

Kappahl

HUMAN RIGHTS POLICY

DOCUMENT OWNER

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VERSION

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OUR POSITION

At Kappahl, we respect human rights. We recognize our responsibility to protect human rights and our ability to contribute to the advancement of human rights in the world. We believe that these issues are essential to our business and sustainable growth and important to all of us who work at Kappahl, as well as our owner, customers, business partners, human rights organizations, regulators, and to the communities where we operate.

OUR HUMAN RIGHTS COMMITMENT

We commit to seek to prevent adverse human rights impacts through proactive due diligence aligned with the UN Guiding Principles on Business and Human Rightsⁱ. We commit to provide access to effective remedy in the event that we cause or contribute to an adverse impact on people or society. We work continuously to embed human rights considerations in all relevant business decisions. Our commitment applies globally, in the markets and communities involved in or affected by our own operations, our products and services, and our business relationships, including our supply chain. In addition, Kappahl will continue to work to find new ways to promote and advance human rights.

Kappahl's policy adheres to international standards for human rights. Our definition of human rights follows the International Bill on Human Rights (consisting of the Universal Declaration of Human Rightsⁱⁱ, the International Covenant on Civil and Political Rightsⁱⁱⁱ, and the International Covenant on Economic, Social and Cultural Rights^{iv}) as well as the International Labor Organization's Declaration on Fundamental Principles and Rights at Work^v and the Convention on the Elimination of All Forms of Discrimination against Women^{vi}.

Our policy is also informed by the Ethical Trading Initiative's Base Code^{vii}, which applies to Kappahl as a member of the organization and is an integral part of our Sustainability Commitment^{viii}.

KEY AREAS OF IMPACT

We conduct continuous human rights assessments, informed by internal and external stakeholders who are impacted by and/or have an impact on our business^{ix}, to determine our human rights issues. The assessment builds on the recommendations set out in the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector^x.

Kappahl's human rights issues are identified to be: child labor, employment security and employer/employee relationship, equality, fair/living wages and compensation, forced or bonded labor, freedom of association and collective bargaining, health and safety, migrant workers, harsh or inhuman treatment and harassment, non-discrimination, and working conditions and -hours. For these we have identified three priority areas of impact:

HUMAN RIGHTS AND RESPONSIBILITIES OF OUR EMPLOYEES

All Kappahl employees deserve to be treated with integrity and respect. We all have a responsibility, individually and collectively as Kappahl employees, to bring this policy and our commitments to life in our everyday work and interactions.

We implement our Human Rights Commitment through our Ethical Guidelines that includes provisions on salient human rights issues such as on non-discrimination and harassment. We are committed to be a diverse and inclusive workplace. Our policies on equality, diversity and recruitment guide us and help us foster a culture in which every employee, customer, job candidate and business partner is treated with respect.

HUMAN RIGHTS FOR THE PEOPLE IN OUR SUPPLY CHAIN

We have a responsibility to respect the human rights of the people who make our products and provide goods or services to our operations. Through our supply chain strategy, capacity-building activities and purchasing practices, we strive for safe, healthy, and fair working conditions and that people are treated with dignity and respect.

We implement our Human Rights Commitment through our Sustainability Commitment and engage with our business partners to address, prevent and remedy adverse impacts.

To influence and drive development forward in the production countries, we are active and involved in several partnerships and industry initiatives.

HUMAN RIGHTS WITH REGARD TO OUR CUSTOMERS

We have a responsibility to respect the rights of the people who wear and use our products. We set strict requirements, which adheres to the precautionary principle on product safety and chemicals, and work in a rigorous process with our suppliers with testing and when required corrective actions. In our marketing and communication, we work for increased transparency, and use our platform to promote human rights issues such as equality, diversity and inclusivity.

GOVERNANCE

While human rights are the responsibility of all of us at Kappahl, executive oversight and responsibility for the implementation of this policy rest with the Executive Management Team and the Sustainability Matrix Organization at Kappahl. Strategies, policies and practices relating to human rights and sustainability are reviewed and updated on a yearly basis to support the sustainable growth of Kappahl's business. The Board of Directors oversees implementation of this policy at the board level.

IMPLEMENTATION

As a company with operations in different countries and in different parts of the world, we can from time to time face situations where local laws conflict with international human rights standards. Should such circumstances arise, Kappahl will comply with all applicable laws while seeking ways to respect the international human rights standards to the greatest extent possible.

We are committed to conducting ongoing human rights due diligence and to engage with our key stakeholders in the countries where we are active. We expect all our employees to avoid causing or contributing to adverse human rights impacts whenever acting in a Kappahl context. We should all work to embed our principles on human rights in all daily business and decision-making at Kappahl, and into all of our policies and processes. If any of our employees identifies potential or actual adverse impacts on human rights, we expect the employee to inform the relevant function within Kappahl about such impacts.

Our whistle-blower system is available for employees to raise concerns about potential violations of our human rights policy and Ethical Guidelines. Any concerns are addressed using a robust internal process, and we regularly update our policies and practices based on our findings. At the supplier factory level, we support freely elected worker representation for social dialogue through where grievances can be expressed.

We report on our progress in our annual Sustainability Report.

REFERENCES

- ⁱ United Nations (2011), Guiding Principles on Business and Human Rights. https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- ⁱⁱ United Nations (1948), Universal Declaration of Human Rights. https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf
- ⁱⁱⁱ United Nations (1966), International Covenant on Civil and Political Rights. <https://treaties.un.org/doc/publication/unts/volume%20999/volume-999-i-14668-english.pdf>
- ^{iv} United Nations (1966), International Covenant on Economic, Social and Cultural Rights. https://treaties.un.org/doc/Treaties/1976/01/19760103%2009-57%20PM/Ch_IV_03.pdf
- ^v ILO (1998), ILO Declaration on Fundamental Principles and Rights at Work. https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/normativeinstrument/wcms_716594.pdf
- ^{vi} United Nations (1981), Convention on the Elimination of All Forms of Discrimination against Women. <https://www.ohchr.org/documents/professionalinterest/cedaw.pdf>
- ^{vii} Ethical Trading Initiative (2018), The ETI Base Code. https://www.ethicaltrade.org/sites/default/files/shared_resources/ETI%20Base%20Code%20%28English%29.pdf
- ^{viii} Kappahl (2021), Sustainability Commitment Kappahl and all Business Partners. <https://www.kappahl.com/globalassets/corporate/sustainability/documents/kappahl-sustainability-commitment.pdf>
- ^{ix} Kappahl Sustainability Report. <https://www.kappahl.com/en-US/about-kappahl/sustainability/responsible-fashion/sustainability-report/>
- ^x OECD (2018), OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264290587-en>