

ETHICAL TRADING POLICY

1st April 2024

Introduction

Kukri Sports Limited does not own, operate, or manage any manufacturing facilities. More than 90% of globally supplied products are manufactured across four factory sites, two in the UK and two in Asia, with whom we have longstanding supply agreements.

It is imperative we ensure there is no exploitation or infringements of workers' rights through our supply chain and that our suppliers share our values and commitment to social responsibility. Our sourcing strategy ensures we build supply chains that create positive social impacts across our Tier 1, 2 and 3 suppliers ensuring we have both a reliable and transparent business.

Our Ethical Trading Policy establishes a procedure for protecting workers and is in line with internationally agreed conventions on workers' rights and the Ethical Trading Initiative (ETI) Base Code.

Our Standards

Business Values

- Stable business relationships contribute towards the observance of good labour practices, and we endeavour to establish long-term and productive relationships with our suppliers.
- Ensure our Tier 1 suppliers share our commitment to agree to, abide by and communicate this policy and its requirements with our Tier 2 and 3 suppliers, ensuring the policy is embedded throughout the supply chain.
- Dealing openly and fairly with suppliers in line with our core business values, adhering to contract terms and avoiding the exertion of undue pressure.
- No Bribes, favours, gifts, benefits, facilitation payments, secret commissions, or similar unlawful or improper payments, in cash or kind, are permitted within our supply chain.

Being Vigilant

- We view effective management systems as crucial for monitoring and tracking our own and our suppliers' issues.
- We will continue to review our purchasing practices to ensure that our behaviour supports our suppliers to comply with our Code of Conduct.

Effective Communication

- Communicating our commitment to key stakeholders including our customers, shareholders, policy makers and suppliers.
- Ensure workers in our supply chain are aware of the provisions of our Code of Conduct and our commitment to ethical sourcing. It is essential that workers have knowledge of their rights and can report any issues confidentially and without detriment to a designated person/committee or a member of the Kukri management team directly.

Business Support

- Provide guidance, training and support to suppliers where needed.
- We are committed to providing sufficient resources to ensure our commitments are fulfilled.

Our Code of Conduct

Our Code of Conduct for suppliers and sub-contractors follows international ethical trading standards, including the Ethical Trading Initiative Base Code outlined below:

- Modern Slavery is prohibited, and employment is freely chosen.
- Child Labour will not be used in any circumstances.
- Freedom of Association & a right for collective bargaining is to be respected.
- Working conditions should be safe and hygienic.
- Living wages should be paid for all workers.
- Working hours should not be excessive.
- No discrimination.
- Regular employment is provided.
- No harsh or inhumane treatment is allowed.
- Migrants should be employed legally.

Our Approach

We take a risk-based approach towards supplier auditing.

All our Tier 1 factories are audited by Independent 3rd Party Auditors and must achieve accreditation by an appropriate body. Generally, these are one of the following organisations – SEDEX, WRAP, QIMA, EcoVadis or BSCI.

Suppliers are graded based on minor, major or critical non-compliances and provided the opportunity to fully comply within a defined timescale. Critical non-compliances must be resolved before the factory can be regraded and re-instated, a factory with minor and major non compliances can continue to be used subject to agreement on resolving the non-compliances within an agreed timescale. An action plan will be created, and the supplier will be required to commit to addressing all the areas where non-compliances have been identified.

We work with our all suppliers based on our key principles of:

- Respect for human rights and ethical standards.
- Respect for the environment.
- Legal compliance to all local legislation.
- Transparency and collaboration

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Modern Slavery

We have made a Modern Slavery Statement, a copy of which can be found here. (Hyperlink to Modern Slavery Statement)

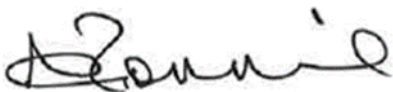
Roles and Responsibilities

All Tier 1 suppliers shall ensure compliance with this policy for their own operations and cascade the requirements down their supply chains to Tier 2 and 3 suppliers.

Suppliers shall have a senior manager responsible for ensuring this policy is implemented within their businesses and supply chain. We expect all suppliers to work collaboratively with each other to drive ethical compliance and improvement.

Within Kukri, ownership of this policy lies with the Kukri Sourcing Manager. Any breach or concerns from any part of the Supply chain can be reported to any member of the Kukri Management Team in confidence, without risk of reprisal.

This policy has been approved by the board for the financial year to the end of January 2025 and will be reviewed annually.



Andrew Ronnie
Group Chief Executive Officer