each new hire event. The workplace must retain all relevant information in each employee's personnel file; and
- ER.11.7 In case of similar skills and qualifications, contract/ contingent/ migrant/ temporary employees shall be given priority when the enterprise is seeking 'new' permanent employees.

ER.12 Recruitment and Hiring / Transition to Permanent Employee

For any contract/contingent/temporary employee who becomes a permanent employee, seniority and other benefits eligibility must be dated from the first date as a contract/contingent/temporary employee and not from the first day of permanent employment.

ER.13 Recruitment and Hiring / Apprenticeships and Vocational Training

- ER.13.1 Employers shall comply with all regulations and requirements of apprentice or vocational education programs, and shall be able to document to monitors that these are legally recognized programs. Informal arrangements of any kind are not acceptable.
- ER.13.2 Apprentice and vocational training programs shall be reserved exclusively for employees who lack necessary training or experience and therefore cannot yet be hired as regular employees.
- ER.13.3 Apprentice and vocational training programs shall be subject to workplace conditions as set by the Amer Sports Ethical Policy, national laws and regulations.

ER.14 Recruitment and Hiring / Employers Agreement with Employment Agencies

- ER.14.1 Employers shall use standard contract language with employment agencies or intermediaries that specifically imparts power to employers to directly pay wages to migrant/contract/contingent/temporary employees and ensures equality of

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compensation and workplace standards as set under the Amer Sports Ethical Policy, national laws and regulations.

- ER.14.2 Employers shall use standard contract language with employment agencies or intermediaries that specifically prohibits practices that restrict any employee's freedom of movement or ability to terminate their employment.

ER.15 Termination and Retrenchment / Termination Payouts

- ER.15.1 Employers shall have in place a procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retrenchment, taking into account national legal requirements.
- ER.15.2 Employers shall establish channels for employees to confidentially express any concerns or problems they may be experiencing around legally owed payment during a retrenchment process.
- ER.15.3 Employers shall not demand that employees sign any declaration of good health, waivers or releases of other rights as a condition of receiving severance pay or other legal benefits* from the company, and shall not threaten to withhold benefits if employees do not sign.
- ER.15.4 Upon termination, severance shall be based upon the employee's current salary and seniority as calculated from the initial date of hire.
- ER.15.4.1 Where employers provide advance termination payouts as allowed by law, these amounts may be subtracted from the final severance payment but must be included as itemized deductions in the final severance calculation.
- ER.15.5 Where employers provide annual indemnization, original contracts should remain without being terminated.

ER.16 Termination and Retrenchment / Policies and Procedures

- ER.16.1 Employers shall maintain proper and accurate records in relation to termination and retrenchment.
- ER.16.2 When employers are faced with major changes in production, program, organization, structure, or technology and those changes are likely to result in temporary or permanent layoffs, employers shall communicate any alternatives to retrenchment that have been considered and consult any employees' representatives as early as possible with a view to averting or minimizing layoffs.
- ER.16.3 Where temporary or permanent layoffs are unavoidable, a plan should be developed and implemented that mitigates the adverse effects of such changes on employees and their communities.
- ER.16.4 The plan should be clearly communicated and posted, and include feedback channels for employees to ask questions and provide feedback.
- ER.16.5 Employers shall give retrenched employees opportunity to transfer to other owned facilities in the country at a comparable wage and make all efforts to facilitate re-employment in other enterprises in the country.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

ER.17 Grievance System / Employee-Management Communication

- ER.17.1 Employers shall have a clear and transparent system of employee and management communication that enables employees to consult with and provide input to management. This might include suggestion boxes, employee committees, designated spaces for employee meetings, union representatives, and meetings between management and employees' representatives.
- ER.17.2 There shall be a mechanism that allows employees to report harassment and grievances confidentially, including any concerns or problems they may be experiencing around legally owed payments during a retrenchment process.
- ER.17.3 Employers shall have in place written procedures that allow a direct settlement of the grievance by the employee and the immediate supervisor. Where this is inappropriate or has failed, there should be additional options for senior management review and consideration, depending on the nature of the grievance and the structure and size of the enterprise.
- ER.17.4 Employers shall ensure that the grievance procedures and applicable rules are known to employees, and that employees are fully trained on their use.
- ER.17.5 Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.
- ER.17.6 Employers shall have a system in place to prevent retaliation against or discrimination towards employees who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation*, or unsafe working conditions

ER.18 Work Conduct and Discipline / General Principles

- ER.18.1 Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).
 - ER.18.1.1 The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.
 - ER.18.1.2 Employers shall maintain written records of all disciplinary actions taken.
- ER.18.2 Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.
- ER.18.3 Workplace Rules and policies, and disciplinary procedures and practices shall be clearly communicated to all employees in the language(s) spoken by employees. Any exceptions to this system (e.g. immediate termination for gross misconduct, such as theft or assault) shall also be in writing and clearly communicated to employees.
 - ER.18.3.1 Employees must be informed in writing when a disciplinary procedure has been initiated against them.
 - ER.18.3.2 Employees have the right to participate and be heard in any disciplinary procedure against them.

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ER.18.3.3 Employees must sign all written records of disciplinary action against them.

ER.18.3.4 Records of disciplinary action must be maintained in the employee's personnel file.

ER.18.4 The disciplinary system shall include a third-party witness during imposition, and an appeal process.

ER.18.5 Employers shall inform employees that any form of harassment or abuse in the workplace shall be subject to disciplinary measures.

ER.18.6 The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for an employee requesting a witness and filing an appeal of disciplinary action.

ER.19 General Compliance / Documentation and Inspection

ER.19.1 Employers shall maintain on file all documentation needed to demonstrate compliance with the Amer Sports Ethical Policy and required laws.

ER.19.1.1 Employers shall make these documents available to third-party assessors commissioned by the Amer Sports/FLA and shall submit to inspections without prior notice.

ER.19.2 All notices that are legally required to be posted in the workplace work areas shall be posted by employers.

3. Prohibition of Child Labor (CL)

Employment of child labor is prohibited in any capacity. No person under the age of fifteen (15), or under the age for completion of compulsory education, or under the legal minimum age for employment in the country, whichever is higher, shall be employed. The employment of young persons shall comply with any laws applicable for the protection of such persons. The hiring procedure shall include collection and maintenance of all documentation necessary to confirm and verify the date of birth of all employees. An effective remediation procedure shall be implemented if child labor is identified.

CL.1 General Compliance Child Labor

Employers shall comply with all national laws, regulations and procedures concerning the prohibition of child labor.

CL.2 Child Labor

Employers shall not employ anyone under the age of 15 or under the age for completion of compulsory education, whichever is higher.

CL.3 Government Permits and Parental Consent Documentation

Employers shall abide by all relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment, and shall keep documentation on-site for inspection at all times.

CL.4 Employment of Young Employees

Employers shall comply with all relevant laws that apply to young employees (e.g. those between the minimum working age and the age of 18), including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.

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CL.5 Hazardous Work for Young Employees

No person under the age of 18 shall undertake hazardous work, i.e. work which, by its nature or the circumstances in which it is carried out, is likely to harm the health or safety or morals of persons under the age of 18.

CL.6 Young Employees Identification System

Employers shall have a system for identifying workstations and operations that are inappropriate for young employees according to applicable laws.

CL.7 Apprenticeships and Vocational Training / Minimum Working Age

Apprentices or vocational students shall not be under the age of 15 or under the age for completion of compulsory education, whichever is higher.

Employers should maintain the following documents.

- Internship Agreement between the school, the student and his/her parents
- Copies of identity card of the student
- Attendance record of the student
- Payroll record of the students (at least meeting the local minimum wage)
- Insurance of Occupational Injury

CL.8 Proof of Age Documentation

CL.8.1 Employers shall collect and maintain all documentation necessary to confirm and verify date of birth of all employees, such as birth certificates.

CL.8.1.1 Employers shall take reasonable measures to ensure such documentation is complete and accurate.

CL.8.1.2 In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all employees are at least the minimum working age, including requesting and maintaining medical or religious records of employees, or through other means considered reliable in the local context.

4. Prohibition of Forced Labor (F)

The employment of persons shall be voluntary and it is prohibited to use any forced or involuntary labor, whether prison, bonded, indentured, or otherwise. All forms of human trafficking and forced labor, such as lodging deposits or the retention of identity documents from employee upon commencing employment, are also forbidden. Neither Employers nor any entity supplying labor to it shall withhold any part of any employee's salary, benefits, property, or documents in order to force such employee to continue working for the Employers.

F.1 General Compliance Forced Labor

F.1.1 Employers, employment agencies, and intermediaries shall comply with all national laws, regulations and procedures concerning the prohibition of forced labor and human trafficking.

F.1.2 If not provided by law, employers must provide protection to employees who allege violations of forced labor.

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F.2 Freedom in Employment

- F.2.1 All employees shall have the right to enter into and to terminate their employment freely.
- F.2.2 Employment terms shall be those to which the employee has voluntarily agreed, in as far as those terms do not fall below:
 - F.2.2.1 provisions of national laws;
 - F.2.2.2 freely negotiated and valid collective bargaining agreements; or
 - F.2.2.3 the Amer Sports Ethical Policy
- F.2.3 There can be no employment terms which allow employers, employment agencies, or intermediaries:
 - F.2.3.1 to hold wages already earned; or
 - F.2.3.2 use earned back wages as penalties; and
 - F.2.3.3 in any way punishes employees for terminating employment.

F.3 Debt / Bonded Labor

- F.3.1 Employers, employment agencies, or intermediaries shall not bind employees to employment as a condition of fulfilling terms of a debt.
- F.3.2 Employers, employment agencies, or intermediaries may provide loans directly to employees only if they are a component of a larger loan program (e.g. housing or education loans) available to all employees.
 - F.3.2.1 Lending and savings programs provided to employees by employers, employment agencies, or intermediaries must comply with all national laws and regulations for such programs.
- F.3.3 The continuance of loans may not be dependent on continued employment at the workplace, and no penalties may be assessed on the loan for employees ending employment at the workplace.
- F.3.4 Interest may not exceed the cost of administering the loan program and any tax liabilities incurred by the program, and according to legal limits.

F.4. Freedom of Movement

- F.4.1 If workplace entrances are locked or guarded to prevent nonemployee access to the premises for security reasons, employees shall have free egress at all times.
- F.4.2 No terms imposed by the employer or any employment agencies or intermediaries shall confine or restrict employees' freedom of movement or free transit.

F.5 Employer Controlled Residence

Employers shall not require, or influence, employees to live in employer-owned or -controlled residences as a condition of recruitment, continued employment or to receive the same terms of employment and working conditions as other employees in the same position.

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F.6 Freedom of Movement in Employer Controlled Residence

The freedom of movement of employees who live in employer-owned or -controlled residences shall not be unreasonably restricted.

F.7 Threat of Penalty

F.7.1 Employers shall not utilize, nor shall they use employment agencies or intermediaries that utilize, practices that restrict any employee's freedom of movement, ability to terminate their employment, or that create a threat of penalty. Examples of such practices include, but are not limited to:

- F.7.1.1 (the threat of) physical or mental coercion;
- F.7.1.2 requiring deposits;
- F.7.1.3 imposing financial penalties;
- F.7.1.4 requiring employees to pay recruitment and/or employment fees;
- F.7.1.5 providing precarious employment*;
- F.7.1.6 using false information to recruit employees

F.8 Forced Overtime

The imposition of overtime where employees are unable to leave the work premises constitutes forced labor.

F.9 Personal Identification and Other Documents

Employees shall retain possession and control of their passports, identity papers, travel documents, work permits, and other personal legal documents.

F.10 Storage for Employee Documents

F.10.1 Employers shall provide at employee request secure storage for employee's documents such as passports, identity papers, travel documents, and other personal legal documents. Such storage shall be freely accessible to employees at all times.

F.10.2 Employers shall not withhold any such documents or restrict employees' access to them for any reason, including ensuring that employees shall remain in employment in the workplace.

F.11 Employment Fees

Fees and other costs associated with the employment of employees, including migrant/contingent/contract/temporary employees, shall be the sole responsibility of the employer.

F.12 Free Disposal of Wages

F.12.1 Employers may not limit in any manner the freedom of employees to dispose of their wages.

F.12.2 Employees must be free from any coercion to make use of enterprise or employer-operated stores.

5. Prohibition of Harassment & Abuse

Each employee shall be treated with dignity and respect, and it is prohibited to use corporal punishment, threats of violence, or any other forms of physical, sexual, psychological or verbal harassment or abuse.

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H/A.1 General Compliance Harassment or Abuse

H/A 1.1 Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based

H/A 1.2 If not provided under law, employers must provide protection to employees who allege harassment or abuse violations.

H/A 1.3 If not provided under law, employers must provide protection to employees who are victims of domestic violence.

H/A.2 Discipline/Monetary Fines and Penalties

Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance, for broken or lost tools/machinery, or for violating company rules, regulations, and policies.

H/A.3 Discipline/Access to Facilities

Access to food, water, toilets, medical care or health clinics or other basic necessities shall not be used as either reward or as a means to maintain labor discipline.

H/A.4 Discipline/Physical Abuse

Employers shall not use any form of – or threat of – physical violence, including slaps, pushes or other forms of physical contact as a means to maintain labor discipline.

H/A.5 Discipline/Verbal Abuse

Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline

H/A.6. Discipline/Psychological Abuse

Employers shall not use any form – or threat – of psychological abuse, such as forcing employees to sign letters of self-criticism or posting names of employees subject to disciplinary measures as a means to maintain labor discipline.

H/A.7 Discipline/Freedom of Movement

Employers shall not restrain the freedom of movement of employees, including movement in canteens, during breaks, using toilets, accessing water, or accessing necessary medical attention, as a means to maintain labor discipline.

H/A.8 Elimination of Violence, Harassment and Abuse in the Workplace

H/A.8.1 Employers shall ensure that the workplace and all workplace facilities (such as employer provided transportation or dormitories) are free from any type of violence, harassment or abuse, be it physical, sexual, psychological, verbal, or otherwise.

H/A.8.2 Employers, in consultation with employee/union representatives, shall assess specific hazards and risks of harassment and abuse in the workplace, including gender-based violence. This includes risks arising from working conditions, work arrangements (such as night shifts or other schedules,) work organization, and third parties such as recruitment agencies, contractors, or any other intermediaries.

H/A.8.3 Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated,

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procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.

- H/A.8.4 Employers shall take all necessary precautions to eliminate any action (by the employer, between or among employees, or by third-parties who are retained by the employer or whose work is connected with the workplace) that would result in gender-based violence and/or harassment, regardless of whether such actions occur in or outside of the workplace and/or working hours.

H/A.9 Sexual Harassment

H/A.9.1 Employers shall refrain from:

H/A.9.1.1 any act of sexual harassment, including inappropriate remark, insult, joke, insinuation, and comment on a person's dress, physique, age, family situation, etc.;

H/A.9.1.2 a condescending or paternalistic attitude with sexual implications undermining dignity;

H/A.9.1.3 any unwelcome invitation or request, implicit or explicit, whether or not accompanied by threats;

H/A.9.1.4 any lascivious look or other gesture associated with sexuality; and

H/A.9.1.5 any unnecessary physical contact such as touching, caresses, pinching or assault.

H/A.9.2 Employers shall not offer, or take any action that may suggest an offer of, recruitment, continued employment, promotion, improved working conditions, preferential work assignments or other preferential treatment in exchange for a sexual relationship.

H/A.9.3 Employers shall not subject employees to prejudicial treatment of any kind in retaliation for refused sexual advances or corrected inappropriate behavior.

H/A.10 Security Practices/Body Searches

H/A.10.1 All security practices shall be gender appropriate and nonintrusive, so that the dignity of employees concerned is protected when a search is undertaken.

H/A.10.1.1 Searching of bags and other personal items to prevent theft is acceptable.

H/A.10.1.2 Body searches and physical pat downs shall only be undertaken when there is a legitimate reason to do so and upon consent of employees, unless a state official with the power to do so (e.g. police officer) has ordered the search.

H/A.10.1.3 Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.

H/A.11 Punishment of Abusive Employees/Supervisors/Managers

Employers shall have a system to discipline supervisors, managers or employees who engage in any physical, sexual, psychological or verbal violence, harassment or abuse, through measures such as compulsory counseling, warnings, demotions, and terminations or a combination thereof regardless of whether such action was intended as a means to maintain labor discipline with a view to preventing the reoccurrence of violence and harassment, and facilitating their reintegration into work, where appropriate.

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6. Prohibition of discrimination

Discrimination is prohibited in hiring and employment practices including salary, benefits, access to training, advancement, discipline, termination or retirement, on the basis of race, religion, caste, birth, age, nationality, social group or ethnic origin, sexual orientation, gender, family responsibilities, marital status, membership in employees' organizations including unions, political affiliation, political opinion or disability.

ND.1 General Compliance Nondiscrimination

- ND.1.1 Employers, employment agencies, and intermediaries shall comply with all national laws, regulations and procedures concerning nondiscrimination. Where local laws and Amer Sports standards differ, the employer, employment agency, and intermediary is expected to follow the highest applicable standard.
- ND.1.2 If not provided by law, employers must provide protection to employees who allege discrimination in any form, including recruitment and employment practices, compensation, marital, or health status.

ND.2 Employment Decisions

- ER.2.1 All employment decisions shall be made solely on the basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to the inherent requirements of a particular job.
- ER.2.2 Employment decisions shall not be made on the basis of gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy.

ND.3 Job Advertisements, Job Descriptions and Evaluation Policies

Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.

ND.4 Disclosure of Personal Information

Employers may not request the disclosure of any personal, non-job related information during the application, recruitment, or hiring process, including but not limited to gender, race, religion, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, or marital status.

ND.5 Compensation Discrimination

There shall be no differences in compensation for employees for work of equal value on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

ND.6 Marital, Partnership, or Family Discrimination

- ND.6.1 Employers shall not discriminate on the basis of marital, partnership, or family status.
- ND.6.2 Employers shall not threaten employees with dismissal or any other employment decision that negatively affects their employment status in order to prevent them from changing their marital, partnership, or family status (including getting married or becoming pregnant.)

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ND.6.3 Employers shall not, on the basis of an employee's marital, partnership, or family status (including pregnancy), make any employment decisions that negatively affect employment status, including decisions concerning dismissal, demotion, loss of seniority, or deduction of wages

ND.7 Pregnancy Testing

ND.7.1 Employers shall not require pregnancy testing of employees, except as required by national law.

ND.7.1.1 Employers shall not under any circumstances use pregnancy tests or the use of contraception in their hiring or employment decisions, even in cases where pregnancy tests are required by national law.

ND.8 Protection and Accommodation of Pregnant Employees and New Mothers

ND.8.1 Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant employees and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.

ND.8.1.1 Where such legal protective provisions are lacking, employers shall take all necessary measures to ensure the safety and health of pregnant women and their unborn children.

ND.8.1.2 Where legal protective provisions are lacking, employers shall, at minimum provide paid leave for regular pre-natal and post-natal doctor visits as well as breast-feeding breaks.

ND.9 Health-Related Discrimination

Employers shall not, on the basis of a person's health status, make any employment decisions that negatively affect the persons employment status, including decisions concerning recruitment, termination, promotion, or assignment of work, unless such decision is dictated by the inherent requirements of the job or a medical necessity to protect the employee and/or other employees.

ND.10 Medical Examination

Employers are allowed to require routine medical examination to assess general fitness as a condition for recruitment or continued employment but shall not include testing for any disease or illness, such as HIV/AIDS, that does not have an immediate effect on a person's fitness and is not contagious.

ND.11 Confidentiality of Health Status

Employers shall respect the confidentiality of employees' health status and not undertake any action that could lead to a breach of said confidentiality, including screening, whether by direct or indirect testing (for instance, by making an assessment of risk behavior), or asking questions about previously taken tests or medications.

ND.12 Reasonable Accommodation for Health Reasons

Employers shall take measures to reasonably accommodate employees with (chronic) illnesses, including HIV/AIDS-related illnesses, which could include rearrangement of working time, the

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provision of special equipment, opportunities for rest breaks, time-off for medical appointments, flexible sick leave, part-time work and return-to-work arrangements.

ND.14 Dress Codes and Uniforms

- ND.14.1 Employers shall not impose any discriminatory restrictions on the dress or appearance of employees.
- ND.14.2 In cases where the workplace requires uniforms or other specific clothing, accommodations shall be made for religious practice or disability.
- ND.14.3 In cases where a workplace dress code is in place, the dress code shall not discriminate against or set different standards for ethnic or cultural groups

ND.15 Spoken Languages

- ND.15.1 Employers shall not require specific languages to be spoken in the work environment, nor shall they prohibit the use of any languages among employees.
- ND.15.2 Employers shall make every reasonable effort to communicate to employees in their native language.

7. Compensation

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by applicable law, regulations or respective employment contract. Employers are committed to continuous improvement and encouraged to take actions to progressively implement employees' compensation rights.

C.1 General Compliance Compensation

- C.1.1 Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to employees.
- C.1.2 In any case where differences or conflicts in national law and Amer Sports Ethical Policy arise, suppliers are expected to apply the highest standard.
- C.1.3 In any case where national laws, regulations and procedures do not address the payment of compensation to employees, suppliers shall follow all standards in the Amer Sports Ethical Policy that apply to administration and payment of compensation and shall provide an employment contract that includes stipulation of compensation payment to employees.

C.2 Minimum Wage

Employers shall pay employees at least the legal minimum wage or the prevailing industry wage, whichever is higher, for regular working hours (not including overtime). Employees should also be informed about the legal minimum wage.

C.3 Wage & Benefits / Probationary Status

- C.3.1 Where probationary employment is legally allowed, employees shall:
 - C.3.1.1 Receive at least the minimum wage for regular employees or the prevailing industry wage for regular employees, whichever is higher;
 - C.3.1.2 Receive all legally mandated benefits;

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C.3.1.3 No employees shall work more than three months in this employment category.

C.4 Wage & Benefits / Apprenticeship or Vocational Training

C.4.1 For the time-period during which they receive training, apprentices and vocational trainees shall:

C.4.1.1 receive at least the minimum wage for regular employees or the prevailing industry wage for regular employees, whichever is higher; and

C.4.1.2 receive all legal mandated benefits.

C.4.1.3 If local law allows for a lower minimum wage for apprentices/trainees, this lower minimum wage may only be applied for the first 30 days, if that time is dedicated primarily to training and not to production or other essential tasks.

C.5 Wage & Benefits / Contract, Contingent or Temporary Employees

C.5.1 Contract/contingent/migrant/temporary employees shall:

C.5.1.1 Receive at least the minimum wage for regular employees or the prevailing industry wage for regular employees, whichever is higher;

C.5.1.2 Receive all legally mandated benefits; and

C.5.1.3 Receive at least the same compensation as regular employees performing the same job functions or tasks with similar levels of experience or seniority.

C.6 Timely and Direct Payment of Wages

All wages, including payment for overtime, shall be paid directly and in full within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.

C.7 Accurate Calculation, Recording, and Payment of Wage

All payments to all employees, including hourly wages, piecework, benefits and other incentives, shall be calculated, recorded, and paid accurately.

C.8 Accurate Length of Service Calculation

All employees shall be credited with all-time worked for an employer for purposes of calculating length of service and determine the benefits to which employees are entitled.

C.9 Calculation Basis for Overtime Payments

C.9.1 Employers shall compensate employees for all hours worked.

C.9.2 The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime.

C.9.3 Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country.

C.9.3.1 In those countries where there is no legally established overtime premium, employees shall be compensated for overtime hours at the prevailing industry premium rate or at the internationally recognized overtime rate*, whichever is higher.

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C.10 Overtime Wage Awareness

Employees shall be informed, orally and in writing, in language(s) spoken by employees about overtime wage rates prior to undertaking overtime.

C.11 Nonpayment of Incentives

Regardless of any production quotas, incentives shall not be reduced or not paid if the result shall be wages below the legal minimum wage or the prevailing industry wage, whichever is higher.

C.12 Deposit of Legally Mandated Deductions

C.12.1 All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.

C.12.2 Employers shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g. monthly deposits, weekly pay).

C.12.3 If the law does not specify, then deposits shall be made before the next pay period in all cases.

C.13 Voluntary Wage Deductions

C.13.1 Voluntary wage deductions, including for savings clubs, loan payments, union membership dues, or any other union fees, can only be made with the express and written consent of individual employees unless (in the case of union dues and fees) specified otherwise in freely negotiated and valid collective bargaining agreements. In all cases, voluntary wage deductions must fall within the limits and conditions specified by law.

C.13.2 Written consent for voluntary wage deductions shall be documented in employee files.

C.13.3 All such voluntary deductions shall be credited to proper accounts and employers shall not hold funds illegally or inappropriately.

C.14 Voluntary Wage Deduction / Employees Access to Information

Employees shall have access to regular and full information concerning the status of relevant accounts and the status and level of their payments thereto.

C.15 Pay Statement

C.15.1 Employers shall provide employees a pay statement in languages understood by employees each pay period and not less frequently than once a month, which shall show:

C.15.1.1 earned wages,

C.15.1.2 wage calculations,

C.15.1.3 total number of hours worked,

C.15.1.4 regular and overtime pay,

C.15.1.5 bonuses,

C.15.1.6 all deductions, and

C.15.1.7 final total wage.

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C.16 Compensation Receipt

- C.16.1 All compensation records, including wages and fringe benefits whether in cash or in-kind, must be properly documented and their receipt and accuracy must be confirmed by the relevant employee in writing (e.g. signature, thumbprint).
- C.16.2 No one can receive wages on behalf of an employee, unless the employee concerned has, in full freedom, authorized in writing for another person to do so.

C.17 Record Maintenance

Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date.

C.18 False Payroll Records

- C.18.1 Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.
- C.18.2 Payroll records maintained shall be authentic and accurate.

C.19 Employees Awareness and Understanding of Compensation

- C.19.1 Employers shall make every reasonable effort to ensure employees understand their compensation, including:
 - C.19.1.1 the calculation of wages,
 - C.19.1.2 incentives systems,
 - C.19.1.3 benefits, and
 - C.19.1.4 bonuses they are entitled to at the workplace and under applicable laws.
 - C.19.1.5 Employers shall communicate orally and in writing to all employees all relevant information in the local language or language spoken by the employees, if different from the local language.

C.20 Employer Provided Benefits

- C.20.1 All employees have a right to use or not to use services provided by employers, such as housing or meals.
- C.20.2 Deductions for services to employees shall not exceed the cost of the service to employers.
- C.20.3 Employers must be able to demonstrate the accuracy or reasonableness of these charges.

C.21 Legally Mandated Benefits

- C.21.1 Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible employees within legally defined time periods.
- C.21.2 All benefits shall be calculated correctly.

C.22 Compensation Disputes

Employers must establish a system through which employees can dispute compensation and receive clarifications in this respect in a timely manner.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

C.23 Fair Compensation / Basic Needs

Where compensation for a regular workweek is not sufficient to meet employees' basic needs* and provide some discretionary income*, each employer shall work with Amer Sports to take appropriate actions that seek to progressively realize a level of compensation that does.

C.24 Piece Rate/Minimum Wage

C.24.1 Employers shall not set production targets, piece rates or any other incentive or production system at such a level that employees need to work beyond regular working hours as set under the Amer Sports Ethical Policy, excluding overtime, in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.

C.24.2 Employers shall not set production targets, piecework, or any other incentive or production system at such a level that the payment for overtime work performed is less than the premium pay required by law or the Amer Sports Ethical Policy.

C.25 Wage Advances

C.25.1 Wage advances shall not exceed three months' pay or legal limits, whichever is less.

C.25.2 Advances shall only be made following clearly established rules which have been communicated to employees.

C.25.2.1 Advances must be properly documented and their receipt and accuracy must be confirmed by the relevant employee in writing (e.g. signature, thumbprint).

C.25.3 No interest may be charged for wage advances.

8. Hours of work

Employers shall not require employees to work more than the regular and overtime hours allowed by the law of the country where the employees are employed. The regular work week shall not exceed forty-eight (48) hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed sixty (60) hours. Employers shall allow employees at least twenty-four (24) consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate.

HOW.1 General Compliance Hours of Work

HOW.1.1 Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.

HOW.1.2 If not provided by law, employers must provide protection to employees who allege violations of laws governing work hours.

HOW.2 Rest Day

Employees shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If employees must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.

HOW.3 Meal and Rest Breaks

Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

HOW.4 Protected Employees (Women and Young Employees)/Regulations on Hours of Work

The workplace shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by pregnant or employees under the age of 18.

HOW.5 Protected Employees (Women and Young Employees)/Record Keeping

Employers shall maintain necessary records identifying all women employees and all employees under the age of 18 entitled to legal protection concerning work hours.

HOW.6 Maintenance of Reasonable Levels of Staff

Employers' personnel practices shall demonstrate an effort to maintain a level of staffing that is reasonable in view of predictable or continuing fluctuations in business demand.

HOW.7 Overtime/Calculation over Period Longer than One Week

Employers are allowed to calculate regular hours of work as an average over a period of longer than one week, where national laws, regulations and procedures provide for such a possibility, but only when all formal and procedural requirements attached to such calculation (for instance, obtaining official permission from the relevant authorities or limits to the period during which such calculations can be made) are met. However, the basis for such calculation shall not exceed 48 hours per week.

HOW.8 Forced Overtime/Exceptional Circumstances

HOW.8.1 Employers shall not require employees to work more than the overtime hours allowed by the law of the country where the employees are employed.

HOW.8.2 All overtime work shall be consensual, and employers shall enact a voluntary overtime system, including for overtime utilized in exceptional circumstances*.

HOW.9 Exceptional Circumstance/Overtime Explanation

HOW.9.1 Employers shall be able to provide explanation for all periods when the exceptional circumstances exception has been used.

HOW.9.2 Employers shall take reasonable steps to inform employees about the nature and expected duration of the circumstances sufficiently in advance to allow employees to make alternative plans.

HOW.10 Public Holidays

HOW.10.1 Employers shall provide employees with all official public holidays as required under national laws, regulations and procedures.

HOW.10.2 If not prohibited by local law, any replacement of official holidays with alternative days off must be voluntary and agreed upon in writing by the employee in advance.

HOW.10.3 When using replacement holidays, all legal and Amer Sports requirements regarding overtime and hours of work apply.

HOW.11 Annual Leave

HOW.11.1 Employers shall provide employees with paid annual leave as required under national laws, regulations and procedures.

HOW.11.2 Even where national laws allow employers to pay extra compensation in lieu of paid annual leave, employers shall ensure that this option is not utilized.

HOW.12 Annual Leave/Determination

HOW.12.1 Employers shall not impose any undue restrictions on employees' use of annual leave.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

HOW.12.2 The time at which annual leave is taken is determined by suppliers in consultation with employees, taking into account work requirements and the opportunities for rest and relaxation available to employees.

HOW.13 Annual Leave Procedures

HOW.13.1 Any workplace procedures regulating the timing of annual leave (e.g., requiring a minimum period of service before being allowed to use annual leave, written requests to be submitted a certain time before the annual leave) must be in line with national laws, regulations and procedures.

HOW.13.2 Workplace procedures regulating the timing of annual leave must be communicated in full to all employees.

HOW.14 Annual Leave Wage Payments

Employers shall provide employees taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws, regulations and procedures.

HOW.15 Retaliation for Taking Leave

Employers shall not impose any sanction on employees for requesting or taking any type of leave, such as annual, sick, or maternity, in line with all applicable rules and procedures.

HOW.16 Sick Leave

Employers shall provide employees with sick leave as required under national laws, regulations and procedures.

HOW.17 Sick Leave Restrictions

Employers shall not impose any undue restrictions on sick leave. Any workplace restrictions or procedures regarding sick leave (e.g. informing the supplier as soon as possible, the provision of medical certificates, the use of designated doctors or hospitals) must be in line with national laws, regulations and procedures and must be communicated in full to all employees.

HOW.18 Calculation of Absences

Absences from work for reasons beyond the control of employees, such as sick leave or periods during which workplace operations are suspended, shall not be counted as annual leave nor shall they be deducted from calculations concerning length of service, unless specified differently under national laws, regulations and procedures.

HOW.19 Suspension of Work

HOW.19.1 Employers can only suspend work in accordance with national laws, regulations and procedures.

HOW.19.2 Employees shall be paid in full during periods of suspension, unless national laws stipulate otherwise, employees and their representative organizations agree otherwise, or the relevant national authorities authorize the alternative arrangement.

HOW.19.3 Conditions of suspension should be communicated in full to all employees.

HOW.20 Excessive Hours Reduction

Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

HOW.21 Overtime Hours

Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.

HOW.22 Time Recording System

- HOW.22.1 Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.
- HOW.22.2 Accurate time records shall be maintained by employers, including overtime, breaks, and leave.
- HOW.22.3 Time worked by all employees, regardless of wage system, shall be fully documented by timecards or other mechanical or electronic recording systems.
- HOW.22.4 Employers shall not maintain multiple time-keeping systems and/or records.
- HOW.22.5 Time records maintained shall be authentic and accurate.
- HOW.22.6 If not provided by law, employers must provide protection to employees who allege existence of multiple time-keeping systems or falsification of work time records.

9. Health & Safety and Environmental Standards

Employees are to be provided with a safe and healthy workplace in compliance with applicable laws, ensuring, at a minimum, access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. The same standards of health and safety shall be applied in any housing employers provide for employees. Effective steps shall be taken to prevent potential accidents and injuries to employees' health arising out of, associated with, or occurring in the course of work, by minimizing the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards. All employees shall receive regular and recorded health and safety training, moreover, such training shall be repeated for new and reassigned employees.

In addition to complying with applicable environmental laws and regulations regarding the handling and disposal of chemicals and other dangerous materials, waste disposal and management, Employers strive to reduce negative environmental impacts of their operations and continuously improve the environmental performance.

HSE.1 General Compliance Health, Safety, and Environment

Employers shall comply with all national laws, regulations and procedures concerning health, safety, and the environment.

HSE.2 Document Maintenance/Employees Accessibility and Awareness

All documents required to be available to employees and management by applicable laws (e.g. health and safety policies, MSDS, environmental & Chemical emergency plans) shall be made available in the prescribed manner and in the local language or language spoken by the employees, if different from the local language.

HSE.3 Notification and Record Maintenance

- HSE.3.1 Employers shall notify the relevant national and/or local authorities of all illnesses and accidents and environmental emergencies as required by applicable laws.
- HSE.3.2 All illness, safety, accident, and emergency reports shall be maintained on site for at least one year, or longer if required by law.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

HSE.4 Permits and Certificates

HSE.4.1. Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as:

- HSE.4.1.1 Purchase and storage of chemicals;
- HSE.4.1.2 Fire safety inspections;
- HSE.4.1.3 Machinery inspections;
- HSE.4.1.4 Waste disposal;
- HSE.4.1.5 Environmental licenses/permits;
- HSE.4.1.6 Sanitation permits, including those required for canteens; and
- HSE.4.1.7 Vehicle inspection and driver permits for all employer provided transportation.

HSE.5 Evacuation Requirements

HSE.5.1 All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements:

- HSE.5.1.1 posting evacuation plans;
 - HSE.5.1.2 installation and maintenance of fire alarms;
 - HSE.5.1.3 Installation and maintenance of emergency lighting;
 - HSE.5.1.4 ensuring aisles/exits are not blocked and that employees are not blocked within their workstations;
 - HSE.5.1.5 employee education and training; and
 - HSE.5.1.6 evacuation procedures and fire drills.
- HSE.5.2 Employees shall be trained in evacuation procedures.
- HSE.5.3 Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.
- HSE.5.4 The emergency evacuation plan (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.

HSE.6 Safety Equipment and First Aid Training

HSE.6.1 All safety and medical equipment (e.g. fire-fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to employees.

HSE.6.2 A sufficient number of employees shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.

HSE.7 Personal Protective Equipment

Employees shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

HSE.8 Use of Personal Protective Equipment

Employees shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all employees. Management will ensure use of PPE as necessary.

HSE.9 Chemical Management and Training

HSE.9.1 All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.

HSE.9.1.1 Labels shall be placed in the local language and the language spoken by employees, if different from the local language.

HSE.9.2 Employees shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.

HSE.10 Material Safety Data Sheets/Employees Access and Awareness

HSE.10.1 Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances (e.g. fuel oil, machine oil, detergents, etc.) used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by employees, if different from the local language.

HSE.10.2 Employees shall have free access to MSDS.

HSE.11 Chemical Management/Pregnant Women and Young Employees

To prevent unsafe exposure to hazardous chemicals and hazardous substances, appropriate accommodations shall be made for pregnant women and employees under the age of 18, as required by applicable laws or the provisions of the Amer Sports Ethical Policy, in a manner that does not unreasonably disadvantage employees.

HSE.12 Protection Reproductive Health

Employers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health.

HSE.13 Ventilation/Electrical/Facility Installation and Maintenance

All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to employees in the facility.

HSE.14 Machinery Safety, Maintenance and Employees Training

HSE.14.1 All production machinery, equipment and tools shall be properly guarded, regularly inspected & maintained and attain legally required license/certification. Any disposal of special machinery/equipment, suppliers shall report to the authority to remove the registration if it is legally required.

HSE.14.2 Employees shall receive training in the proper use and safe operation of machinery, equipment and tools they use.

HSE.14.3 Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the employees in language(s) spoken by employees.

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HSE.15 Proper Use of Machinery

Employers shall not use negative incentives like monetary penalty schemes to ensure employees use machinery, equipment and tools safely and properly. Rather, training on risk awareness, proper machine use, as well as positive incentives like bonuses should be used.

HSE.16 Employees Refusal to Use Unguarded or Unsafe Machinery

Employees shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.

HSE.17 Ergonomics

HSE.17.1 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.

HSE.17.2 Employers shall train employees in proper lifting techniques, and items such as lifting belts shall be provided.

HSE.18 Medical Facilities

HSE.18.1 Medical facilities shall be established and maintained in factories as required by applicable laws.

HSE.18.2 Medical staff shall be fully licensed and recognized under applicable national rules and regulations.

HSE.18.2.1 An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under national law.

HSE.18.3 An appropriate stock of medical supplies shall be maintained at all times.

HSE.18.3.1 Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner.

HSE.19 Sanitation in Workplace Facilities

All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.

HSE.20 Toilets

Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. In addition, the following should also be considered: number of toilets based on number of employees, privacy for each individual and gender, accessibility and hygiene.

HSE.21 Toilets/Restrictions

Employers shall not place any undue restrictions on toilet use in terms of time and frequency.

HSE.22 Food Preparation

HSE.22.1 All food made available to employees shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws. Food preparation areas shall be separated from the work/sleeping area if applicable.

HSE.22.2 All employees handling food must be trained and/or certified to work in the facility preparing or serving food.

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HSE.23 Drinking Water

HSE.23.1 Safe and clean drinking water shall be freely available at all times, reasonable distance of the workplace.

HSE.23.1.1 Drinking water shall be of a reasonable temperature.

HSE.23.1.2 The means to drink water (e.g. cups) must be safe and sanitary and available in an appropriate number.

HSE.24 Drinking Water/Restrictions

Employers shall not place any undue restrictions on drinking water in terms of time and frequency.

HSE.25 Dormitory Facilities

HSE.25.1 Dormitory facilities, including those provided by employment agencies or intermediaries associated with the employer, shall meet all applicable laws and regulations related to health, safety, and environment, including fire safety, sanitation, risk protection and electrical, mechanical, and structural safety.

HSE.25.1.1 All dormitories shall be kept secure, clean, and have safety provisions (e.g. fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting).

HSE.25.2 Emergency evacuation drills shall also be conducted at least semi-annually.

HSE.26 Dormitories Separate from Production Facilities

All dormitory facilities must be structurally sound, in good repair, and located separately from production, warehouse and hazardous chemical storage areas.

HSE.27 Childcare Facilities/Children on Premises

HSE.27.1 Childcare facilities shall not physically overlap with production areas and children shall not have access to production areas.

HSE.27.2 Children under the minimum working age shall not be allowed in workplace areas at any time, unless they are part of a guided school tour or other such unusual event.

HSE.27.3 All childcare employees must be fully trained and licensed to provide the level of care necessary at the factory. Where local legal requirements are missing, childcare employees must have at least some vocational training for childcare.

HSE.27.4 Childcare facility hours must match the working hours of the factory shift schedule, following any regulations provided by local law.

HSE.28 External Contractors

Employers shall create a system to ensure that all necessary Health and Safety protections are provided for external contractors; including protection when working within confined spaces, maintenance issues, and general Health and Safety Issues.

HSE.29 High-Risk Areas

Employers shall provide all necessary protection for employees when working at heights, confined spaces, and other high-risk areas.

HSE.30 Health, Safety & Environmental Management System, Policies & Procedures

HSE.30.1 Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

Amer Sports Ethical Policy concerning health, safety, and environmental standards, regulations and procedures.

- HSE.30.2 The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:
- HSE.30.2.1 employers' responsibilities;
 - HSE.30.2.2 employees' rights and duties;
 - HSE.30.2.3 responsibilities of designated personnel;
 - HSE.30.2.4 procedures that enable employees to raise health, safety, and environmental concerns;
 - HSE.30.2.5 procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies;
 - HSE.30.2.6 protections to employees who allege health, safety, and environmental violations;
 - HSE.30.2.7 conducting root cause analysis on workplace accidents and taking proactive action to prevent future accidents.
- HSE.30.3 Environmental policies shall include procedures to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.

10. Freedom of association and the right to collective bargaining

Employers respect the rights of employees to freedom of association, and the right to organize and collectively bargain without penalty or interference. Employees are free to join an organization of their choosing and that their doing so will not result in any negative consequences to them. Employees are allowed to freely elect their own representatives. When the right to freedom of association and collective bargaining is restricted under law, employers shall not obstruct legal alternative means of employees association.

FOA.1 General Compliance Freedom of Association

- FOA.1.1 Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of employees to organize and bargain collectively. Where local laws and Amer Sports Ethical Policy differ, the employer is expected to follow the highest applicable standard.
- FOA.1.2 If not provided by law, employers must provide protection to employees who allege violations of freedom of association.

FOA.2 Right to Freely Associate

Employees, without distinction whatsoever, shall have the right to establish and to join organizations of their own choosing, subject only to the rules of the organization concerned, without previous authorization. The right to freedom of association begins at the time that employees seeks employment and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired employees.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

FOA.3 Alternative Means of Association

When the right to freedom of association and collective bargaining is restricted under law, suppliers shall not obstruct legal alternative means of employees association.

FOA.4 Anti-Union Violence, Harassment or Abuse

FOA.4.1 Employers shall not use any form of physical or psychological violence, threats, intimidation, retaliation, harassment or abuse against union representatives and employees seeking to form or join an organization of their own choosing.

FOA.4.1.1 Such practices shall not be used against employees' organizations or employees participating or intending to participate in union activities, including strikes.

FOA.5 Anti-Union Discrimination/Dismissal, Other Loss of Rights, and Blacklisting

FOA.5.1 Employers shall not engage in any acts of anti-union discrimination or retaliation, i.e. shall not make any employment decisions which negatively affect employees based wholly or in part on a employees' union membership or participation in union activity, including the formation of a union, previous employment in a unionized facility, participation in collective bargaining efforts or participation in a legal strike.

FOA.5.1.1 Employers shall not use blocklists to restrict freedom of association, for instance blocklists based on union membership or participation in union activity.

FOA.6 Restoration of Employees Rights/Reinstatement

Employees who have been unjustly dismissed, demoted or otherwise suffered a loss of rights and privileges at work due to an act of union discrimination shall, subject to national laws, be entitled to restoration of all the rights and privileges lost, including reinstatement and retroactive payment of wages, if they so desire.

FOA.7 Protection of Union Representatives

Employers shall comply with all relevant provisions where national laws provide special protection to employees or employee representatives engaged in a particular union activity (such as union formation) or to employee representatives with a particular status (such as founding union members or current union office holders).

FOA.8 Production Shift/Workplace Closure

FOA.8.1 Employers shall not (threaten to) shift production or close a workplace site in an attempt to prevent the formation of a union, in reaction to the formation of a union, in reaction to any other legitimate exercise of the right to freedom of association and collective bargaining, including the right to strike, or in an effort to break up a union.

FOA.8.2 If a workplace is closing and there is a dispute that the closure was done to prevent or hamper the legitimate exercise of the right to freedom of association, suppliers shall provide proof that can be assessed by a third party to determine the validity of the reasons given for closure.

FOA.9 Severance Pay

Employers shall not offer or use severance pay in any form or under any other name as a means of contravening the right to freedom of association, including attempts to prevent or restrict union formation or union activity, including strikes.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

FOA.10 Employers Interference

Employers shall refrain from any acts of interference with the formation or operation of employees' organizations, including acts which are designed to establish or promote the domination, financing or control of employees' organizations by employers.

FOA.11 Employers Interference/Constitution, Elections, Administration, Activities and Programs

FOA.11.1 Employers shall not interfere with the right of employees to:

FOA.11.1.1 Draw up their constitutions and rules;

FOA.11.1.2 Elect their representatives; or

FAO.11.1.3 Organize their administration and activities.

FOA.12 Employer Interference/Registration

Employers shall not attempt to influence or interfere in any way, to the detriment of employees' organizations, with government registration decisions, procedures and requirements regarding the formation of employees' organizations.

FOA.13 Employer Interference/Favoritism

FOA.13.1 Employers shall not interfere with the right to freedom of association by favoring one employees' organization over another.

FOA.13.1.1 In cases where a single union represents employees, suppliers shall not attempt to influence or interfere in any way in employees' ability to form other organizations that represent employees.

FOA.14 Employer Interference/Police and Military Forces

Employers shall not in any way threaten the use of or use the presence of police or military, to prevent, disrupt or break up any activities that constitute a peaceful exercise of the right to freedom of association, including union meetings, assemblies and strikes.

FOA.15 Facilities for Employee Representatives

Employee representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.

FOA.16 Right to Collective Bargaining/Good Faith

FOA.16.1 Employers shall recognize the rights of employees to free and voluntary collective bargaining with a view to the regulation of terms and conditions of employment by collective agreements.

FOA.16.2 Employers and employee representatives shall bargain in good faith, i.e. engage in genuine and constructive negotiations and make every effort to reach an agreement.

FOA.17 Right to Collective Bargaining/Exclusive Bargaining and Other Recognized Unions

Employers shall bargain with any union that has been recognized by law or by agreement between the Employers and that union, provided such agreement does not contravene national law, as a, or the exclusive, bargaining agent for some or all of its employees.

FOA.18 Right to Collective Bargaining/Unorganized Employees

Employers can only engage in collective bargaining with representatives of unorganized employees when no employees' organization exists.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

FOA.19 Right to Collective Bargaining/Compliance with Collective Bargaining Agreement

- FOA.19.1 Employers, unions and employees shall honor in good faith, for the term of the agreement, the terms of any collective bargaining agreement they have agreed to and signed.
- FOA.19.2 Employee representatives and employees shall be able to raise issues regarding compliance with a collective bargaining agreement by employers without retaliation or any negative effect on their employment status.
- FOA.19.3 Where a union exists in the workplace, employers shall make available a copy of the collective bargaining agreement to all employees and other interested parties.

FOA.20 Right to Collective Bargaining/Validity of Collective Bargaining Agreement

- FOA.20.1 Collective bargaining agreements that have not been negotiated freely, voluntarily and in good faith shall be considered not applicable.
- FOA.20.2 Provisions in collective bargaining agreements that contradict national laws, rules and procedures or offer less protection to employees than provisions of the Amer Sports Ethical Policy shall also be considered not applicable.

FOA.21 Rights of Minority Unions and their Members

Unions not recognized as a bargaining agent of some or all of the employees in a facility shall have the means for defending the occupational interests of their members, including making representations on their behalf and representing them in cases of individual grievances and disciplinary actions, within limits established by applicable law.

FOA.22 Right to Strike/Sanction for Organizing or Participating in Legal Strikes

Employers shall not impose any sanction on employees organizing or having participated in a strike in accordance with ILO standards and jurisprudence.

FOA.23 Right to Strike/Replacement Employees

Employers shall not hire replacement employees in order to prevent or break up a strike that is in accordance with ILO standards and jurisprudence, or to avoid negotiating in good faith.

11. Protection of Intellectual Property

Employers avoid directly or indirectly infringing or misappropriating any patent, trademark, copyright, trade secret, or other intellectual property right of any third party, or otherwise violate any rights of any third party in the manufacturing process.

IP.1 General Compliance

Suppliers shall comply with all laws and regulations concerning intellectual property protection.

IP.2 Management System for Intellectual Property (IP) Protection

Suppliers shall establish a management system to protect intellectual property rights of Amer Sports and its subsidiary brands including:

- IP.2.1 Establish a policy and procedure for intellectual property protection
- IP.2.2 Assign a staff for implementing the IP policy
- IP.2.3 Regularly monitor the implementation of the policy
- IP.2.4 Review the IP policy and define actions to further improve its policy and procedure

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

12. Communication to employees

Employers shall take appropriate steps to ensure that this Ethical Policy is communicated to employees through a prominent posting of this Ethical Policy in languages that employees understand. The Ethical Policy is also available on Amer Sports' web site www.amersports.com. Employers shall establish effective grievance mechanisms which are accessible directly to employees who may be impacted by adverse human right issues. Employers shall ensure that reviews of grievance issues are conducted in a fair, credible and effective manner without any retaliation.

- COM.1.1 Suppliers shall post Amer Sports Ethical Policy in a prominent place, and in local languages spoken by employees and managers
- COM.1.2 Suppliers shall conduct and document in writing a training on Amer Sports Ethical Policy for all new hire and ANNUAL trainings to all current employees, including frontline employees, supervisors and managers.
- COM.1.3 Suppliers shall conduct and document an annual training on Amer Sports' grievance channel for all new hire and current employees, including frontline employees, supervisors and managers.
- COM.1.4 Suppliers shall provide proof of compliance with the above benchmarks on an annual basis or as requested in the form of photos and documents.

13. Privacy of Data

Employers respect the privacy of their employees. All personal data collected or held will be processed in a fair, discreet and lawful manner that protects the privacy of individuals.

14. Prohibition of corruption & bribery

Employers do not engage in the giving or receiving, directly or indirectly, of bribes, kickbacks, other illicit payments or improper benefits intended to achieve business advantage or financial gain. Situations that involve a conflict or the appearance of a conflict between duty to Employers and personal interest shall be avoided.

15. Subcontracting

Suppliers shall not subcontract finished goods or components production work without prior written approval from Amer Sports. Employers shall monitor its authorized subcontractors (if any) to ensure compliance with this Ethical Policy.

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Glossary of Terms

BASIC NEEDS. The minimum necessary for a worker and two dependents to have access to resources, including food, safe drinking water, clothing, shelter, energy, transportation, education, sanitation facilities, access to health care services, and other essential needs including provisions for unexpected events. Where internationally recognized living wage benchmarks are available (such as the regionally specific Anker research methodology*), a more specific family size is utilized.

BENEFIT. Remuneration in cash or in kind, in addition to payment for work done. This takes the form of holidays or leave with pay, social security benefits, medical care, health services, various allowances and bonuses, and housing, educational or recreational facilities. Additional benefits may be granted by the employer, either on their own initiative or as a result of collective bargaining. Not all legally mandated benefits or contributions can be included when evaluating workers' compensation against internationally recognized living wage benchmarks.

COMPENSATION. Total remuneration, in cash and in kind, payable by the employer to an employee in return for work done by the latter during a specific pay period. Compensation of employees has two main components:

- a) Wages and salaries payable in cash and/or direct or electronic deposit;
- b) The amount of benefits payable by employers.

CONTINGENT WORKER (also known as casual worker). A person who works occasionally and intermittently. Such workers are employed for a specific number of hours, days or weeks.

DISCRETIONARY INCOME. The remaining income of a worker after taxes, legal deductions, and basic needs expenses.

EMPLOYMENT FEES. All costs associated with the recruitment, compensation, training, and ongoing employment of a worker. These may include, but are not limited to: recruitment fees and related costs, as well as illegitimate costs, legal filing fees, registration fees, social security, training costs, health examination costs, and personal protective equipment costs.

EXCEPTIONAL CIRCUMSTANCES. Events or circumstances which substantially disrupt production and which are out of the ordinary and out of the control of the employer, including earthquakes, floods, fires, national emergencies, force majeure, or periods of prolonged political instability. The definition does not include peak production periods, which can be planned for, or holidays or seasonal fluctuations.

INTERNATIONALLY RECOGNIZED OVERTIME RATE. The internationally recognized rate of pay for work beyond regular hours. ILO Convention 30, Hours of Work (Commerce and Offices) Convention, Article 7.4, establishes such rate at no less than one-and-a-quarter times the regular rate.

MANAGEMENT. Person or persons appointed by the owners or directors of an applicable facility to supervise or manage its operations.

PRECARIOUS EMPLOYMENT. Work arrangement where employment security, which is considered one of the principal elements of the labor contract, is lacking. This term encompasses temporary and fixed-term labor contracts, home workers, contract workers, and contingent workers.

PREVAILING WAGE. The level of wage generally paid in the relevant country or region of the country for work in the same sector and for comparable levels of responsibility and experience.

* Please see the glossary at the end of this document for the FLA's definition of this and other terms.

REGULAR WORKER. A person with a permanent, full-time position in the factory

RETRENCHMENT. The permanent dismissal of an employee or employees in order to reduce the workforce.

TEMPORARY WORKER. A person with a labor contract of limited or unspecified duration with no guarantee of continuation.

YOUNG WORKERS. Persons between the minimum working age and the age of 18.

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