



Modern Slavery & Human Trafficking Statement



Statement on modern slavery and human trafficking

RVRC Holding AB (publ) ("RVRC"), together with its subsidiaries, the "Group" or we, reject all kinds of modern slavery and human trafficking.

RVRC does not tolerate any form of forced labour or child labour.

RVRC makes this statement in accordance with section 54 of the UK Modern Slavery Act 2015. The statement describes the measures we take to reduce the risk of modern slavery and human trafficking in our supply chain and thereby comply with the Modern Slavery Act 2015.

The statement is valid for the financial year ending the 30th of June 2022.

Our business and supply chain

RVRC designs high-quality, colourful and affordable outdoor products. Our products are sold D2C (Direct-to-Consumer). The company is based in Borås, Sweden. In the financial year 2021/2022 RVRC were 126 employees and had a turnover of SEKm 1,331.5 (EURm 118).

RVRC does not have own production facilities. All products are produced with supply chain partners. The apparel supply chain is fragmented, complex and historically intransparent increasing the risk of harmful social impacts including modern slavery and human trafficking.

Our direct business partners are manufacturing (Tier 1) and trims companies. Our indirect business partners are fabric mills and dye houses (Tier 2), yarn mills (Tier 3) and raw material suppliers e.g. cotton farms, polymer producers (Tier 4).

To ensure high quality, compliance and transparency RVRC strives to keep its supplier base small and based on long-term relationships. These trust-based relationships also support an open dialogue on social and environmental conditions.

In the financial year 2021/2022 we worked with 30 manufacturers in 8 different countries.

Policies regarding modern slavery and human trafficking

Our management approach to responsible business conduct includes a number of policies, of which some of them are relevant to modern slavery and human trafficking.

The policies are based on the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the core conventions of the International Labour Organization (ILO).



RVRC Code of Conduct

Our Code of Conduct defines clear standards and expectations to all employees on how we act in our daily work and in our various business relationships. It includes binding rules on conduct with respect to human rights, business ethics and the environment. We explicitly forbid any form of forced labour, involuntary or uncompensated work and child labour.

RVRC Supplier Code of Conduct

The RVRC Supplier Code of Conduct defines principles of human rights, labour and social standards as well as business ethics and environmental standards, that we require our partners in the supply chain to comply with. All direct suppliers are obliged to sign and comply with our Supplier Code of Conduct and to take measures to ensure that their suppliers are observing the Code of Conduct.

RVRC is a member of the business association Amfori, a recognized international business association for open and sustainable trade. To increase understanding and reduce complexity for suppliers, our Supplier Code of Conduct is based on the fundamental principles of the Amfori BSCI Supplier Code of Conduct.

In the chapter “No Bonded Labour”, we reject any form of forced and bonded labour.

In 2021/2022 97% of our suppliers had signed our Supplier Code of Conduct.

Due diligence processes, risk assessment and monitoring

Modern slavery and human trafficking are very real and global risks for workers in the apparel supply chain. We identify, assess and monitor the social and environmental risks in our supply chain based on the OECD Guidelines for Multinational Enterprises (2011), the OECD Due Diligence Guidance for responsible business conduct (2018), and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (2018).

The purpose is first to diligently identify, evaluate and monitor potential and actual social and environmental risks and adverse impacts in our supply chain. Second, it is to prevent and remediate such risks and impacts.

Our risk screening is two dimensional and combines risks in the country of production with product and sector specific risks. Our country risk screening is based on various sources like the World Bank Governance Indicators. Our product and sector specific risks are based on the OECD sources and a broad collection of industry research. Every product and sector specific risk is defined according to its likelihood and its severity in terms of scale, scope and irreparable character.



Our due diligence specifically addresses the risk of forced labour. We identified increased risk of forced labour across countries and sub-sectors when migrant workers are employed. Based on the allegations of forced labour by the Uyghurs in the Xinjiang province in China we also identified increased risk of forced labour in the cotton supply chain in China.

Based on the identified risks RVRC regularly assesses and monitors its suppliers through self-assessments, certifications, annual meetings and third party audits. In the financial year 2021/2022 97% of RVRC's suppliers, covering 99% of volume, had a valid and acceptable BSCI Audit or equivalent third party audit.

RVRC uses its assessments for continuous dialogue and corrective action plans with its suppliers, when improvements are needed. Depending on the supplier compliance with our Supplier Code of Conduct external audits are repeated annually or every second year. The ongoing character of the monitoring aims to give us a comprehensive overview of supplier performance and improvement.

If non-compliance is detected and the supplier is not willing or able to improve, RVRC reserves the right to sanctions including termination of the business relationship.

To address the risk of forced labour in China we have prohibited sourcing of cotton products from the Xinjiang province and we have intensified the dialogue with our Chinese suppliers and their material suppliers. We have restated our commitment to human rights and our ban on any form of forced labour, and requested all suppliers to provide detailed and order specific chain of custody documentation that no products have been made in the Xinjiang province with special focus on products made with cotton.

Our Supply Chain Due Diligence Guidelines also describe our assessment and onboarding of new suppliers. All new direct suppliers must accept and sign our Supplier Code of Conduct and the general terms and conditions, and take measures to ensure that their suppliers are complying with the RVRC standards. Based on its risk-based approach RVRC will request documentation from the suppliers on social and environmental conditions including potential third-party audits.

If the assessments show need for corrective action, RVRC can still commence cooperation with the supplier, as long as there is commitment to implement agreed initiatives and as long as no zero-tolerance issues like forced labour or child labour have been identified.

The RVRC supply chain due diligence and monitoring cycle is meant to create transparency, cooperate on improvements, track tangible results and thereby reduce the risks of harmful social impacts. The main indicator of effectiveness is the audit performance of our direct suppliers on social compliance including measures against slavery and human trafficking. RVRC reports detailed compliance documentation in the annual Sustainability Report 2021/2022.



Grievance mechanisms and training of workers and employees

RVRC works with Amfori to improve social conditions in our supply chain. We and Amfori encourage all suppliers to set up or participate in operational-level grievance mechanisms for their workers. Well working grievance mechanisms can be effective as early warning systems and to report actual cases related to human rights and labour conditions. Their effectiveness is highly dependent on worker knowledge and trust, which is why RVRC is actively monitoring worker awareness of their rights and responsibilities.

We encourage our suppliers to take part in the training courses on human rights and labour conditions offered by Amfori. We especially support the Amfori “speak for change” program educating suppliers and workers on operational-level grievance mechanisms and implementing international grievance mechanisms.

At RVRC we have an established whistle-blower function for all employees that can also be used to report potential cases on modern slavery and human trafficking.

All RVRC employees undergo annual trainings in sustainability topics. During 2022 we held work shops with the procurement and production team, all functional team leads and the management team on our sustainability priorities including our work on supply chain due diligence and forced labour. We have developed a mandatory training on supply chain due diligence that is being rolled out to all employees at RVRC.

Approval of statement

This statement was approved by the Management Board and signed on its behalf by Frida Mordenfeld, Head of Purchasing and Product and responsible for ESG.

Frida Mordenfeld

Head of Purchasing and Product

Boras

Date: 2023-02-03

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