



LUHTA SPORTSWEAR COMPANY

SUPPLIER AND PARTNER CODE OF CONDUCT

Introduction

Luhta Sportswear Company's (hereinafter "Luhta Group") mission is to make products that last from one generation to another. We aim to reach this goal by making sustainable choices throughout our business operations. Our suppliers and partners are at the core of our goal, and it is integral that we work together for a better future. We are committed to continuously improving our processes and invite you to join us in building a more sustainable and responsible approach to delivering high-quality products.

We have recently reviewed and updated our Code of Conduct and related policies in order to reflect the improvements we have achieved during 2024.

Luhta Group's Code of Conduct applies to Luhta Group itself, and its business partners (such as suppliers, sub-suppliers, manufacturers, service providers and other business partners (hereinafter: "**Partners**" and individually "**Partner**" as the context may require)). Luhta Group's Code of Conduct draws its foundation from several internationally recognized frameworks and principles, including but not limited to UN Guiding Principles on Business and Human Rights, United Nations Universal Declaration of Human Rights, the Conventions of the International Labour Organisation (hereinafter: "**ILO**"), the United Nations Convention on the Rights of the Child, the United Nations Convention on the Elimination of All Forms of Discrimination against Women and the amfori BSCI Code of Conduct.

Compliance with this Code of Conduct is mandatory for all Partners. The principles set forth in this Code of Conduct are to be regarded as minimum requirements for both Luhta Group and Partners and they are to be exceeded whenever possible. In case of any conflict between these above-mentioned requirements, Luhta Group and Partners shall actively seek ways to abide by the requirements that provide the highest protection to workers and environment.

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

In Lahti, Finland, on the 21 March 2025.

Juha Luhtanen
Chief Executive Officer
Luhta Sportswear Company



What do we expect from our Partners?

1. Compliance

Luhta Group is dedicated to respecting and upholding human rights throughout its entire value chain, including its suppliers and their sub-contractors. We require our suppliers, as well as any subcontractors they may engage, to align their business practices with the principles outlined by Luhta Group. To this end, we expect our suppliers to adhere to this Code of Conduct and ensure its implementation among their subcontractors.

By signing this Code of Conduct, all Partners also expressly commit to comply with its attachments (Amfori BSCI Code of Conduct, Human Rights Commitment, Labour Rights Policy, Restricted Substance List, Environmental Policy and Animal Welfare Policy), all applicable national and international laws and regulations, industry minimum standards, UN Guiding Principles on Business and Human Rights, and the relevant international Conventions, such as the Conventions of the ILO, the United Nations Convention on the Rights of the Child and the United Nations Convention on the Elimination of All Forms of Discrimination against Women. All Partners must ensure that their own workers are familiar with this Code of Conduct and its related policies, as well as local laws and regulations concerning their own work. All Partners must also pass this Code of Conduct and its attachments to their sub-contractors and ask them to share it with the sub-contractors' workers. We also expect our Partners to have a continuous dialogue with their sub-contractors regarding compliance with this Code of Conduct and its attachments. This Code of Conduct and its attachments are part of all contracts between Luhta Group and Partners.

2. Respecting Human Rights

Respecting and upholding human rights is paramount to Luhta Group and therefore it requires all of its Partners to demonstrate their compliance with respecting human rights as well. Partners are encouraged to implement a risk based human rights due diligence management system in their business practices as soon as possible in order to assess human rights related impacts and risks of their operations and implement adequate measures to prevent, mitigate, and remediate adverse impacts on people.

2.1 Freedom of Association and Collective Bargaining

Luhta Group recognizes the workers right to form and join trade unions and any other legitimated organizations of their choosing, participate in trade union activities, and to bargain collectively and their doing so must not result in any negative consequences to them (ILO Conventions 11, 87, 98, 135 and 154). Partners must allow its workers to form/join/participate in trade unions or trade unions activities. Please see more in Appendix 3.

2.2 Prohibition of Discrimination, Violence and Harassment

Luhta Group does not accept any discrimination, violence or harassment of workers. Partners must ensure that workers are not subject to any form of violence, harassment, abuse and inhumane or degrading treatment in the workplace. More information: ILO Conventions 100, 111, 143, 158, 159, 169 and 183 and in Appendix 3.

2.3 Fair Remuneration

Luhta Group respects everyone's right to earn a fair remuneration for their work. Partners must also respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally



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granted. Partners must comply, as a minimum, with wages mandated by governments' minimum wage legislation, industry standards approved on the basis of collective bargaining, or the prevailing industry wage, whichever is higher. More information: ILO Conventions 12, 26, 101, 102 and 131 and in Appendix 3.

2.4 Decent Working Hours

Luhta Group respects the international recommendations regarding decent working hours. Luhta Group's Partners must also ensure that workers are not required to work more than allowed by the applicable law or 48 regular hours per week, whichever is less. Possible overtime hours must not exceed the number allowed by the applicable law or 12 hours per week, whichever is less. More information: ILO Conventions 1 and 14 and ILO Recommendation 116 and in Appendix 4.

2.5 Workplace Health and Safety

Luhta Group is committed to providing a healthy and safe workplace for its workers and it recognizes the need to ensure that also all of its Partners also provide a safe and healthy work environment for all of their workers. Please see more information in Appendix 3.

The active co-operation between management and workers, and/or their representatives is essential to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees. Upon request, Partner shall inform Luhta Group about possible establishment of such Committees. (ILO Conventions 155, 184 and ILO Recommendations 164 and 190)

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

2.6 No Child Labour and Special Protection for Young Workers

Luhta Group does not accept child labor and recognizes the vulnerability of young workers. Partners must ensure that they never employ, directly or indirectly, children under the age of 16. Partners must ensure that young workers are protected against conditions of work which are prejudicial to their health, safety, morals and development. Partners must ensure that young workers do not work at night and that the working hours of young workers do not prejudice their attendance at school. More information: ILO Conventions 10, 79, 138, 142 and 182 and Recommendation 146 and in Appendix 3.

2.7 No Precarious Employment

Luhta Group is committed to appropriate processes regarding employment. Partners must also ensure that their recruitment process and employment relationships do not cause insecurity and social or economic vulnerability for their workers. Partners shall ensure that work is only performed on the basis of a recognized and documented employment relationship (documenter contracts or documentary evidence), established in compliance with relevant national legislation, custom or practice, and international labor standards, whichever provides greater protection. Please see more in Appendix 3.

2.8 No Forced Labor



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Luhta Group prohibits all forced labor in its supply chain. Workers must be free to terminate their employment with Partners. More information: ILO Conventions 29 and 105 and in Appendix 3.

2.9 Right to family life

Luhta Group recognizes that all of its employees and the workers of its value chain have the right to family life. Therefore, it is important to promote sufficient work-life balance, so all workers are able to take care of their family and spend time with them.

2.10 Right to religion

Luhta Group respects its employees' right to religion and requires its Partners to respect their workers' right to religion. Luhta Group and its Partners shall arrange a possibility for their workers to practice their religion where applicable.

3. Protection of the Environment

Luhta Group is committed to taking environment into account in its operations. Partners must comply with all applicable environmental laws and regulations in the countries or jurisdictions in which they operate. Partners must obtain and have all required environmental licenses and permits for their operations. Partners are encouraged to implement a process- and risk based environmental due diligence management system in their business practices, and to assess regularly environmental impacts and risks of their operations and implement adequate measures to prevent, mitigate, and remediate adverse impacts on the surrounding communities, natural resources, climate and the overall environment. Please see more in Appendix 5.

3.1 Energy and Climate

Partners are expected to implement effective management practices and to minimize greenhouse gas emissions and other emissions to air through improved efficiency and use of renewable energy sources.

3.2 Water and effluents

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

3.3 Resources and waste

Partners must constantly improve resource efficiency and strive to reduce and minimize waste generation in its operations. Partners segregate, manage, and dispose of all waste in compliance with local and national laws and regulations (e.g. Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal). All hazardous materials shall be handled, transported, stored, used, recycled and disposed of safely.

3.4 Chemicals

Partners must comply with applicable national and international laws (e.g. REACH, POP) regarding environment and chemicals. Moreover, Luhta Group follows and expects its Partners to regularly follow and apply the European Chemical Agency's (ECHA) list of avoidable Substance(s) of Very High Concern ("SVHCs") and controls that the SVHC's in its products do not exceed 0,1% (w/w). Luhta Group shall provide regularly the most recent Restricted

Substance List (Appendix 4) to the Partner and expects the Partner to comply with it rigorously. Please see more information on our Environmental Policy (Appendix 5).

4. Ensuring Animal Welfare

Luhta Group has made the decision not to use real fur sourced from animals in captivity in any of its products. Furthermore, in those products that require materials derived from animals, Luhta Group prohibits the suppliers of such material any form of cruelty to animals. Luhta Group expects that Partners recognise animals as sensitive beings which must be treated with respect and care. Partners shall comply with applicable animal welfare laws and international recommendations relating to animal welfare and ensure that materials derived from animals are from animals that are treated in accordance with applicable animal welfare laws and international recommendations. Please see more information on our Animal Welfare Policy (Appendix 6).

5. Ethical Business Behavior

5.1 Prohibition of Bribery and Corruption

Luhta Group does not accept any form of bribery or corrupt practices. Luhta Group expects Partners to fully comply with applicable national and international laws and regulations concerning bribery and corruption and to conduct business in a professional, fair and lawful manner. All gifts and hospitality must be in compliance with applicable law taking into account bribery and corruption risks as well as potential conflicts of interest.

5.2 Respecting Intellectual Property Rights

As a brand company, Luhta Group highly values intellectual property – its own as well as those of others. Luhta Group therefore expects Partners to operate in accordance with the same principles and to use their best efforts to avoid any infringements of intellectual property rights. Luhta Group requires its Partners to verify that it will not offer infringing intellectual property for Luhta Group to use in its products.

5.3 Avoid Antitrust Issues and Conflict of Interests

Luhta Group is committed to fair and lawful competition and does not accept any violations of applicable national or international competition laws. Luhta Group therefore expects Partners to operate in accordance with the same principles and to use their best efforts to avoid any violations of applicable competition laws. Personal interests of employees or directors of Luhta must not be in conflict with the interests of Luhta Group. Employees or directors of Luhta Group may not engage in competitive business with Luhta Group

5.4 Transparent Communication

To enhance transparency of their activities, Partners must collect and communicate accurate information regarding their activities, structure and performance and Partners shall disclose this information to Luhta Group when requested. In addition, Partners shall provide awareness to the workers about the policies, controls, programs and measures against unethical behavior, and promote compliance with the company through training and communication.

5.5 Protection of Personal Information

Partners must collect, use and otherwise process personal information (including workers, business partners, customers and consumers) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements.



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6. Sub-contractor process

All Partners must provide Luhta Group a list of its sub-contractors and possible available audit reports. Luhta Group may, if it deems imperative, prohibit Partner from using a certain sub-contractor if there is a high risk of human rights violations. Luhta Group has full and sole discretion on the consideration of whether there is a high risk of human rights violations on behalf of the supplier. Luhta Group has also the right to prohibit its Partner from using a particular sub-contractor and changing such sub-contractor to another shall not affect the price and/or delivery times.

7. Monitoring

Partners are responsible for ensuring that the requirements of this Code of Conduct are met in the course of their business. Partners need to ensure that any third parties working on their behalf also abide by this Code of Conduct or adopt similar requirements within their own operations and their value chain.

Luhta Group will monitor its Partners' compliance through continuous dialogue and audits (audits by external third parties and/or Luhta Group's own North Star auditing process). Partners shall agree to have their facilities audited if requested and given sufficient notice by Luhta Group.

8. Complaints and Breaches

All Partners are required to inform Luhta Group immediately should they notice and/or suspect any non-compliance with this Code of Conduct and/or relevant laws and regulations. Partners may contact Luhta Group through Luhta's representative, or should they wish to handle the matter anonymously, Partners may contact Luhta Group through Luhta's whistleblowing channel: <https://luhta.com/b2b/en/content/ilmoituskanava>.

Moreover, all Partners must share the purpose, safeguard mechanism for the person making the report and the address of Luhta whistleblowing channel to its value chain so everyone has easy access to the anonymous whistleblowing channel. All reports from the whistleblowing channel will be processed confidentially.

Luhta Group recognizes the fragmented grievance mechanism frameworks provided by third parties and it is also looking into a complementary grievance mechanism, which would support Luhta Group's operations in the best way.

In case of any human rights violations or other misconduct, Luhta Group is committed to provide remedy and requires its Partners to do the same in cooperation with Luhta Group, where applicable. Luhta Group also requires its Partners to further improve its processes in order to cease non-compliance with this Code of Conduct or any law or regulation as soon as possible in a respectful and inclusive manner. Furthermore, whenever reasonable, Luhta Group shall support and assist its Partners in order to reach better compliance by making corrective plans, providing training and/or other means. Luhta Group shall observe whether Partner is able to remedy the non-compliance and if Partner does not demonstrate sufficient improvement, Luhta Group may terminate its contracts with Partner with immediate effect.



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Approval and updates

This Code of Conduct has been approved by Luhta Group's Board of Directors and CEO. This Code of Conduct is reviewed annually and updated as necessary, but at least every three years.

Luhta Group will provide more regular updates on the RSL list (Appendix 4), which shall not affect the Partners' adherence to the Luhta Supplier and Partner Code of Conduct as a whole.

Version history:

- 001 New policy (2014)
- 002 Updated policy (31.1.2024)
- 003 Updated policy (21.3.2025)

Contact information

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Appendix

- Appendix 1: BSCI Code of Conduct
- Appendix 2: Human Rights Commitment
- Appendix 3: Labour Rights Policy
- Appendix 4: Restricted Substance List (which is currently in effect)
- Appendix 5: Environmental Policy
- Appendix 6: Animal Welfare Policy