

Social Compliance in Action

Founder Sport Group is committed to responsible manufacturing and sourcing of our products, which includes respect for human rights and the environment throughout our operations and supply chain. We have established meaningful and attainable standards, policies and procedures that are fully enforced through our Social Compliance program. The cornerstone of our Social Compliance program is our Founder Sport Group Code of Conduct, which is based on internationally recognized labor and human rights standards. Our Social Compliance program implements this Code of Conduct through education and training; risk assessments, monitoring and remediation; responsible purchasing practices; stakeholder engagement; and driving continuous improvement processes throughout our supply chain.

Founder Sport Group Code of Conduct

At Founder Sport Group (FSG), our business operations are guided by our principles of integrity, transparency, courage, camaraderie, and improvement. These values underpin our commitment to compliance with this Code of Conduct, as well as applicable laws and regulations, in the manufacture of our products. Where there are differences or conflicts with the Code and the laws of the country of manufacture, the highest standard applies. We uphold these standards in our owned facilities and require compliance from our third-party suppliers, contractors, and subcontractors (collectively referred to as “FSG Authorized Facilities”).

FORCED LABOR

Founder Sport Group prohibits the use of forced labor, including prison labor, bonded labor, indentured labor, slavery, human trafficking, or other forms of forced labor.

CHILD LABOR

Founder Sport Group prohibits the employment of any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is higher.

HARASSMENT OR ABUSE

Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse.

NONDISCRIMINATION

No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, color, ethnicity, religion, sexual orientation, disability, social group, age, nationality or political beliefs.

HEALTH, SAFETY AND ENVIRONMENT

FSG Authorized Facilities shall provide a clean, safe, and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. FSG Authorized Facilities shall implement responsible measures to mitigate negative workplace and operational impacts on the environment and the community.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

FSG Authorized Facilities shall recognize and respect the right of employees to freedom of association and collective bargaining.

HOURS OF WORK

FSG Authorized Facilities shall not require workers to work more than the regular and overtime hours allowed by the law of the country where employed. The regular work week shall not exceed 48 hours. FSG Authorized Facilities shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. FSG Authorized Facilities shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

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. FSG Authorized Facilities 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 fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with FSG to take appropriate actions that seek to progressively realize a level of compensation that does.

EMPLOYMENT RELATIONSHIP

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

CONFIDENTIAL REPORTING AND NON-RETALIATION

Employees shall be allowed to raise questions and/or concerns to management or other appropriate staff about workplace practices or conditions related to this Code. Retaliation against any employee who reports suspected non-compliance is strictly prohibited. If an employee does not feel comfortable using the facility's internal reporting channels, Founder Sport Group has established an additional confidential reporting channel. To report any concerns regarding facility compliance with the Code, please contact: compliance@foundersportgroup.com.



HQ-level Code implementation. Our compliance management system includes the below key elements.

Head office and regional training. We provide annual trainings for all global employees on our Code of Conduct standards, grievance mechanisms, and related company policies. In addition, specialized training has been provided for employees involved in manufacturing and sourcing products on topics such as forced labor risk and regulatory developments, how to identify potential and common “red flags”, and internal processes for ensuring compliance.

Monitoring and Remediation. In our owned facilities, we monitor compliance through internal safety incident reporting and inspections as well as annual third-party audits to the Code of Conduct and local legal requirements. We use a cloud-based compliance management system where we track inspections and audits, analyze root causes and corrective actions, and review the progress and effectiveness of remediation. This platform provides transparency and drives accountability in ensuring that corrective actions are implemented and closed in a timely manner.

In our selection process of new third-party manufacturing partners, we conduct risk assessments of potential suppliers, require certifications of compliance with our Social Compliance Policies and Procedures, and require completion of a pre-sourcing Code of Conduct audit prior to production. Through this process, we aim to select suppliers who share our commitment to responsible labor practices. Once a supplier is approved as an authorized facility, we continue to apply a risk-based approach to assessing and monitoring facility compliance and driving improvements in performance. Audits are performed primarily by our designated third-party audit firm, Elevate Global Limited, which is an industry leader in social compliance and ESG (environment, social and governance) services. We work collaboratively with our authorized facilities to address and remediate any non-compliance issues identified and promote preventative solutions aimed at improving compliance management.

Responsible Purchasing Practices. We are committed to adopting responsible planning and purchasing practices to identify and address upstream decision-making processes that can impact working conditions. As a manufacturer, owning our facilities and managing our own operations allows us better visibility and alignment between sales, planning, and manufacturing to meet customer expectations in quality and delivery, while at the same time adhering to our Code of Conduct standards. Our planning team oversees our executive S&OP process to review sales trends, update our forecasts and capacity plans, and develop action plans to help ensure full team alignment in achieving the company's goals. This team also works closely with our third-party manufacturers, providing our suppliers with long range 12-24-month forecasts and engaging in open dialogue about any challenges in executing the plans. We work together with our suppliers to adapt to any changes in the forecast, while mitigating potential negative impacts on employees by evaluating alternative options to meet the customer's delivery dates, such as expedited shipping or resourcing to another facility.

Stakeholder Engagement. Protecting labor rights and improving the health, safety, and wellbeing of workers and communities in global supply chains requires a collective approach. Founder Sport Group engages with a variety of stakeholders, from local community health organizations to international multi-stakeholder initiatives in order to maximize our impact. We are an

affiliated member of the Fair Labor Association and participate in the ILO Better Work program.



Facility-Level Code implementation. Our commitment to responsible manufacturing and sourcing is evidenced in the ways that we put our principles into action. This means cascading the rights and responsibilities enshrined in our global Code of Conduct into the practical, everyday application and exercise of those rights and responsibilities at the factory level.

Code of Conduct Implementation and Monitoring Requirements

Founder Sport Group strives to choose reputable business partners who are committed to ethical standards and business practices aligned to our company. At a minimum, we expect our authorized facilities to comply with all applicable legal requirements with respect to their operations and employment. All FSG authorized facilities must also agree to implement the FSG Code of Conduct and benchmarks. FSG has adopted the Fair Labor Association (FLA) compliance benchmarks in the implementation of its Code (the “FLA Workplace Code of Conduct and Compliance Benchmarks”).


To remain an authorized facility, the following Code implementation steps are required:

- ☑ Identify and train designated compliance staff responsible for Code of Conduct implementation and compliance management.
- ☑ Provide new hire and annual refresher trainings to employees on their rights and responsibilities under the Code of Conduct, and include:
 - ⇒ (1) the facility’s internal grievance procedures and reporting channels, (2) Founder Sport Group’s confidential reporting channel (i.e., the compliance@foundersportgroup.com email contact on Code posters), and (3) the facility nonretaliation policy.
 - ⇒ Training must be documented with attendance sheets in manual or electronic form.
 - ⇒ Good Practice: Make training interactive to engage participants and create a fun and effective learning environment. There should be at least one method to measure the effectiveness of training (e.g., quiz or survey).
- ☑ Ensure employees have access to functioning grievance mechanisms,


which include multiple reporting channels (of which at least one is confidential). Employers shall not discipline, dismiss, or discriminate against any employee for utilizing grievance channels.

- ☑ Cooperate in any announced or unannounced Code of Conduct assessments (conducted by Founder Sport Group or its designated representatives, customers, or on behalf of the Fair Labor Association). For the purposes of such assessments, the supplier and/or factory will provide unrestricted access to Code of Conduct-related records and documents (e.g., personnel files, payroll, time records, policies and procedures, licenses and permits, etc.); all areas of the facility (including canteen and dormitories, if applicable); and allow for confidential discussions with workers to be conducted.
- ☑ Collaborate with Founder Sport Group to remediate in a timely manner any findings of non-compliance, prevent reoccurrence of non-compliance, and continuously improve social and environmental performance.


Code of Conduct implementation




Accountability
Assign responsibility for compliance. Identify and train designated compliance staff.




Education
Provide new hire and refresher training on the Code of Conduct.



Grievance Mechanisms
Provide multiple means for employees to report, including a confidential channel.



Audits & Worker Surveys
Cooperate in announced or unannounced audits and worker surveys.



Remediation
Collaborate with FSG on remediation and continuously improve performance.

[Statement on the XUAR](#)

