



On Supplier Code of Conduct

We want to make a positive impact and do things right. For ourselves. For the community. For the planet. We put the human aspects first and believe this is the basis for any sustainable business activity. On supports the protection of international human rights and respects all applicable laws and regulations.

We expect all our suppliers to demonstrate integrity and abide by applicable laws and regulations at the local, national and international level, as well as our Supplier Code of Conduct. Our Supplier Code of Conduct is based on internationally recognized human rights expressed in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as referencing The United Nations Guiding Principles on Business and Human Rights, and the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct. Our requirements include that Suppliers must show a robust management system to prevent instances of violations to our Supplier Code of Conduct, and that remediation procedures are in place if issues are identified.

This Code applies to all Suppliers that On has a business relationship with including but not limited to: production and material suppliers, business process and outsourcing suppliers, and all other vendors that support business services.

1. Freely Chosen Employment

(Applicable standard: ILO Conventions 29, 97, and 105)

On has a zero tolerance on forced labor. All Suppliers must not use any form of compelled or involuntary labor, and human trafficking or modern slavery, whether in the form of prison, indentured or bonded labor or otherwise.

Suppliers that employ migrant workers, as defined by the ILO as “a person who migrates from one country to another with a view to being employed otherwise than on his or her account” should ensure that:



- All recruitment fees and related costs should be borne by the employer. No fees, costs, or deposits may be charged to workers.
- Workers keep their own identity papers and personal documentation. Management provides a safe place that is always accessible to workers to keep worker's personal belongings.
- Worker's freedom of movement shall be always respected, they shall not be charged penalties for terminating their contract and shall be free to leave at will and without retaliation.
- All migrant workers must receive a written contract, or at the very least a job offer that aligns with their contract, in their native language during the recruitment process in their home country. Working and living conditions must also be clearly explained to workers pre-departure.
- Living arrangements and accommodation must align with applicable international standard and/or local law, whichever is higher.

2. Freedom of Association and Collective Bargaining

(Applicable standard: ILO Conventions 87, 98, 135, and 154)

All Suppliers shall recognize the worker's right to freedom of association and collective bargaining agreements and shall not discriminate or retaliate against workers that express or support such rights. Worker's representatives shall not be hindered in carrying out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, On as the brand will not hinder the development of parallel means for independent and free association and bargaining.

3. Discrimination, Harassment, and Inhumane Treatment

(Applicable standard: ILO Conventions 100, 111 and 190)

No person working for any Supplier shall be subject to any discrimination in employment, including during the hiring and advancement processes, and every employee shall be treated with respect and dignity and afforded equality of opportunity and treatment regardless of gender, race, color, social or ethnic origin, sexual orientation, age, disability, religion, marital or pregnancy status, political opinion, trade union membership, nationality, military status or other distinguishing characteristics.

Employees must not be subjected to physical, verbal, psychological or harassment or any other forms of intimidation and harassment at all times.

No means of harassment, coercion, or intimidation shall be used as a form of disciplinary measure. Disciplinary procedures shall comply with applicable laws and be clearly



stated in the employment policies.

On does not tolerate any form of Gender Based Violence and Harassment (GBVH), or harassment that does not respect diversity (e.g. ethnicity, age, sexual orientation etc).

4. Child Labor

(Applicable standard: ILO Conventions 138 and 182)

There shall be no use of the labor of any person less than fifteen years of age, or of any person not yet past the national legal age of compulsory schooling or minimum working age, whichever is higher. Juvenile workers (ages 15-17-years old) shall not perform any work that is likely to harm their health, safety and development. Juvenile workers shall not be employed at night, work for long hours, or perform hazardous labor.

In addition to not using child labor, all Suppliers must show a robust management system to prevent instances of child labor and remediation procedures where child labor is identified.

5. Wages and Benefits

(Applicable standards: ILO Conventions 95, 131, and 183)

Suppliers shall acknowledge that every worker has the right to receive compensation for a regular work week that is sufficient to meet the worker and their family's basic needs and provide some discretionary income. At a minimum workers shall be provided with timely payment of legally mandated wages, benefits, including holidays and leaves, and full statutory severance payments once their employment ends. Deductions from wages must not be made for disciplinary purposes. All Suppliers are responsible that the composition of wages and benefits are clear to workers and shall inform all workers immediately of any amendments.

6. Working Hours

(Applicable standards: ILO Conventions 001, 014, 030, and 106)

Hours of work shall not exceed the regular and overtime hours allowed by national and local laws. A standard working week should not exceed 48 hours (or the maximum weekly working hours according to local laws, whichever is less).

Except for extraordinary circumstances regular and overtime hours shall not exceed 60 hours per week (or the maximum allowed according to local laws, whichever is less).

Working hours may exceed 60 hours in a seven-day period only if all of the following occurs:

- pre-approval is obtained from On
- it's allowed with any freely negotiated collective agreements with a worker's organization representing a significant portion of the workforce, and
- appropriate safeguards are in place to protect workers' health and safety.



Additionally, extraordinary circumstances need to be demonstrated, such as unexpected production or other operational peaks, accidents or emergencies. Overtime must be consensual, and employees have to be fully compensated according to local law.

Workers shall be entitled to at least one day off (24 consecutive hours) in every seven-day period.

7. Recognized Employment

(Applicable standard: ILO Conventions 158 and 175)

To every extent possible work performed must be on the basis of a recognised employment relationship established through local laws and practices.

Obligations to workers under labor and social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, sub-contracting, home-working arrangements or apprenticeship schemes without real intent to impart skills or provide regular employment. Furthermore such obligations shall not be avoided through the excessive use of fixed-term contracts of employment.

Suppliers shall ensure that their employment contracts comply with local law and regulations. Written employment contracts must be provided and explained to all workers in a language that they have working fluency, or their native language.

8. Grievance Systems

(Applicable standard: UN Guiding Principle 31)

Suppliers shall provide effective grievance systems that are accessible to all their employees. The grievance mechanism system shall provide an option for workers to remain anonymous and has in place an anti-retaliation commitment to protect those who bring forward their grievances.

Suppliers shall communicate the availability of On's Speak Up whistle-blower line to their workers in case of any breaches of this Supplier Code of Conduct. Phone number and online submission access can be found under the following link:

<https://irdirect.net/onhldg/whistleblower>.

Submissions can be done anonymously. If you choose to report by telephone rather than online, you need to use the following company identifier "664534". All grievances reported to On will be investigated following its internal procedures. On is committed to protect the identity of those who report issues and remediate any non-compliances. Those who bring forward their grievances should not receive any retaliation.

We aim for our grievance mechanism to meet the following principles: Legitimate, Accessible, Predictable, Equitable, Transparent, Human Rights compatible, and based on engagement and dialogue as defined by the UN Guiding Principle 31.



9. Working Conditions

(Applicable standard: ILO Conventions 155 and 187)

Supplier's facilities must be constructed in accordance with all applicable laws, regulations and standards.

Suppliers shall ensure a safe, healthy and hygienic working environment in order to prevent any injury, accident or illness and shall comply with all applicable health and safety regulations.

Suppliers shall take a proactive approach to protect the health and safety of their employees by implementing adequate policies and systems and use routine monitoring of such policies and systems, as well as appropriate training of their employees, to prevent injuries, accidents and to protect the workers' health. In addition, particular working conditions for vulnerable workers (e.g. pregnant workers, juvenile workers etc.) shall be implemented.

10. Environmental Impacts and Preferred Materials Sourcing

At On we envision a future where every On product is fossil-free and engineered for circularity. This commitment touches on the entire value chain, looking at upstream impacts with our Suppliers, to downstream impacts with our product use and end-of-life phases. Going beyond environmental compliance across our entire value chain includes continuously assessing energy, air emissions, water, waste and chemical impacts, and engaging in evidence-based abatement activities.

At minimum, we expect our Business Partners to comply with the legal environmental requirements where they operate and organize their environmental data in the case that this is requested by On.

We evaluate supplier environmental performance annually on air and greenhouse gas emissions, waste, wastewater, energy, and chemical management using the Higg Facility Environmental Module (FEM).

Preference will always be given to raw materials that can be traced to feedstock or can be provided with a sustainability or responsibility claim. Suppliers are required to maintain accurate records and chain of custody documents for raw materials sourced and share this information with On when requested.

To view our most updated policies on Environment and Preferred Materials, please visit our governance webpage, which can be found at this link:

<https://investors.on-running.com/governance/default.aspx#governance-documents>



11. Unauthorised Subcontracting

Suppliers shall not engage subcontractors to do any work without prior written approval by On, including any material production, manufacturing or assembly production that requires home-working. Suppliers shall ensure that all approved subcontractors within the value chain comply with the standards within this Supplier Code of Conduct.

12. Anti-corruption and Bribery

Suppliers shall comply with all applicable anti-corruption and anti-bribery laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA). In particular, Suppliers shall not tolerate, permit or engage in bribery, corruption, fraud or unethical business practices in dealing with business partners, public officials or On representatives. Suppliers shall not offer cash, favors, gifts, entertainment or anything else of value to On's team members in exchange for preferential or favorable treatment or any other undue benefit.

13. Intellectual Property

Suppliers shall respect intellectual property rights and will conduct know-how transfers in a manner protecting intellectual property rights. Suppliers shall conduct their business, store documents and perform financial reporting with integrity. Suppliers shall use information provided to them by On exclusively for the purpose of providing services for On, and shall protect the information from any internal and external misuse.

14. Transparency

Suppliers must be transparent with their policies, processes and records, and On representatives or agents may at any time ask for records and documents to ensure compliance. Such records and documents should be complete and accurate. Suppliers shall allow On representatives or agents unrestricted access to its facilities, workers and records at all times, including when advance notice has not been provided.

15. Compliance with Laws and Codes

Suppliers shall comply with all applicable laws and regulations on labor at the local, national and international level, and regularly update policies and procedures accordingly. Suppliers shall guarantee that the On Supplier Code of Conduct is implemented and observed in their contractual relationship with On. When differences in standards arise the highest standard shall apply in favor of the employees.

All Suppliers are required to post the On Supplier Code of Conduct, including On's Speak Up Hotline in an area in their facilities clearly visible and easily accessible by all employees.



General Requirements

The On Supplier Code of Conduct is updated from time to time and shared with our Suppliers. On provides a copy of our Supplier Code of Conduct in local languages where we operate.

To view our most updated policies on Responsible Business and Human Rights, please visit our governance webpage, which can be found at this link:

<https://investors.on-running.com/governance/default.aspx#governance-documents>

For any questions regarding On's requirements and standards, please contact the Sustainability/ESG team at: sustainability@on.com

Supplier Name

Authorized Signature

Date DD/MM/YYYY

Name and Position