

Kappahl

KAPPAHL GROUP CHEMICAL MANAGEMENT POLICY

DOCUMENT OWNER

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VERSION

1.0

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OUR POSITION

At Kappahl Group, we are committed to creating a responsible world of fashion. The purpose of this chemical management policy¹ is to ensure that all chemicals used, stored, and disposed of in operations within our value chain are managed in a safe, compliant and transparent manner. We aim to protect human health and minimize environmental impact while complying with relevant regulations and standards for products and processes. We work continuously to phase out hazardous chemicals and strive to reduce harmful emissions to water, soil, and air.

Kappahl Group applies the Precautionary Principle, works proactively and participates in industry collaborations to achieve long-term sustainable development.

SCOPE

This chemical management policy applies across the Kappahl Group's value chain, including but not limited to all tiers of the supply chain, distribution centers, stores and affected communities. It applies to all product categories, packaging materials and non-commercial goods and services used within our own operations.

COMPLIANCE WITH REGULATIONS AND STANDARDS

We strive to ensure that chemical management practices across the Kappahl Group's value chain comply with local, national, and international regulations, including but not limited to the European Union REACH, POP, BPR and PPWR regulations as well as workplace safety laws.

Kappahl Group aligns with international best practices, such as those outlined by the AFIRM Group, the Global Organic Textile Standard (GOTS), the Zero Discharge of Hazardous Chemicals (ZDHC) and the Chemicals Group at RISE.

EMPLOYEE TRAINING AND AWARENESS

Employees involved in handling chemicals shall receive training in safe chemical management practices. This will include proper handling, storage, disposal, and emergency response procedures. Continuous training is provided to ensure that all affected personnel are informed of the latest safety protocols, regulatory changes, and sustainable practices related to chemical use.

MONITORING AND CONTINUOUS IMPROVEMENT

Kappahl Group is dedicated to continuous improvement and applying the precautionary principle through our "No Risk" chemicals program. The program follows a risk assessment process and includes performing relevant chemical testing via nominated third-party laboratories and monitoring of results.

The aim of our "No Risk" chemicals program is to proactively eliminate hazardous substances and promote safer alternatives by exceeding regulatory requirements in our Restricted Substance List (RSL). The proactive approach gives our suppliers the means to phase out the unwanted substances in good time before they are restricted.

Kappahl Group uses the Higg Facility Environmental Module (FEM) to follow up on our commercial goods suppliers' chemical management performance.

GOVERNANCE

The responsibility for people and planet is an integral part of all employees' daily work at Kappahl Group and all employees are expected to have the right knowledge and clear mandates to take sustainable and business focused decisions.

The executive oversight and responsibility for the implementation of this policy rest with the Sustainability Management Team at Kappahl Group. Strategies, policies and practices relating to sustainability are reviewed and updated on a yearly basis to support the sustainable growth of Kappahl Group's business. The Executive Management Team at Kappahl Group oversees implementation of this policy.

IMPLEMENTATION

Kappahl Group is a company with operations in different countries and different parts of the world. Several legal requirements and international standards apply to Kappahl Group's products and its operations in different parts of our value chain. Where there are differences between national laws, certification frameworks, the Kappahl Group Restricted Substance List (RSL) or other applicable standards, our operations shall adhere to the higher or more stringent requirements.

We conduct continuous due diligence and engage with our key stakeholders in the countries where we operate. We strive to embed respect for human rights and the environment in all daily business and decision-making at Kappahl Group, and into all our policies and processes. We strive to create a business incentive for suppliers to respect our Sustainability Commitmentⁱⁱ which implements the chemical management policy in our supply chain.

We report on our targets and progress on our website and in our annual Sustainability Report.

ⁱ The Chemical Management Policy is one in a set of Kappahl Group sustainability policies: the Animal Welfare Policy, the Certifications Policy, the Chemical Management Policy, the Inclusion and Diversity Policy, the Environmental Policy, the Fiber Policy and the Human Rights Policy.

ⁱⁱ <https://www.kappahl.com/globalassets/about-kappahl-group/documents/kappahl-group-sustainability-commitment.pdf?ref=027EB6D72C>