

Responsibility Report 2023



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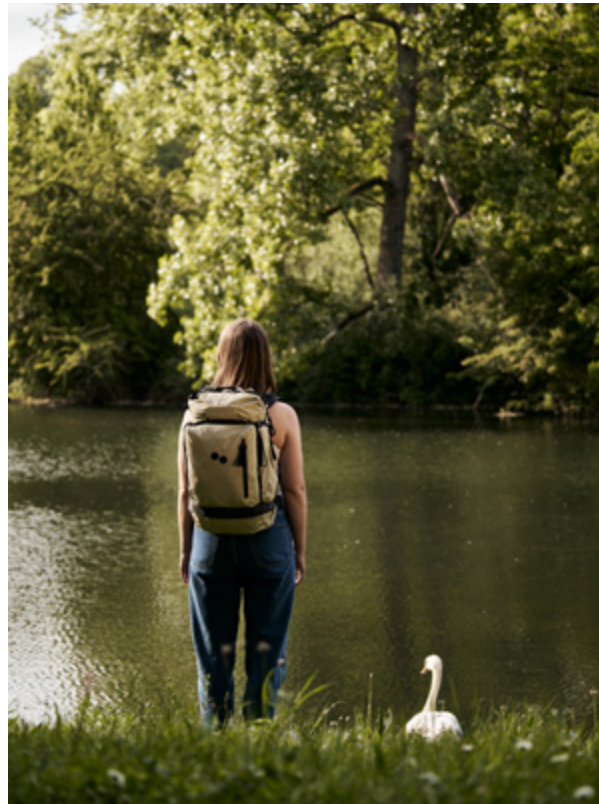
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Foreword

“The greatest threat to our planet is the belief that someone else will save it.”

Robert Swan

The past year was characterized by disruptive changes that have influenced us worldwide: noticeable inflation, the Russian war against Ukraine, storms and heatwaves, population growth to over 8 billion people and consequently increasing CO₂ emissions – the list could go on. Not despite, but especially in the face of these challenges, it was our mission last year to pursue our commitments to society, the environment, our suppliers, employees, and customers with entrepreneurial foresight, full team power, and plenty of positive energy. In our Responsibility Report, we want to pause, zoom out from current events, and provide you with an insight into our fiscal year 2022/23.

Our initiatives in the Corporate Responsibility field are deeply rooted in our core values and corporate DNA. For us, economic success and responsible action are inseparably linked. On the basis of long-standing partnerships with our suppliers, we have been producing backpacks, accessories and apparel for more than eight years. In addition to a clear focus on unique design and needs-oriented functions, our sustainability strategy is the foundation of our company and our brands AEVOR and pinqponq.

In this report, we transparently share insights into our initiatives, our progress as well as our challenges of

the past year. Our products are made by people and consume resources – thus, it is all the more important to take responsibility for the footprint generated in this process. Therefore, we see it as our mission to make an impact – with every product, with every decision. We firmly believe that sustainable and collaborative action determines our common future, and that technological progress, in particular, will provide the solutions to resource scarcity and climate change.

In the fiscal year 2022/23, we thoroughly examined our climate protection strategy, initiated initial steps to improve our CO₂ accounting, and thus gained new and partly challenging insights. But that's not all: In November 2023, we introduced a 360° feedback process with our suppliers, jointly developed a Responsible Business Conduct Policy within the FOND OF Group and took initial steps towards supporting a circular economy by introducing innovative materials beyond PET recycling, such as Ultramid® Ccycled®. Also, there were special occasions to celebrate: Not only did we hire Lea, our first full-time CR manager, but we were also honored with the Leader Status of the Fair Wear Foundation for the sixth time in a row.

We aim to continuously contribute to fostering balance and stability in times of increasingly complex global value chains – visibly, meaningfully, and effectively.

future challenges. At the same time, we want to encourage you to have a conversation and collaborate with us.

Let's Go!

With our Responsibility Report 2022/23 we want to inform you transparently about our motivation, our efforts, successes as well as



Till Lászlop
Management baesiq GmbH

A handwritten signature in black ink, appearing to read 'Till Lászlop'.



Dr. Nils Eiteneyer
Management baesiq GmbH

A handwritten signature in black ink, appearing to read 'Nils Eiteneyer'.

About baesiq

- 1.1 We are baesiq
- 1.2 Our Team
- 1.3 Our Brands
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- 1.5 Our Materials
- 1.6 Our Partnerships



1.1 We are baesiq

FOR A WORLD WHERE EVERYONE ENJOYS A RESPONSIBLE LIFESTYLE

baesiq GmbH was founded in June 2021 out of the FOND OF GmbH; however, our two lifestyle brands AEVOR and pingpong have already been around for seven years. As part of the FOND OF Group Holding GmbH (FOND OF Group), we target people who have a desire for products that combine innovative functionality and highest quality with unique design and sustainability. From backpacks and bags to accessories and apparel.

With our diverse range of products, we want to accompany our target group, promote their personal strengths and empower them to act consciously so that they can be the best version of themselves – for a beautiful and better future! In doing so, we believe in the power of our community & team, because 200,000 opinions are more valid than 1.



1.2 Our Team

At baesiq, we are an energetic and ambitious team, consisting of people who are always ready to take on challenges and develop innovative products. Each of us brings his or her skills and perspectives to put AEVOR & pingpong out into the world.



We work closely together to make projects effective and with joy and to ensure that we achieve the goals we set ourselves. We share a passion for our work and a strong conviction that any project can be successful if we all work together.

Our energy and enthusiasm for new, innovative ideas and approaches are important cornerstones for us. We are courageous, willing to take risks and break new ground for products with unique design, need-oriented functions, and responsible manufacturing.

You would like to become part of our team? Then have a look here: fondofjobs.kenjo.io

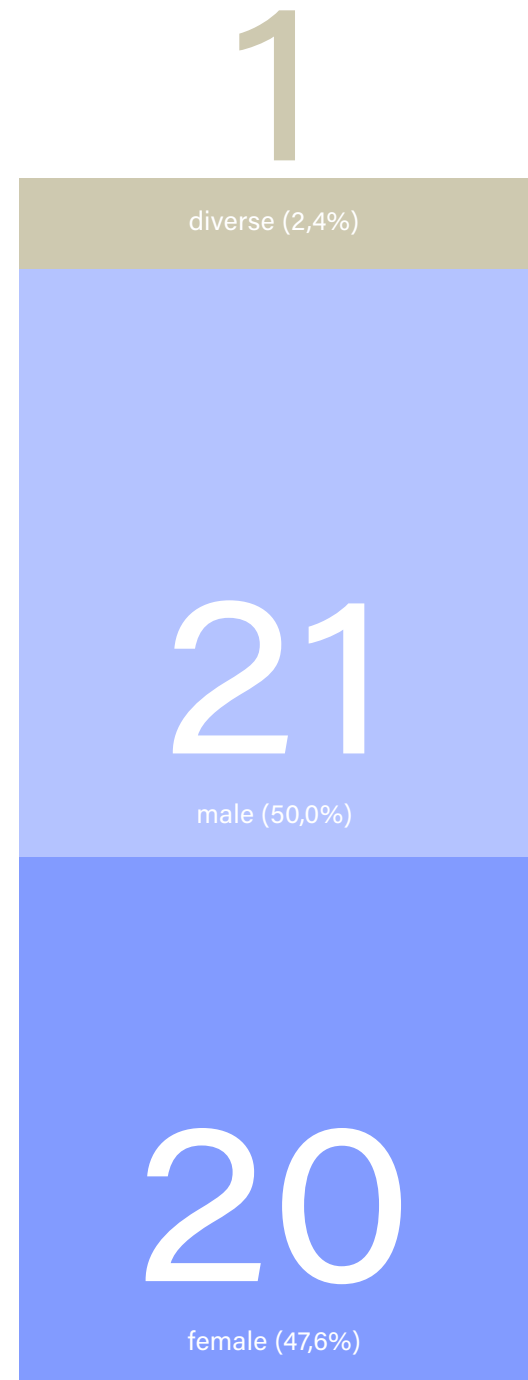
baesiq team in numbers

FY 2022/23 FY 2021/22

Total

42

39



Permanent

32

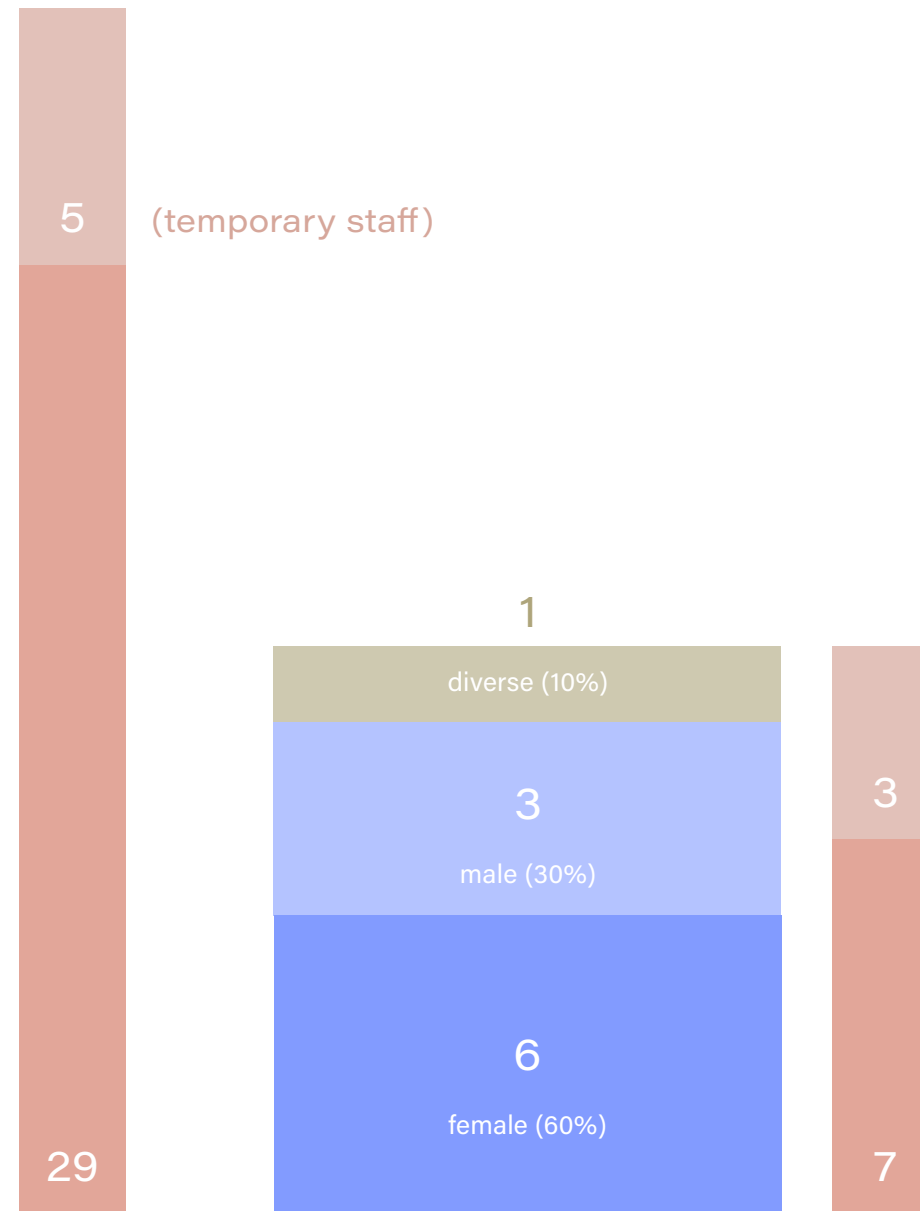
29



Temporary staff

10

10



Average age

ø 30,82

ø 29,52

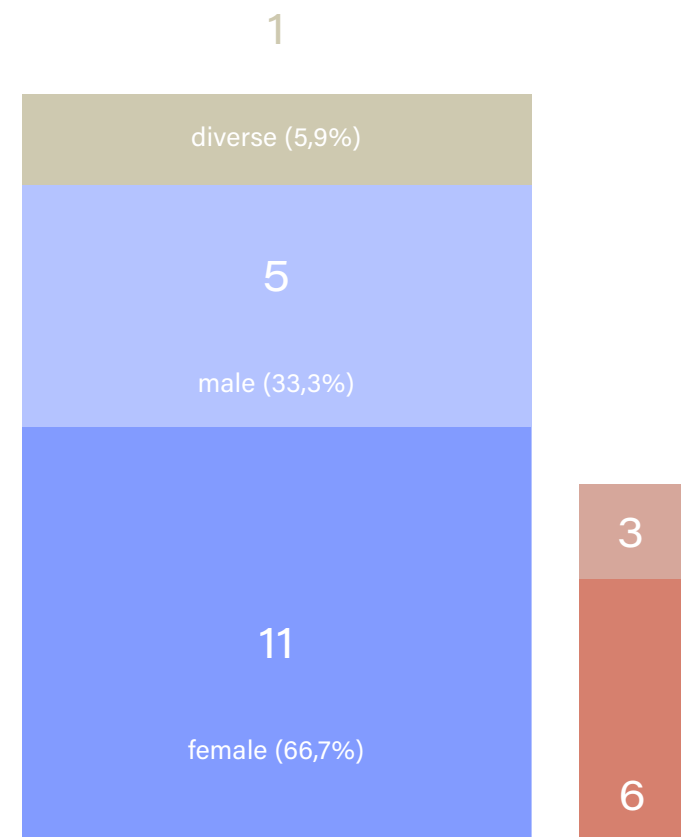
Fluctuation

FY 2022/23 FY 2021/22

New Hires

17

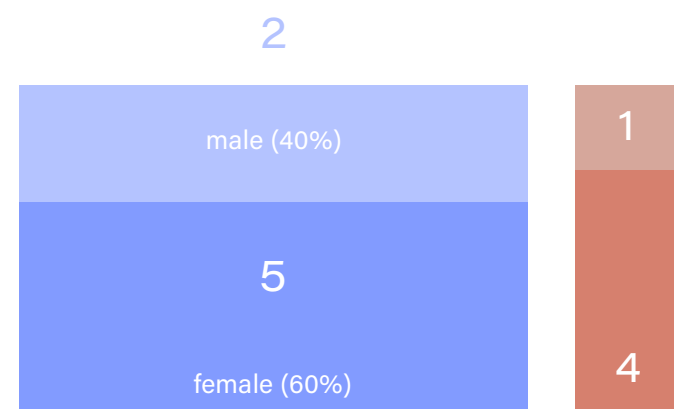
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Offboardings

5

5



Professional Development

FY 2022/23 FY 2021/22

Investment in further training

10.000 €

18.833€

Regular assessment

Percentage of team players receiving regular appraisal of their performance and professional development: 100%¹

100%

100%

WE ENCOURAGE MOVEMENT

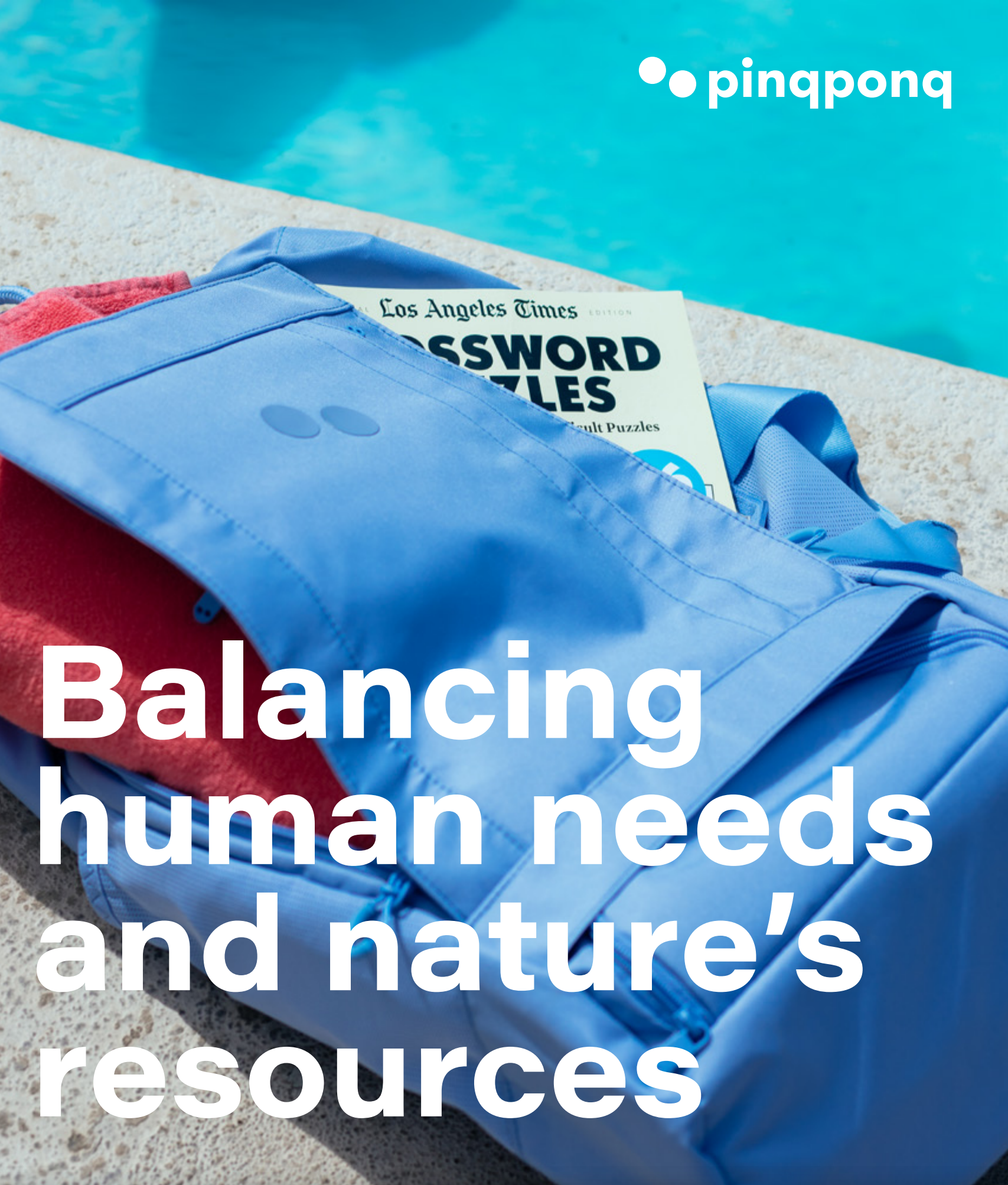


Six years ago, we started producing sustainable backpacks for active individuals. We wanted to be an alternative to big corporations and their irresponsible philosophies. Today, AEVOR stands for moving forward, having a clear opinion, visibility, focusing on the hidden, and for community. Our conviction? Movement and co-creation bring about positive change.

We produce bike packs and accessories to create an incentive for emission-free transportation. We bring movement to the streets by addressing issues that significantly impact our lives and utilize our platform as an innovative space for creative and critical-thinking minds. We strive for maximum respect and transparency within our entire manufacturing process and supply chains.

Our products support you in your freedom of movement and versatile life realities – visibly, meaningfully, and effectively. In doing so, we adhere to the highest social standards, high quality, and fair production. We prove this through our Fair Wear Leader status and certifications such as our bluesign® system partnership and much more.





Balancing human needs and nature's resources

1.3 Our Brands

pingpong – “the brand with the two dots”
– consciously addresses user, societal,
and product-related dualisms, such as
tension – relaxation; egoism – altruism;
aesthetics – function.

With innovative, durable products and materials, we reduce the impact of each individual today and in the future to preserve what we love. Through meaningful reduction, we focus on the essentials. We create a brand experience that is future-oriented, a utopia with solutions rather than problems. We present the positive in a clear and calming manner.

In doing so, we rely on products that maximize your daily convenience, consistently designed with sustainability, timelessness, and future orientation in mind, and built to last. True to our mission:

“With future goods for individuals,
into a good future for all.”



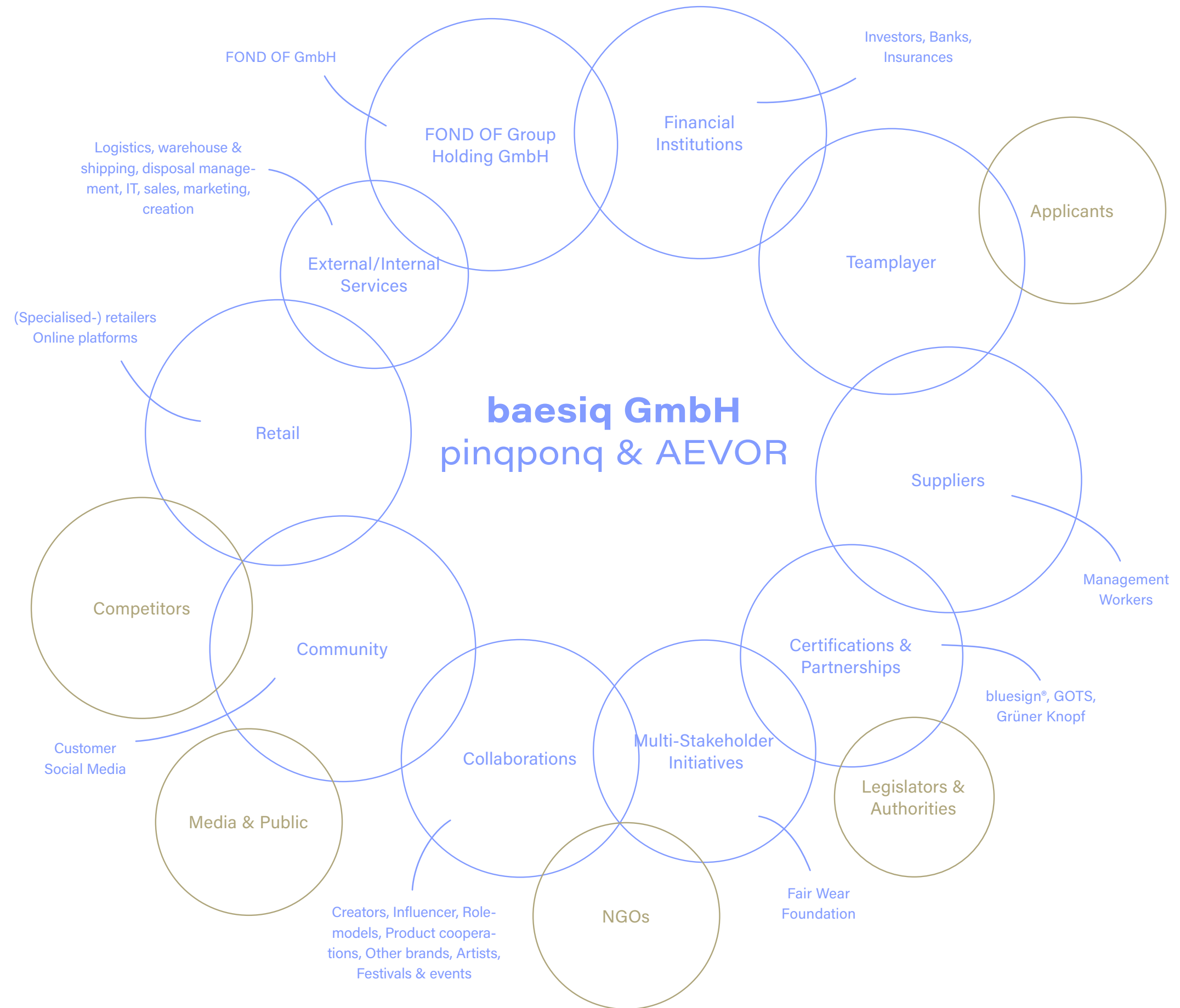
1.4 Our Stakeholder

We engage in daily communication with various interest groups - our stakeholders. This overview shows how complicated our impact is and identifies the people and groups who are affected by what we do and who can influence our decisions.

Depending on the topic, we involve our stakeholders through various formats, such as surveys, social media, audits, travel, or events. Additionally, we monitor specialized media, country analyses by Fair Wear, OECD, or ITUC, as well as regulatory developments.

Understanding the expectations and interests of our stakeholders and considering them in our decisions is essential not only for the development of our business processes, products, and brands but also for our sustainability management.

Currently, through our various activities as part of our Fair Wear membership, we engage with multiple stakeholders, such as, suppliers, other FW brands, as well as local and international organizations - to work together on improving working conditions. Our goal is to strengthen collaboration and involve our closest stakeholders more in the development of our sustainability strategy... because "200,000 opinions are more accurate than 1".



1.5

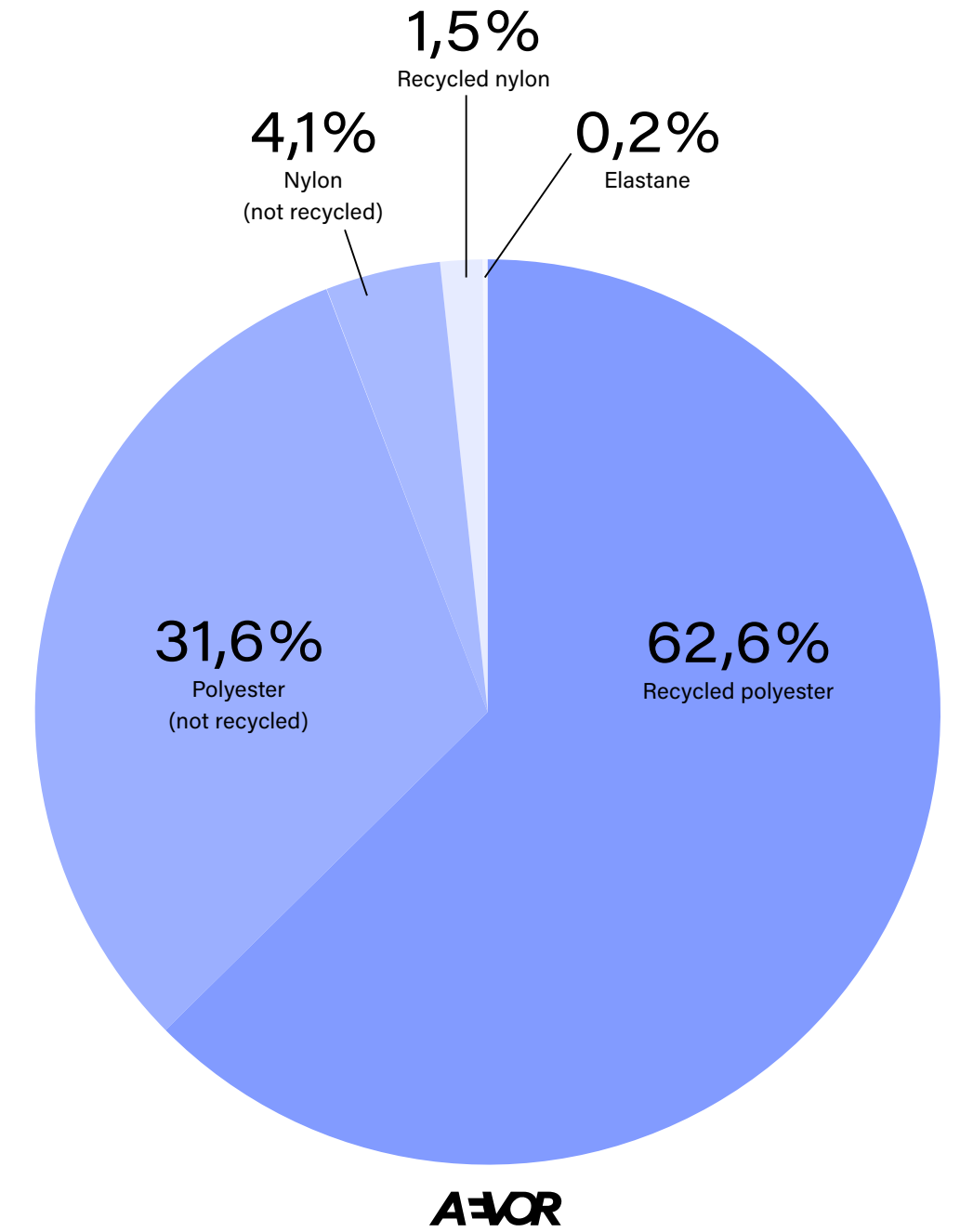
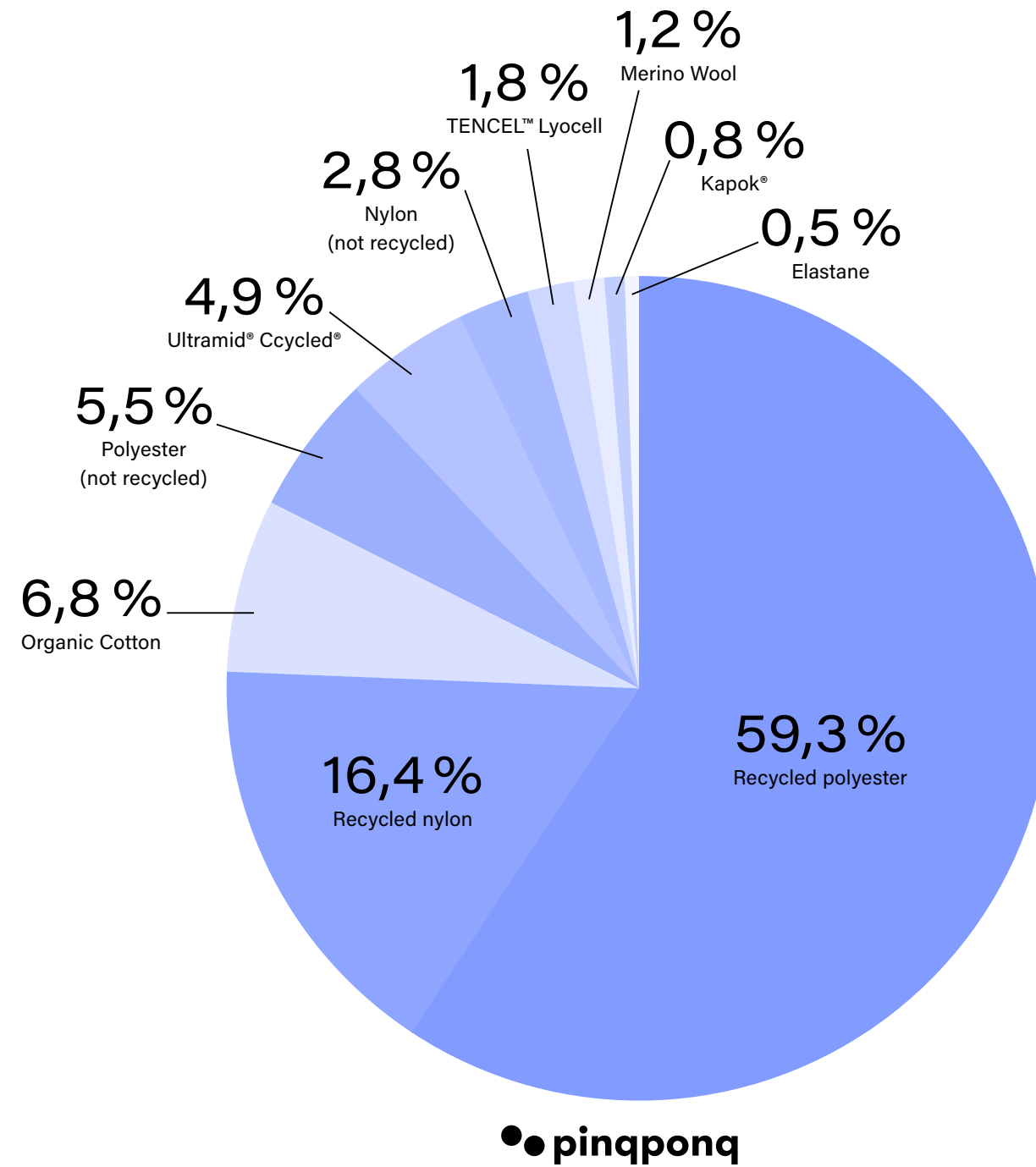
Our Materials



Materials and their proportions

The focus on material selection for our brands is on achieving an ideal balance of performance, environmentally friendly production and cultivation, quality, durability, and reuse of already produced raw materials.

Below you will find an overview of the proportions of fibers used in the overall fabric portfolio for pinqponq & AEVOR in FY 22/23:



Natural and Regenerated Fibers



Organic Cotton

We use only 100% organic cotton from controlled organic farming for all products that contain cotton. All further processing stages are certified according to the GOTS.

Cotton is a renewable natural fibre derived from the boll of the cotton plant. **Compared to conventional cotton, organic cotton is grown without the use of genetically modified seeds, pesticides, and chemical fertilisers.** This not only protects the soil and biodiversity, but also the health of cotton farmers and neighbouring communities. We can also trace the origin of the organic cotton we use. In fiscal year 2022/23, it came from Turkey and Kyrgyzstan.





Kapok®

Kapok is a downy natural fibre obtained from the fruit capsules of the kapok tree. Kapok is naturally extremely light, hypoallergenic and soft. Without any additives, Kapok has incredible properties such as moisture regulation, buoyancy, anti-moth and anti-mite.

Kapok is a naturally renewable raw material, grown without artificial irrigation, fertilisers or pesticides.

Kapok trees grow wild in the tropical regions of Asia, Africa, South and Central America and are not usually cultivated in plantations and monocultures. Instead, they can grow on slopes and in biodiverse areas unsuitable for agriculture. Once harvested, the fibres are not treated with chemicals and are used in their natural state.

At pinqponq, we use kapok fibres as an alternative padding material² in our outerwear jackets. Our supplier sources the kapok for our products from Indonesia and also plants kapok trees on multi-fruit plantations there as part of a foundation project.

TENCEL™ Lyocell

TENCEL™ Lyocell is a cellulose fibre of the TENCEL™ brand from the Austrian company Lenzing, which is produced from the renewable raw material wood in an environmentally friendly manufacturing process.

TENCEL™ Lyocell is mainly made from very productive and fast-growing eucalyptus, which is sourced from certified sustainable forestry. In a closed manufacturing process, the cellulose is dissolved from the wood using an organic solvent without any chemical modification and processed into fibres. The process is particularly environmentally friendly as the biodegradable solvent is recovered and reused in the production process. The energy consumption of the process is also optimised to a minimum.

The physical properties of TENCEL™ Lyocell fibres make them particularly skin-friendly and moisture-regulating. At pinqponq we use TENCEL™ Lyocell in a blend³ with organic cotton for T-shirts and long sleeves, giving them a smooth, silky surface and a cool feel.





Merino Wool

Merino wool is a very high quality wool. It comes from merino sheep and is particularly fine and soft.

Merino wool is the only animal fibre we use. Where animal fibres are used, animal welfare is paramount – so the wool we use is guaranteed mulesing-free and our suppliers are always certified to the Responsible Wool Standard (RWS).

Why do we use Merino wool? Wool is an incredibly valuable natural material that is naturally temperature regulating, dimensionally stable and odour neutralising. Thanks to the natural self-cleaning properties of wool fibres, Merino wool clothing rarely needs washing. We do not see the point in synthetically producing such a material.

Synthetic Fibers

General information about the synthetic fibers we use:

- ✓ 90% of the synthetic outer and lining fabrics used at pinqponq are recycled, and we are working towards achieving 100% at pinqponq and AEVOR.
- ✓ 95% of our outer and lining fabrics are bluesign® APPROVED, i.e. produced in a way that conserves resources and is free of harmful chemicals, or are in the process of being converted – we are working towards 100%.
- ✓ All fabrics that require a water-repellent finish are treated with a PFC-free impregnation.
- ✓ All PU finishes used at pinqponq are water-based rather than solvent-based.⁴
- ✓ Where quantities allow, we have fabrics dyed using the solution dyeing method, a dyeing method without the use of water. We are currently able to do this for our standard black outer fabric of pinqponq backpacks and bags in the color Rooted Black and for all grey linings of the bags.





Recycled Polyester

Polyester (PES) is a polymer. Polyester, which is used in textile fibers and also in disposable bottles and packaging, is mainly polyethylene terephthalate (PET), one of the most widely used plastics. Polyester fibers made from PET are traditionally produced from fossil fuels such as coal, oil or gas, but can also be melted down and recycled due to their thermoplastic nature. Over 7 years ago, we were one of the first companies in our industry to use recycled polyester from PET bottles and other industrial and post-consumer plastic waste in our outer materials.

The PET bottles and other pre- and post-consumer PET waste for our yarns are collected and sorted in Asian countries close to our fabric mills in China and Taiwan. They are then shredded, melted and formed into new continuous filaments, which are then spun into yarn for our fabrics. This process also uses water and energy but is much more resource conserving than polyester made from fossil fuels.⁵ PET recycling also helps reduce plastic waste in the environment, as effective waste management and recycling systems are not available everywhere in the world. Much of the world's plastic waste ends up rotting in landfills or, in the worst cases, directly in the environment.⁶ The fact that the PET bottles and waste used in the production of our recycled polyester fabrics do not actually come from functioning recycling loops, but would end up in landfill or incineration without recycling, has been confirmed by our fabric suppliers themselves and by their mostly existing certification to recognised recycling standards.

Today, recycled polyester is our main fiber for high performance technical textiles. This is because it is strong, lightweight and quick-drying. We use it mainly as outer material in our backpacks and bags, but also as outer, lining and insulation material in our jackets.

However, we are constantly looking for alternatives to PET recycling, as PET recycling is a kind of down-cycling, and we believe that fiber-to-fiber recycling is the future.

Recycled nylon

Nylon is the trade name for synthetic textile fibers made from polyamides, another member of the polymer family, i.e. synthetically produced plastics. Nylon is a much stronger synthetic fiber than polyester. At the same time, it gives us more design options with different properties such as a softer feel and different dyeing behavior. We use nylon mainly as an outer material for our jackets and premium rucksacks, but also in components such as webbing.

As with recycled polyester, we use recycled nylon wherever possible to reduce the use of fossil fuels and the associated environmental impact. In the case of nylon, the raw material comes mainly from industrial waste. All the recycled nylon yarns we use are sourced from Taiwan. We are also working to find closed-loop recycled materials for nylon.



Elastane

Elastane, also known as spandex, is an elastic synthetic fiber that is extremely stretchy, lightweight and dimensionally stable. We only use spandex when one of our products is designed to meet an everyday need that requires elasticity in the fabric. **As of now, recycled elastane is only available in limited quantities because the demand for performance in elastic fibers is significantly higher compared to non-elastic fibers, and the recycling process reduces the elasticity performance.** Therefore, the elastane we use is currently not recycled, but we are working on improving this.

Ultramid® Ccycled®

Ultramid® Ccycled® is an innovative polyamide (100% PA6) that we at pinqponq have been using for the outer fabric of our SOLID products since summer 2023. **The raw material required for the production of the material is replaced by pyrolysis oil from chemically recycled old tires and added to the final Ultramid® Ccycled® material using a mass balance approach.** The material produced in this way has the same functional and aesthetic properties as conventional polyamide, but enables us to save fossil raw materials at the beginning of the value chain and contribute to the promotion of a circular economy for waste that was previously difficult to recycle, such as used tires. You can find more information in [chapter 4](#).



Our Partnerships



To ensure that we meet the social and ecological aspects of our corporate responsibility in the best possible way as well as to offer our customers the possibility to make conscious purchasing decisions, we rely on credible and independent certifications, labels and partnerships.



Fair Wear

Leader status since 2018 Focus: Social responsibility in the supply chain

The FAIR WEAR FOUNDATION (FWF) is a European non-profit, multi-stakeholder initiative. It is made up of NGOs, business organisations, trade unions and companies like us. Together we aim to improve working conditions in the textile industry. This is made possible by the "shared responsibility" approach, where the responsibility for achieving this goal lies not only with our suppliers, but also with us as a company. For example, how do our business practices contribute to compliance with the FW labour standard and the improvement of working conditions? In addition to on-site audits, we also undergo an annual Brand Performance Check. This reviews the implementation of our human rights due diligence obligations. Do we conduct a holistic risk analysis that influences our sourcing decisions? Are the results translated into appropriate action to improve and prevent human rights abuses?

Do we understand the relationship between our purchase prices and the wages paid locally? Is there an effective local grievance mechanism? These are just some of the questions we must ask ourselves every year. In 2023, we were put through our paces again, and for the 6th year in a row, we were awarded "Leader" status – the highest possible Fair Wear rating.

[Fair Wear Website](#)

bluesign®

Systempartner since 2016

Fokus: Chemical harmlessness throughout the production process

The bluesign® system serves to guarantee the chemically clean production of a product. baesiq is a bluesign® system partner, as are many of our suppliers. System partners are required to adhere to the demanding bluesign® principles and criteria. This means, above all, that particularly hazardous chemicals should not be used in the production of our materials, especially during dyeing processes. Additionally, bluesign® ensures that all other chemicals used are filtered in the wastewater to prevent them from uncontrollably entering the environment. bluesign® sets strict rules that often exceed legal requirements. The bluesign® system focuses not only on the chemical purity of the end product but also on the entire production process. Furthermore, all bluesign® system partners commit to the following five principles: resource productivity, consumer safety, water protection, emission reduction, and occupational health and safety.

[bluesign® Website](#)



Grüner Knopf

Licensed since 2020

Fokus: Corporate due diligence & sustainable production processes

The Green Button is a government label for sustainable textiles and was established in 2019 on the initiative of the German Federal Ministry for Economic Cooperation and Development. Since then, it has been continuously developed. In order for our products to bear the Green Button label, independent certification bodies verify whether our company fundamentally fulfills its responsibility for people and the environment in our supply chain and thus complies with our corporate due diligence. On the one hand, it tests whether we are aware of the ecological and social risks in our supply chain and what measures we take to prevent them. It verifies if we transparently report on these risks and have complaint mechanisms in place. We must also demonstrate that the specific product has been produced sustainably. In this regard, the Green Button functions as a so-called meta-label. This means that the Green Button does not set its own criteria, but we are allowed to use other Green Button-recognized labels to demonstrate environmental (e.g. GOTS certification) and social (e.g. Fair Wear Leader status) requirements for production processes, such as banning hazardous chemicals and pesticides or limited working hours and fixed-term contracts.

[Grüner Knopf Website](#)



GOTS

Certified since 2020

Focus: Ecological & socially responsible production of textiles from natural fibers

The Global Organic Textile Standard (GOTS) represents environmentally and socially responsible processing of textiles made from organically produced natural fibers, such as organic cotton. It encompasses globally recognized guidelines that ensure sustainable textile production, starting from the sourcing of raw materials to environmentally and socially responsible manufacturing practices, all the way to transparent labeling. Only textile products that contain a minimum of 70% organically produced natural fibers can be certified according to GOTS. All chemical additives used, such as dyes and auxiliaries, must meet specific environmental and toxicological

criteria. Also, for the use of accessories corresponding requirements apply. This strict approach has convinced us! In the FY22/23, all cotton styles of our brands pinqponq and AEVOR were GOTS certified.

[GOTS Website](#)



certified by kiwa BCS35042

Human Rights Due Diligence (HRDD)

- 2.1 Our Commitment & Approach to HRDD and Responsible Purchasing Practices
- 2.2 Our supply chain and production partners
- 2.3 Our Risks & Improvement Actions
- 2.4 Our Complaints Mechanism & Handling

Responsible Business Conduct

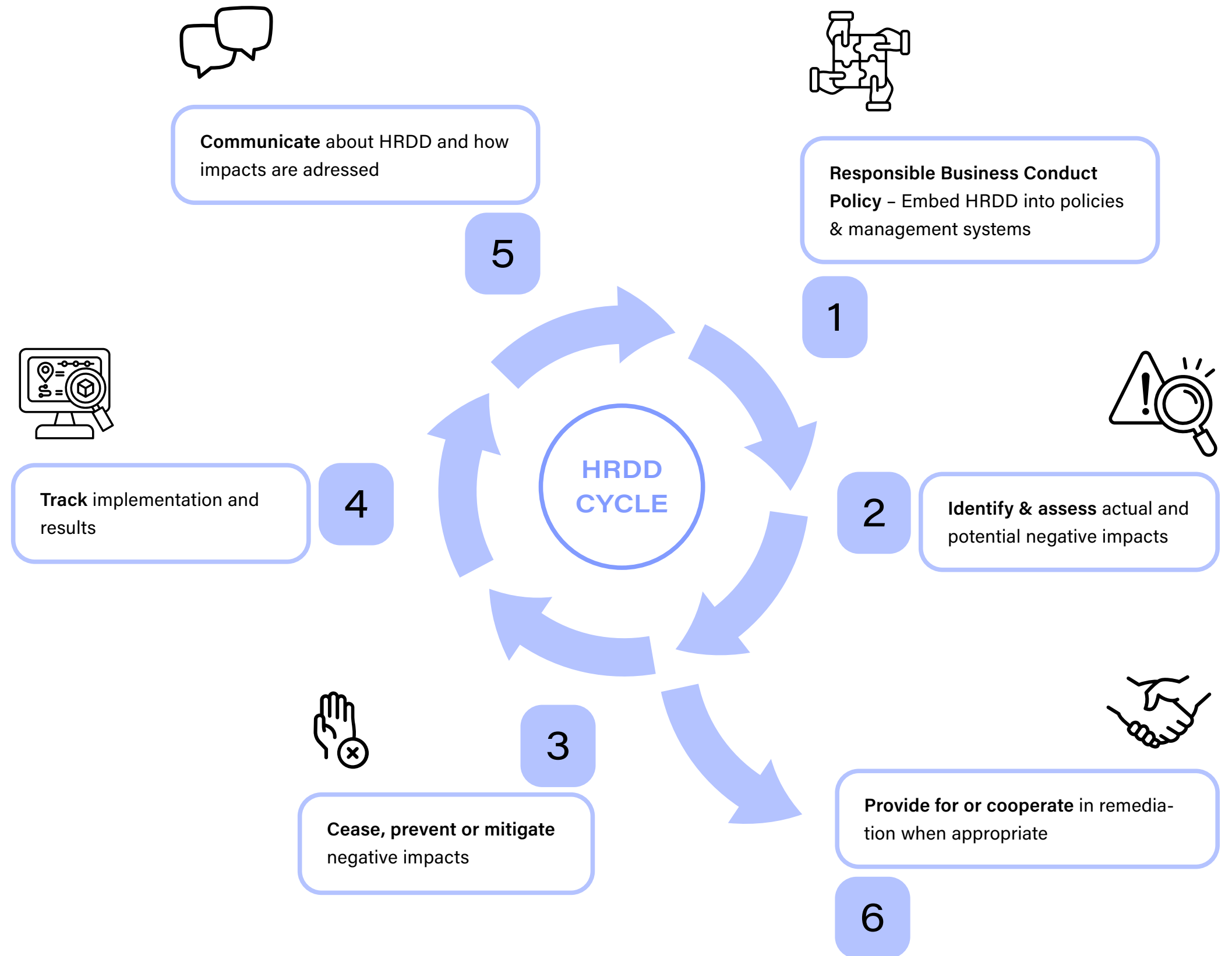
In both our Environmental and Human Rights Declaration and the FOND OF Group's Responsible Business Conduct Policy, we have committed to conducting Human Rights Due Diligence (HRDD) throughout our supply chain. But what exactly is HRDD? How do we meet our commitment? And how does it relate to responsible sourcing? These are the questions we aim to answer in this chapter.

Our Commitment & Approach to HRDD and Responsible Purchasing Practices

As a business, we have an impact on people's lives through our operations and relationships, and therefore bear the risk that our activities may have a direct or indirect negative impact on human rights. We therefore have a responsibility to respect human rights both within our own business and in our supply chain.

Our Human Rights Due Diligence, or HRDD, is the ongoing process we undertake as a business to meet this responsibility to respect human rights by identifying, preventing, mitigating and remediating our actual and potential adverse impacts on human rights.

To put this process into practice, we follow **the 6 steps of the Fair Wear HRDD Cycle**, which is in line with international guidelines for responsible business conduct from the OECD and the United Nations.



2.1 Our Commitment & Approach to HRDD and Responsible Procurement Practices

But how do we ensure that we follow these 6 steps of the HRDD cycle? During the last financial year, we focused particularly on the first point of our **Responsible Business Conduct (RBC)** policy. Through a multi-month feedback and workshop process with our senior management and all relevant teams, we have worked with FOND OF to develop a strategy that sets out our values and commitments to responsible business conduct and HRDD, as well as explains how we put HRDD into practice. As a first step, we are applying this approach to all our final stage suppliers, i.e. our Tier 1 suppliers and their subcontractors, for example for printing or embroidery. A long-term goal is to extend the scope of the policy to the entire supply chain. In addition to our RBC policy, other internal policies and strategies have been developed to embed HRDD into our sourcing processes and supplier relationships. These include our Responsible Exit Strategy, our Responsible Sourcing Strategy, our Subcontracting Policy and our Homeworking Policy.

We implement the second step of the HRDD cycle – **identifying and assessing potential and actual negative impacts** – by conducting risk analysis twice a year or as required at country, supplier, material, and business model level. Based on the results of the risk analysis, we then implement the third step – **cease, prevent or mitigate negative impacts** – using various measures and tools in a risk-prioritised manner. Read more about this in sections [2.3](#) and [2.4](#).

To **track** the actions taken, in Step 4 we conduct regular independent audits and visit our partners at

least once a year. We are also currently working on establishing specific HRDD metrics to track our progress. We **communicate** publicly in our annual Responsibility Report and, in particular, in our annual [Social Report](#), how we comply with our HRDD and how we address risks and issues related to compliance with our human and labor rights standards.

If we have caused or contributed to actual harm through our actions, we have committed to take appropriate remedial action in accordance with Step 6, **Remediation**. If we have neither caused nor contributed to the harm, but are nevertheless directly linked to it, we will use our influence to encourage our suppliers to remedy the harm.

Finally, our purchasing practices, i.e. all measures we take to procure our products, like product development, quantity planning, order placement, price negotiations, etc., can have an impact on the conditions at our suppliers and thus also on the workers. At baesiq, we are aware of this link between our purchasing practices and the working conditions and potential human rights violations in our supply chain and have always been committed to working cooperatively with our production partners. However, our last Brand Performance Check with the FW also showed us that there is still room for improvement when it comes to responsible purchasing practices. To better utilise this crucial lever for effective HRDD, we want to further improve our purchasing practices over the next few years in line with the [Common Framework for Responsible Purchasing Practices \(CFRPP\)](#). The CFRPP is a kind of textbook for brands



like us. It defines responsible purchasing practices as those that help our suppliers to avoid excessive overtime, pay fair wages and take measures to improve working conditions, for example.

2.2

Our supply chain and production partners

Supply chain transparency and strong partnerships are essential to meeting our due diligence obligations. Despite the continued expansion of our product portfolio, we rely on long-term, carefully selected supplier relationships to source our products and are working to continuously improve the traceability of our supply chains.

In the FY22/23, we had 6 direct suppliers manufacturing our products in 2 locations in Asia (Vietnam & Myanmar) and 2 locations in Europe (Turkey & Portugal).

These six direct manufacturing partners, known as Tier-1 suppliers, cut the fabrics for our products, sew them together and prepare the finished products for shipment to our warehouse in Euskirchen, Germany. Our manufacturers outsource some manufacturing processes, such as printing or embroidery, to subcontractors. Vietnam, where all pinqponq and AEVOR backpacks and bags are manufactured, is by far our most important sourcing country in terms of purchasing volume. In the past financial year we also had to make the decision to stop producing in Myanmar and Turkey. You can read more about the background and

the exit process in line with our internal Responsible Exit Strategy in our [Social Report 2022/23](#). Here you can also find detailed profiles of our production sites.

As we look deeper into the supply chain, it becomes much more complex. Our goal is to be able to trace our entire supply chain back to the raw material level. This is currently still a big challenge, especially for more complex products like our backpacks. This is because these products can consist of more than 100 individual parts, which in turn significantly increases the number of suppliers at lower levels of the supply chain.

In general, we can currently provide traceability back to our material suppliers. More than 90 of these so-called Tier-2 suppliers manufacture the

materials and parts that go into our products and supply them directly to our Tier-1 suppliers. Our Tier-2 suppliers are mainly located in Asia, such as Vietnam, Taiwan, Korea and China.⁷

Number of Suppliers FY 2022/23



6

Tier-1
(Cutting, Sewing & Finishing the Products)

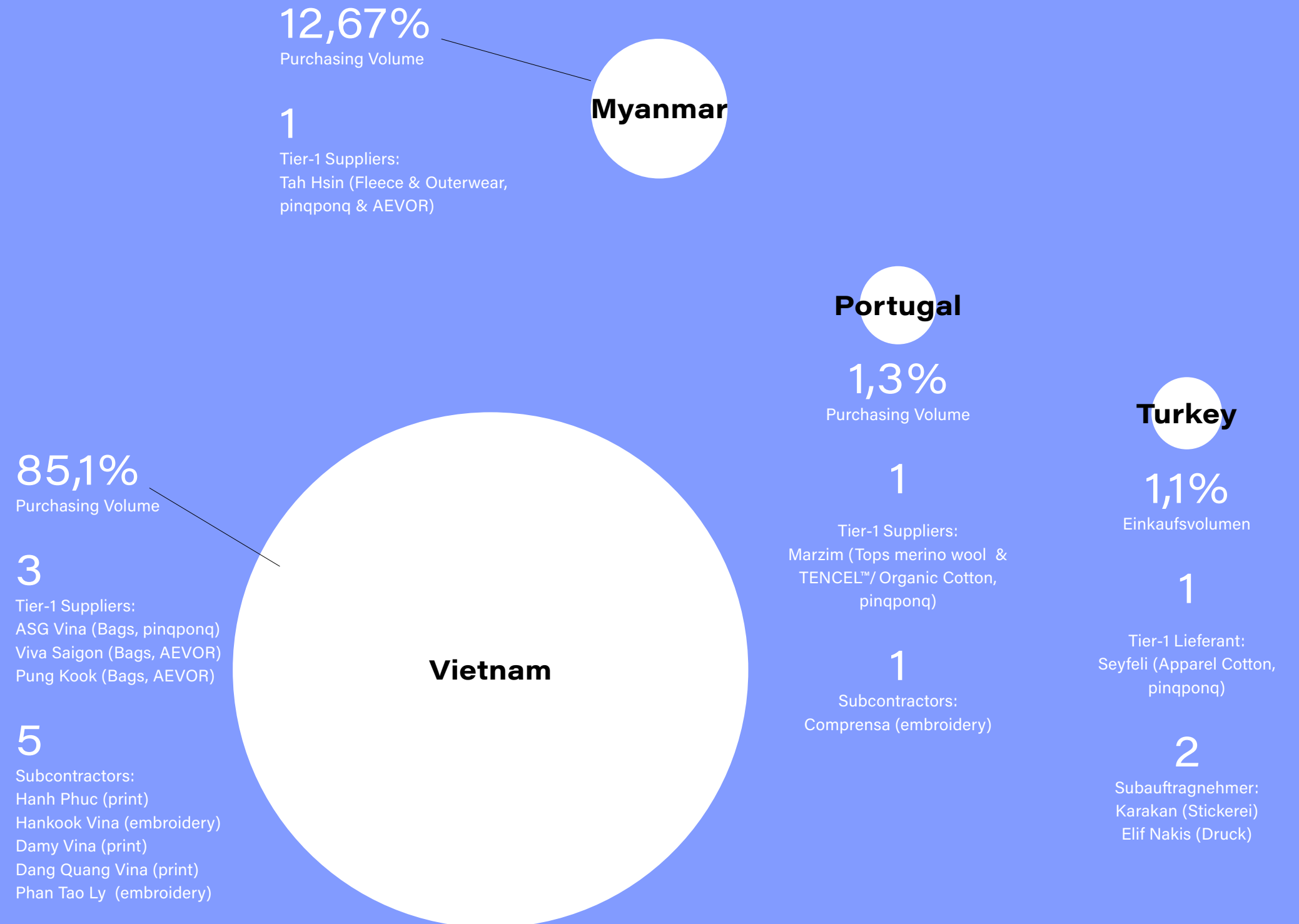


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Tier-2
(Fabric- and material suppliers)

Supplier Overview (Tier-1) & Purchasing Volume by FY 2022/23

Before deciding to collaborate with a new supplier, we visit their production facilities, inform the management about our social and environmental standards, review previous audit reports and other documents (such as wage structure), and conduct a risk analysis. If we choose to collaborate with a new supplier, they go through a detailed onboarding process regarding our corporate responsibility requirements (such as compliance with the Fair Wear Code of Labor Practices). Additionally, by signing our own Code of Conduct, they assure us that they share the same understanding of corporate responsibility. From that point on, we maintain regular communication, follow up on previous audit reports, conduct further on-site visits, and commission our partner Fair Wear to conduct audits and training when necessary.



2.3

Our Risks & Improvement Actions

Risk Analysis

As explained in section 2.1, we conduct a risk analysis twice a year or as required to implement the second step of the HRDD cycle. Our risk analysis is increasingly influencing our sourcing decisions and will be further integrated into existing processes in the coming year.

In concrete terms, this means that we carry out a comprehensive risk analysis when evaluating new suppliers, for example, and make our decision on whether to enter into a collaboration dependent on this. In addition to the evaluation for new suppliers, we renew the risk analysis for our existing suppliers twice a year. Are there any new audit or training reports, complaints or new laws that have reduced or increased the risks? In the event of unforeseen events in our production countries (e.g. military coup in Myanmar), we also update the risk analysis so that we can derive any necessary measures. The risks derived from these analyses should determine our order quantities and purchasing decisions even more in future. In 2022, based on the results for Myanmar, we already decided to end our cooperation there, as the risks have increased significantly in all areas and

we can hardly influence successful preventive and mitigating measures due to our low purchasing volume.

For conducting the risk analysis, we have selected eleven risk areas that are relevant to the textile industry, based on which we evaluate all our production countries in the first step. We refer to internationally recognized indicators and risk assessments for this purpose. Building upon the country evaluation, we take the risk analysis a step further by identifying the risks associated with all our active suppliers. For this, we review current audit and training reports, complaints, as well as engage in on-site and email conversations.





As a result, we have identified that the prevailing social risks are related to freedom of association, working hours, as well as health and safety in the workplace. In the environmental domain, the focus is on chemical and wastewater management, as well as greenhouse gas emissions.

The findings of the risk analysis are summarized in a risk matrix. To determine which identified risks should be addressed first, we prioritise according to the severity (extent, scope, irreversibility) and probability of occurrence of the identified risks.

Our goal for the coming years is to adopt a consistently risk-based approach. This allows us to adapt to changing requirements from our partnerships and international standards.

Risk Matrix baesiq

Prioritisation of production countries and risk (FY 22/23)



Improvement Actions

Based on the results of our risk analysis and on-site Fair Wear audits, we take various measures to prevent, remedy or reduce negative impacts on human rights and working conditions.

In fiscal 2022/23, we conducted an FW audit at one of our long-standing suppliers in Vietnam. Findings were identified in the areas of discrimination, occupational health and safety, and legally binding labour relations, which we are then addressing in a corrective action plan with our partner. The discrimination and occupational health and safety findings were quickly resolved through various measures and the adaptation of internal documents. The findings in the area of legally binding employment relationships related to the previously unknown use of homeworking in the form of some employees occasionally completing parts at home. Homeworkers are a very sensitive issue as they can be particularly vulnerable to labour rights violations. We have therefore developed a policy on homeworking and will work with our partners over the next few years to make the issue more transparent and improve the situation of homeworkers.

Another topic we have prioritised for improvement, based on our risk analysis and previous audit findings, is freedom of association and social dialogue. To address this challenging issue, we initiated the FW Training for Communication & Factory Dialogue at one

of our suppliers in Vietnam last year. The training is specifically tailored to Vietnam and jointly trains factory management and a group of workers on how to strengthen their dialogue with each other to resolve complaints and concerns together. As the feedback on this training has been very positive and has already led to improvements on the ground, we plan to roll it out to our other factories in Vietnam in the coming years.

Addressing overtime and ensuring a living wage remains a major challenge. The general order situation has eased to the point where overtime is no longer a serious problem. However, this can change quickly and we regularly discuss the overall order situation, working hours and capacity with our partners. On the subject of paying a living wage, we are working with FOND OF, another FW member and one of our suppliers in Vietnam, to test the [Fair Price App](#). This is a project that is still in its early stages and we hope to learn lessons from it for all our direct partners in Vietnam.

Risk Topics

1. Freedom of Association	7. Corruption
2. Discrimination	8. Chemicals & Wastewater
3. Health and Safety	9. Environment & Resources
4. Wages and Social Security	10. Greenhouse Gas Emissions
5. Working Hours	11. Animal Welfare
6. Child and Forced Labour	

Focus areas of our risk analysis

2.4

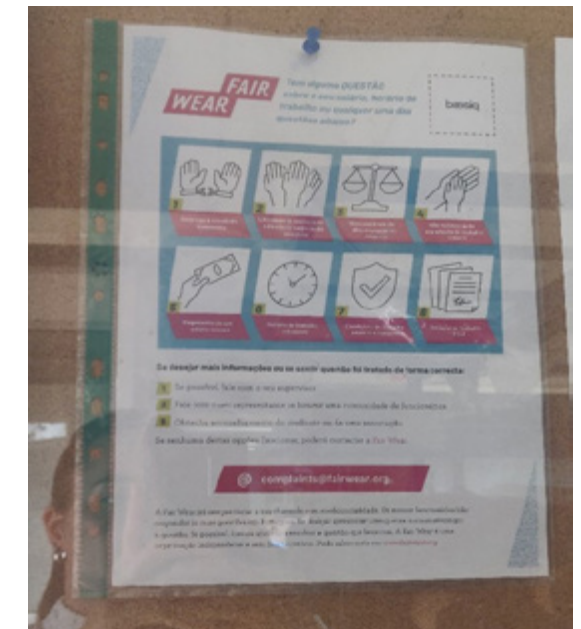
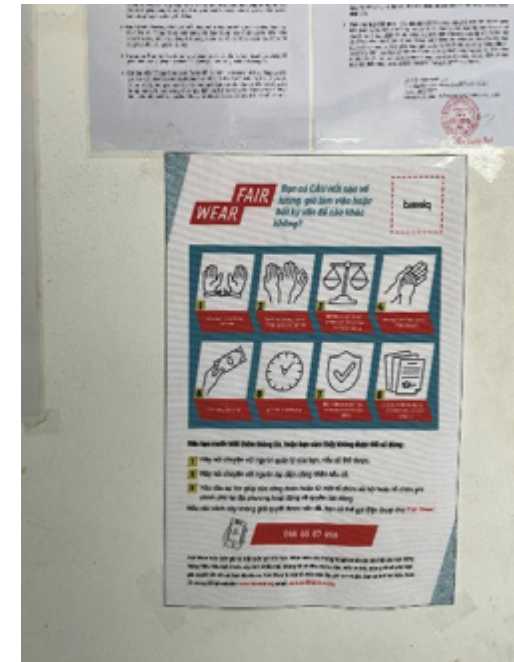
Our Complaints Mechanism & Handling

Another way of recognising and remedying potential and actual negative impacts on human rights and working conditions in our supply chain is to carefully process all complaints that reach us via the Fair Wear Workers HelpLine.

Fair Wear member brands must ensure that workers can complain to their suppliers about any violation of a labour standard. For us as a brand, this means ensuring that all our suppliers display a worker information sheet in their factories. This sheet explains the basic rights of workers in the local language and provides the Fair Wear complaints hotline and/or email address. Workers can use this to make anonymous complaints to a local Fair Wear partner. The complaint is then investigated by Fair Wear and, if found to be valid, forwarded to us. If the complaint is found to be valid, we develop and implement an action plan with the supplier and, where applicable, other Fair Wear member brands.

To ensure that the problem is indeed resolved to the complainant's satisfaction, Fair Wear's local complaint manager monitors and verifies the actions taken by communicating with the complainant until the problem is resolved. In addition, Fair Wear regularly reports on each complaint individually. Every year we ask our suppliers and their subcontractors to send us a new photo of the poster in their factory. We also regularly check during our site visits that the posters are displayed and visible to all employees. We also encourage our suppliers to include information about Fair Wear and the complaint hotline as part of the induction process for new employees.

We received only one new complaint from our factory in Myanmar in the financial year 2022/23.⁸ Workers were concerned about an announced increase in daily overtime during the peak season. Fortunately, this complaint was resolved within a few days. After reviewing local regulations on extended working hours and hearing the workers' concerns, the factory management withdrew the overtime increase.



For a world where
everyone enjoys a
responsible Lifestyle

Our Sustainability Strategy 2030

3.1 Advancing Our Sustainability Strategy

3.2 Our goals until 2030



At baesiq, we have been committed to sustainability and responsibility from the outset.



We are acutely aware of the immense environmental and social challenges and risks in our industry, which form the wider context in which we operate. While we recognise that the manufacturing of our products inevitably has an impact on the environment and people, we firmly believe that there is a better way, and we see the challenges of our industry as an opportunity to do better. **In recent years, our strategy has been built on three pillars:**

1. **Social & environmental responsibility – both internally and throughout the supply chain**
2. **More resource-efficient materials, quality and durability**
3. **Transparency & honest communication**

The rapidly increasing demands for sustainability from legislators, partners and customers confirm that this was the right path to take. **But we also recognise that we cannot rest on the status quo. So, as we announced in our last report, we wanted to develop our sustainability strategy further and gradually take our sustainability and corporate responsibility activities to the next level. No sooner said than done!** In this chapter, we want to show you how we have done this and what our goals are.

Advancing Our Sustainability Strategy

From an Initial Materiality Analysis to a Living Strategy

Our motivation and starting point for developing our sustainability strategy further stems from an analysis of our environment.

In terms of sustainability, the textile industry is currently in a state of conflict between stagnation and transformation. On the one hand, we see a flood of innovative materials, movement in textile-to-textile recycling, alternative business models and an increasing number of brands that are committed to their environmental and social responsibilities and are taking action. On the other hand, we continue to see challenges in scaling up solutions for a circular textile economy, stagnation in improving social standards and reducing CO₂ emissions.

Against this backdrop, we are also positive about the current wave of legislative initiatives through which the EU, as part of its Green Deal, aims to comprehensively transform various sectors, in particular the fashion industry, in terms of sustainability, circularity and environmental protection by 2030.

Unfortunately, the voluntary efforts of individual sustainable companies will not be enough to effectively address the significant sustainability challenges facing the industry. Many of these legislative initiatives will affect us directly or indirectly and we naturally want to be prepared.



We quickly found ourselves confronted with a multitude of issues, expectations and demands, and if we're honest, we also felt a bit overwhelmed.

How do we keep track in this jungle of issues and demands? Especially when many of the details of upcoming regulations are not yet finalised. How do we make sure we don't forget anything? What are our next steps?

To just get started anyways, we conducted an initial, simplified materiality analysis as a basis and starting point for our strategy development. A materiality analysis enables companies like ours to identify which sustainability issues are most important or material to them, and to identify the areas on which their sustainability strategy should focus.

First, we evaluated our existing CSR and business strategies, as well as our risk analyses, to create a list of sustainability topics. We then assessed the relevance (low, medium, high) of each topic to baesiq,

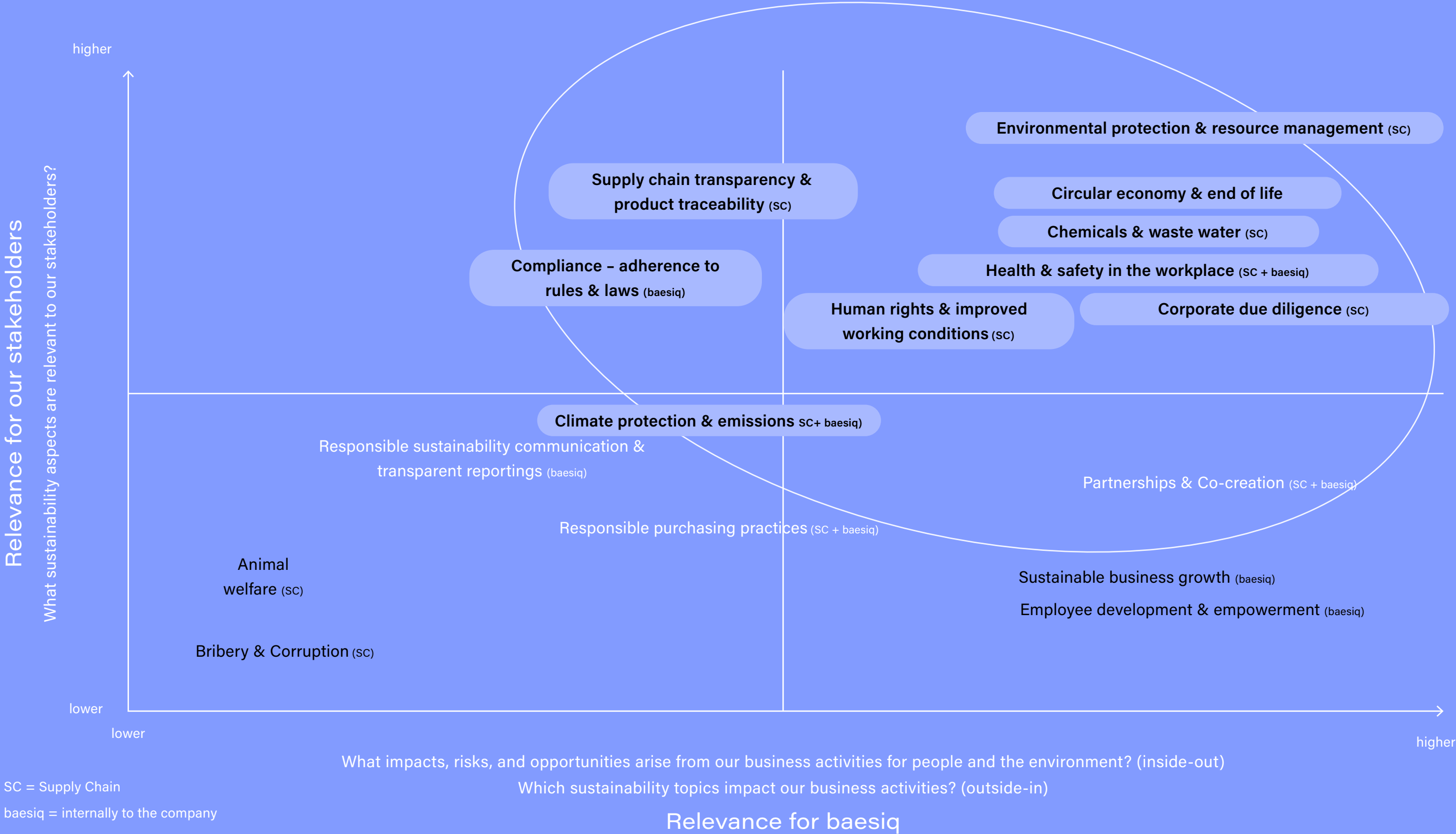
based on how much the topic (e.g. climate change or circular economy) is affected by our business activities (impacts, risks, opportunities) and, in turn, how much it affects our business activities. In a second step, we analysed the perspectives of our key stakeholders (customers/community, trade and CSR partners, competitors, regulators) based on studies, documents, and surveys, and identified the sustainability topics that are most relevant to them.

The result of the materiality analysis - our material sustainability issues - is presented in the form of a materiality matrix. In the third step, we compared the sustainability issues relevant to baesiq with the sustainability issues relevant to our stakeholders. The topics in the upper right quadrant, as well as closely related topics, which we see as a leverage for the implementation of other topics, are particularly important to our strategy.



Materiality analysis

Material sustainability topics for baesiq



For the sake of transparency, we would also like to point out the limitations of this first materiality analysis. Firstly, we have not yet been able to consider all of our stakeholder groups. In addition, our analysis of stakeholder expectations is currently based primarily on studies and documents rather than direct stakeholder interviews. As the FOND OF Group will be required to report under the Corporate Sustainability Reporting Directive (CSRD) from FY25/26, we will conduct a much more comprehensive materiality analysis in 2024. We will then use the results to further develop our sustainability strategy.

Having established the basis for our strategy through the materiality analysis, we have translated the **material sustainability topics into 5 strategic areas for action:**

1. **Environment & Resource Conservation**
2. **Circular Economy**
3. **Human Rights & Better Working Conditions**
4. **Climate Protection**
5. **Transparency & Traceability**

In a final step, based on our existing CSR strategies and objectives, the findings of the background research for the materiality analysis and our strategy requirements as outlined above, we formulated overarching objectives and targets for each area of action ([see next chapter](#)).

3.2

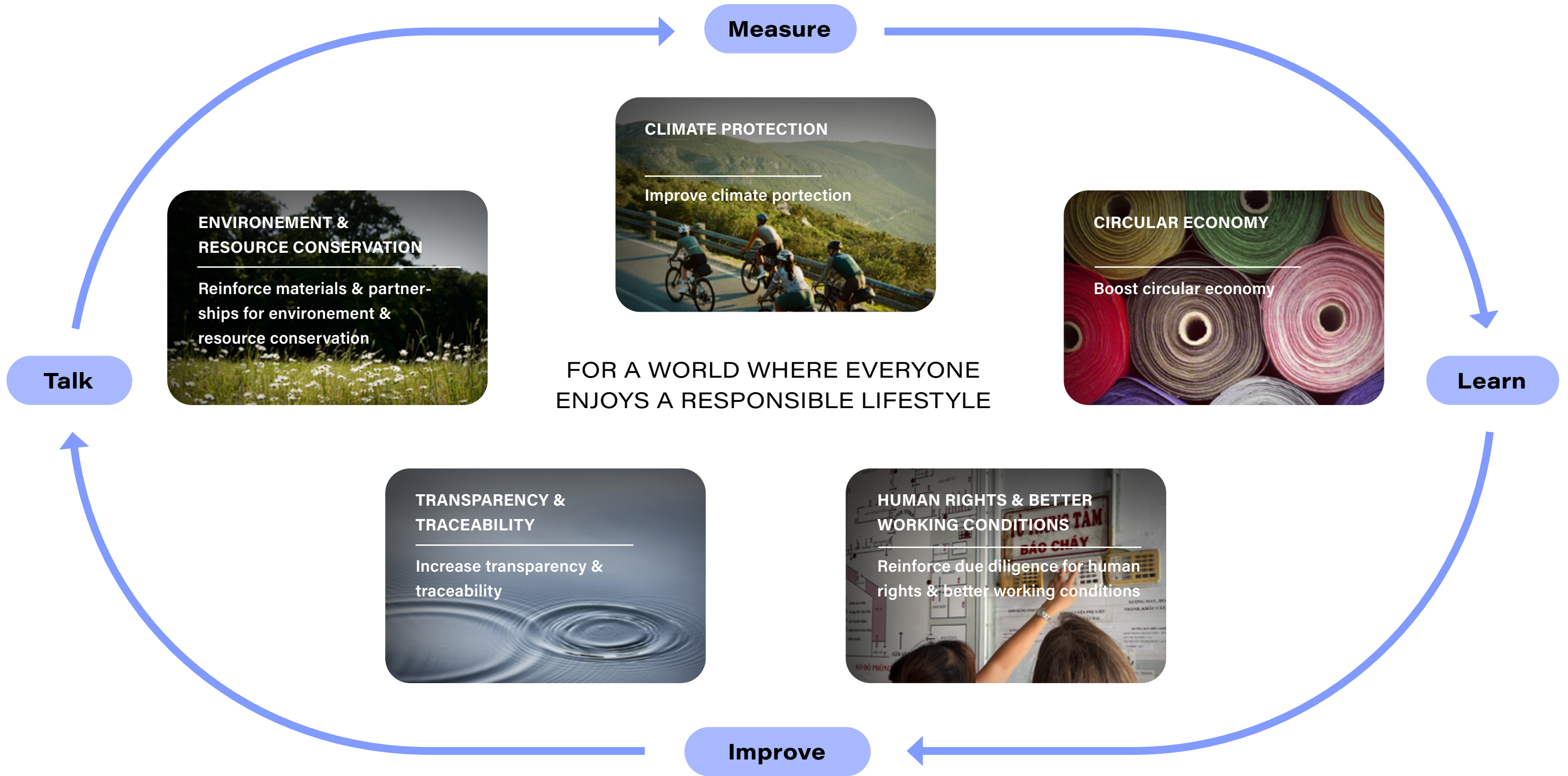
Our goals until 2030

In the coming years, we will implement our sustainability strategy by aligning our goals and their implementation with the motto – Measure, Learn, Improve, Talk – and evolve step by step.

In some of our areas of action, such as environmental and resource protection, climate protection or circular economy, we currently lack robust metrics that can show us specifically and at product level what we are already doing well in terms of environmental impact or circular economy, and where we can improve further, for example through additional material improvements. We can only set measurable targets and make the right improvements once we know more about our status quo and potential. In summary, our sustainability strategy will be a living document, constantly evolving as we learn more.



Sustainability Strategy 2030

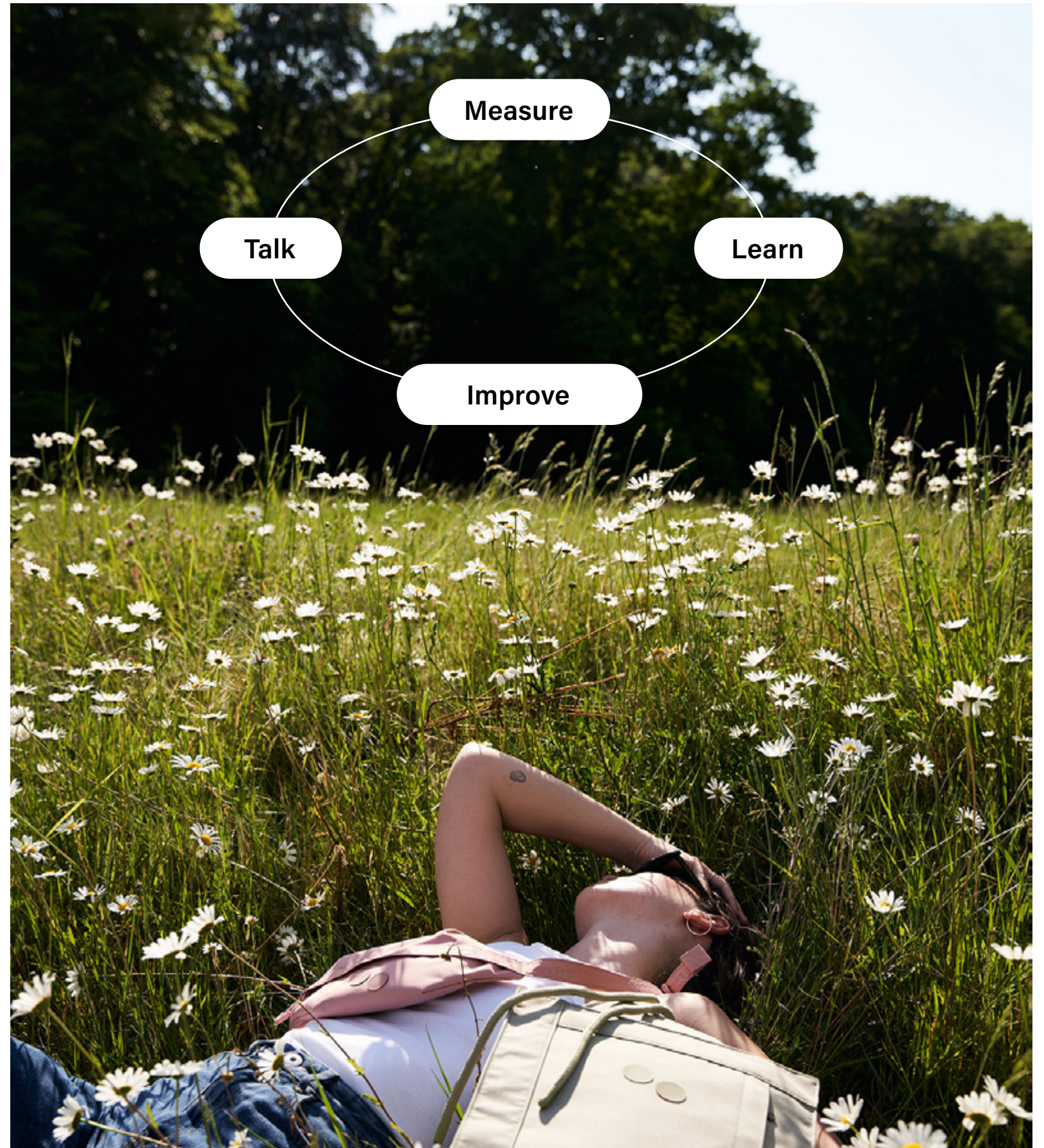


ENVIRONEMENT & RESOURCE CONSERVATION

Reinforce materials & partnerships for environement & resource conservation

Goals

- ▶ **We measure and understand the environmental footprint of our products.** We have life cycle assessments for the entire product range. Ideally by the end of FY 2025/26.
- ▶ **We improve the environmental and resource footprint of our products.** By 2030, within our financial means, we aim to maximize the use of materials across our product portfolio that have a minimal impact on the climate, environment, animals and people and/or make a positive contribution to the circular economy.

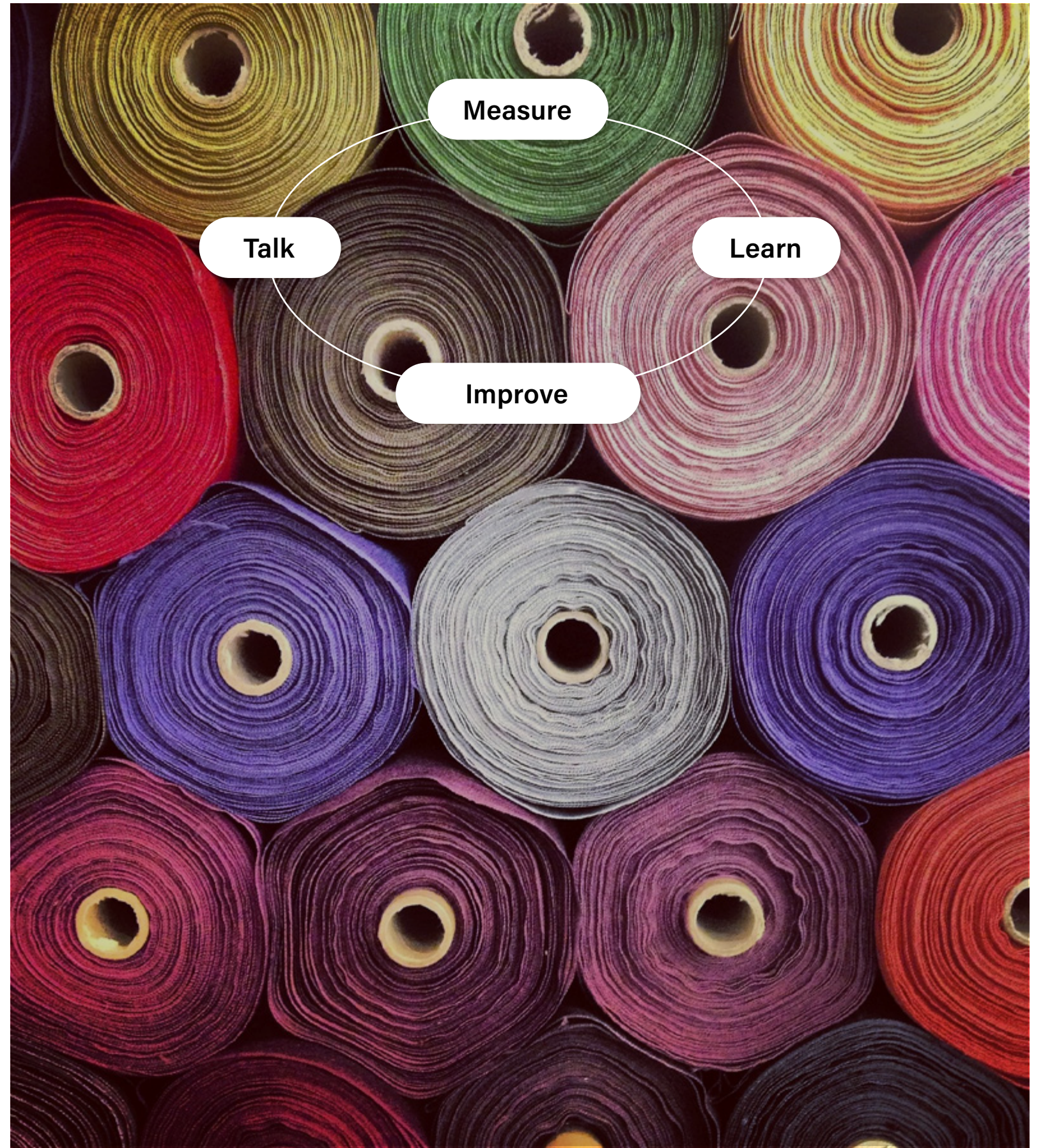


CIRCULAR ECONOMY

Boost circular economy

Goals

- ▶ **We maximize the life of our products.** By 2030, we will work towards offering repair, refurbishment, and re-sale options.
- ▶ **We will assess and improve the circularity of our product portfolio.** By 2030, each brand will have at least 1 product that is fully recyclable.



HUMAN RIGHTS & BETTER WORKING CONDITIONS

Reinforce due diligence for human rights & better working conditions

Goals

- ▶ Based on our risk analyses, **we take appropriate measures at all times to prevent, minimise and address potential and actual negative impacts on labour and human rights** for all our direct suppliers (Tier 1 + Subcontractors)
- ▶ We gain transparency on the link between our purchasing prices and the wage costs of our tier-1 suppliers, and our purchasing prices ensure, where possible, the **payment of a living wage** in accordance with the Anker Wage Methodology for all our tier-1 suppliers.
- ▶ We promote freedom of association and social dialogue as "enabling rights". We will improve our understanding of freedom of association and social dialogue among our direct tier-1 suppliers and take steps to promote these "enabling rights". Respecting these rights paves the way for workers and their employers to engage in and implement improvements in working conditions.
- ▶ We are working towards responsible purchasing practices in line with the **Common Framework for Responsible Purchasing Practices** and will incorporate this into our contractual framework.



CLIMATE PROTECTION

Improve climate protection

Goals

- ▶ **We improve the accounting of our carbon footprint.**
We calculate and report our corporate and product-related emissions (scope 1, 2, 3) annually and have product carbon footprints at SKU level for both brands.
- ▶ **We finalise the revision of our climate change strategy and implement it continuously.** Based on the improved calculation, we will set science-based CO₂ reduction targets and implement effective reduction measures.
- ▶ **We promote carbon accounting and reduction measures in our supply chain.**



TRANSPARENCY & TRACEABILITY

Increase transparency & traceability

Goals

- ▶ We improve our information and primary data sources for calculating the environmental footprint, repairability and recyclability of our products and integrate them into a central database.
- ▶ We expand our supply chain transparency beyond our Tier 2 suppliers and intensify our risk analysis.
- ▶ Based on the improved data and calculations of the environmental impact of our products, **we are taking the transparency of our sustainability communication to the next level.**



Discover CR

3 Examples

- 4.1 Under review: baesiq carbon accounting and climate strategy – work in progress
- 4.2 Insight into our Supplier Days 2023 – Strengthening partnerships for the long term
- 4.3 pingponq x Ultramid®Cycled®



Under review: baesiq carbon accounting and climate strategy – work in progress

Tackling climate change is everyone's business, and we too want to contribute to climate protection. In FY22/23 we undertook a thorough review of our approach to CO₂ emissions. We gained new and challenging insights, while taking the first steps to advance our CO₂ accounting and reduction efforts.

As part of this process, we have ultimately taken the difficult decision to suspend the accounting of our CO₂ emissions for the financial year 22/23. As a result, we regret that we cannot present you an updated carbon footprint for our business- and product-related emissions in this report. Instead, we want to transparently share the reasons for this decision, as well as our current progress and challenges.

Over the past three years, baesiq has taken its first steps in corporate climate protection. We have calculated our corporate carbon footprint for both FY20/21 and FY21/22 and offset it by investing in certified carbon offset projects. For FY21/22, we were also able to calculate an aggregated CO₂ product footprint for the first time, marking the next important milestone in the reporting of a complete carbon footprint.

One key lesson emerged from these initial CO₂ footprint calculations: More than 90% of the emissions associated with our entire value chain and business activities occur in our upstream supply chain. In particular, the sourcing and pre-processing of raw materials and the sewing of products are where we have the greatest leverage to reduce our CO₂ emissions.

So far, however, we have only calculated these emissions in an aggregated form for our entire product portfolio. We realised that this approach does not give us the knowledge we need to really derive and implement concrete reduction measures at product and material level. We quickly understood that we needed more granular CO₂ product footprints at the individual product level, which would further increase the



already high data collection effort. A solution that could partially automate this step would therefore be ideal. At the same time, we want to continue to collect a full carbon footprint for all relevant emission sources at company level. It also became clear last year that the FOND OF Group will be subject to the reporting requirements of the new EU Corporate Sustainability Reporting Directive (CSRD) as from FY25/26, and that this will also place new and more extensive demands on baesiq's climate accounting and strategy.

As a result, we began to look for a partnership with which we could implement these new requirements for the calculation of our carbon emissions. The initially sobering, but sensible, result was that we suspended accounting for FY22/23. Why did we do this? Firstly, we realised that the cost of CO₂ accounting tools had risen significantly, challenging us as a small company in the current difficult market environment. Secondly, we realised that we would need more time than originally thought to find the right long-term solution. The market for carbon offsetting tools is very confusing at the moment. It feels like new platforms and service providers are popping up every day. At the same time, we are still in the process of analysing the exact requirements that the CSRD will impose on us in the area of climate protection. **We are therefore still in discussions with potential partners and look forward to sharing the solution we have chosen in our next report.**

In addition to the calculation of our emissions, we have once again critically reviewed the offsetting of our corporate footprint. As reported in our last report, justified criticism of offsetting has increased. For example, the EU has now banned advertising that claims to be "climate neutral" if the claim is based solely on offsetting, because this could give consumers the impression that by planting trees, for example, the production of a product is climate neutral.⁹ Although we have always been very transparent about offsetting our corporate carbon footprint through climate protection projects, we regard these steps to curb greenwashing as positive. We also believe that corporate investment in carbon offset projects, which is still permitted, can be a legitimate complement to reduction measures to offset remaining emissions. Nevertheless, we have decided to stop offsetting our own company emissions for the time being. Instead, we intend to redirect the budget we have so far spent on offsetting to the described improvements for calculating our CO₂ emissions.

As part of our new [sustainability strategy](#) we will continue to develop our climate protection strategy over the next few years in line with our new guiding principle – measure, learn, improve, talk – and report on it.

4.2

Insight into our Supplier Days 2023 – Strengthening partnerships for the long term

At baesiq, we have always focused on long-term and trusting partnerships with our direct producers. This is not only crucial to our commercial success, but also a prerequisite for effectively fulfilling our human rights due diligence obligations (see chapter 2). In addition, this approach has already enabled us to establish a good basis for equal partnerships and joint production planning in line with responsible sourcing practices. **We source 86% of our purchasing volume from partners with whom we have worked for at least five years.**

However, during the last financial year we realised that the evaluation process for our supplier relationships had been very one-sided. Up to now, we have only carried out an internal assessment of our direct production partners – on their performance in the areas of CR, purchasing, logistics, development, and quality management. This was done once or twice a year to get an overview of our partners' performance.

However, these ratings were not shared transparently, so we were also unable to find out if we had contributed to a potentially negative rating. As a result of this, and with the help of best practice examples and exchanges with Fair Wear and other member companies, we have decided to develop our supplier-focused

evaluation process into a 360° feedback process. **In practice, this means that we will continue to assess our partners in the above areas, but they will now also have the opportunity to assess our practices in these areas.**

Next, we wanted to discuss these results with our partners in joint feedback meetings. No sooner said than done! At the end of November, we invited all our direct partners to Cologne to discuss the results of the new feedback process and to develop an action plan to improve our partnership, as well as to get in the mood for the end of the year. The timing was ideal as many of our partners were attending the ISPO outdoor trade show in Munich anyway. This meant that our partners didn't have to travel too far, and the climate was happy too.

In addition, the performance results shall influence our purchasing decisions in the future. For example, best-practice partners will be rewarded with new developments. At the same time, this should motivate all other partners to implement the agreed improvements in order to achieve a higher order volume. In this way, we can also further promote the process of improving working conditions. In order to strengthen the partnership on both sides, we also discussed the feedback from our partners regarding our practices and



defined various measures for us as baesiq to continue to be a reliable and good partner for our suppliers.

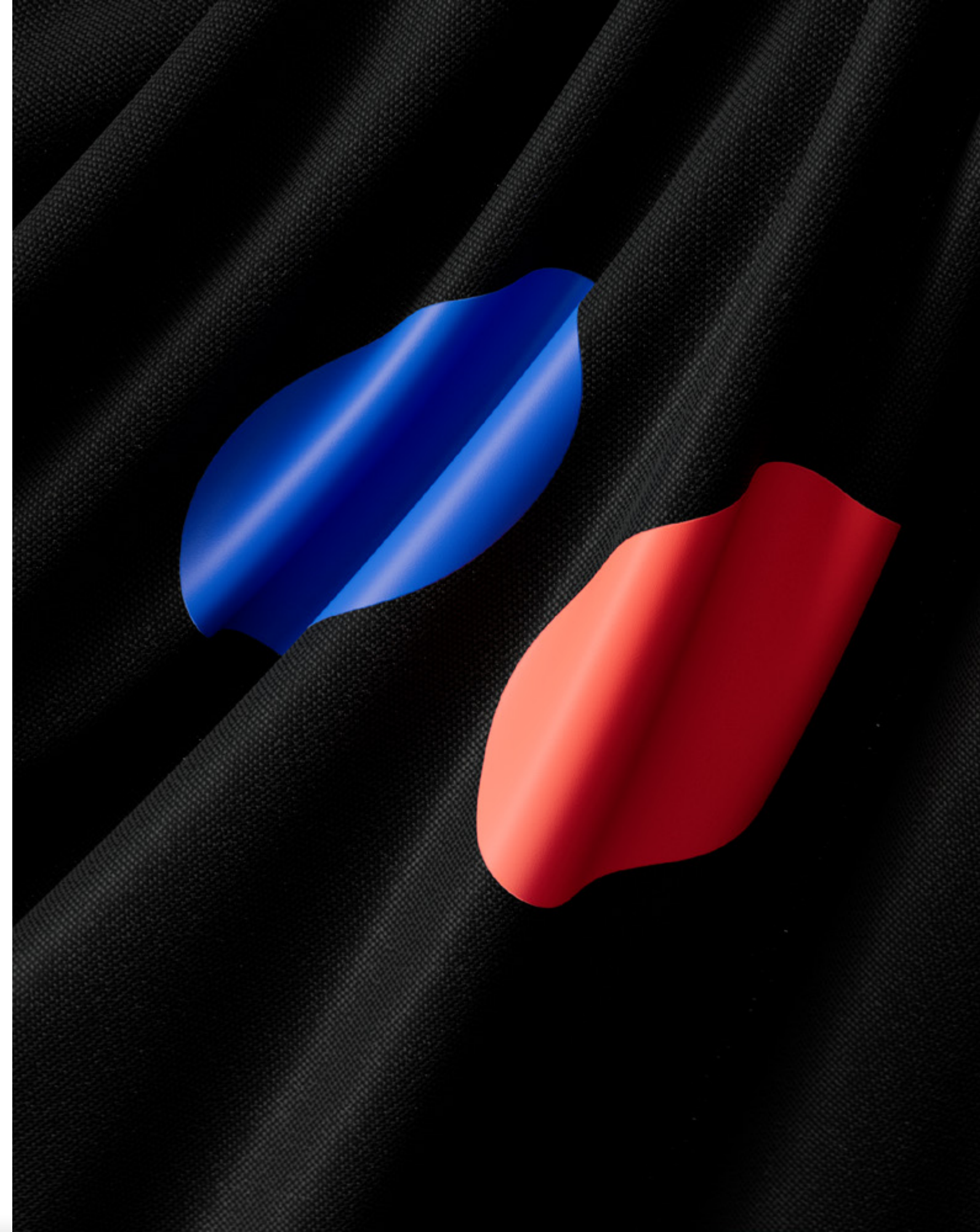
When we get together with our partners, it's not just about work, it's also about connecting personally, strengthening our partnership with new experiences and simply saying THANK YOU for another year together. Of course, a visit to the Christmas market with mulled wine and roasted almonds was a must. We ended the evening together in our rooftop bar with delicious food and drinks. We are already looking forward to next year!partnership on both sides, we also discussed the feedback from our partners regarding our practices and defined various measures for us as baesiq to continue to be a reliable and good partner for our suppliers.

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4.3

pingpong x Ultramid® Ccycled®

Ultramid® Ccycled® is an innovative, mass-balanced polyamide (100%, PA6) that pingpong has been using for the outer fabric of our SOLID products since summer 2023. Thanks to an innovative chemical recycling process, the use of Ultramid® Ccycled® allows us to reduce the use of fossil raw materials at the beginning of the value chain; to give a second life to used tyres and thus to make (one of many still needed) important contributions to promoting a circular economy for waste that was previously difficult to recycle.



CHEMICAL RECYCLING

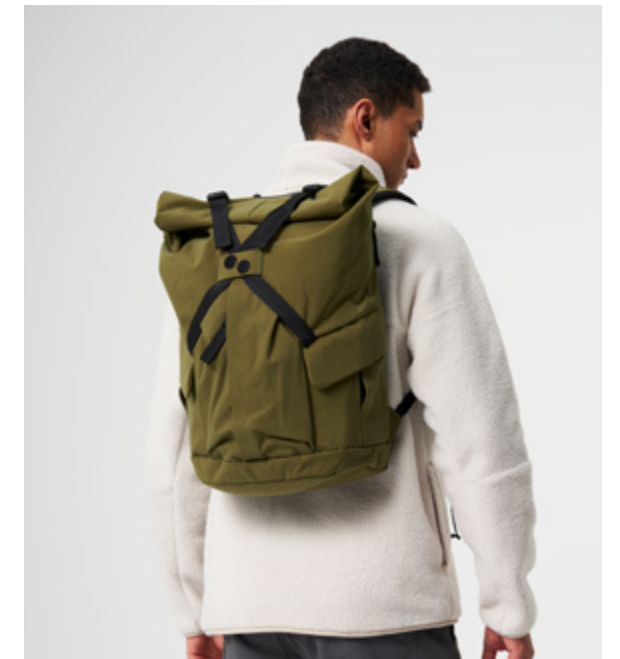
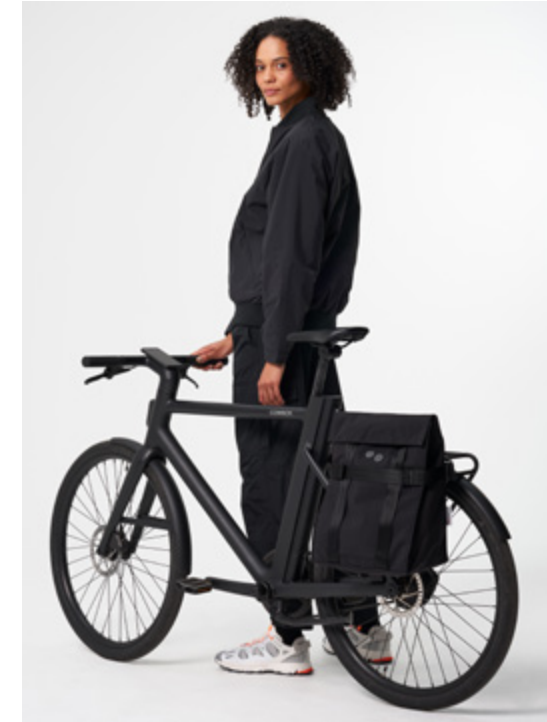
One of many contributions to building a circular economy for hard-to-recycle plastic waste and used tyres

The ideal of a functioning circular economy describes an economic system that aims to reduce resource consumption, waste generation and environmental pollution. Through processes such as reuse, repair, refurbishment, recycling or composting, products and materials are kept in the material cycle longterm and at their highest value. At present, however, far too few products and materials are recycled at end-of-life and kept in the material cycle as secondary raw materials.¹⁰

The majority ends up as waste in landfills or is incinerated to generate energy. In addition to Design for Circularity, the fundamental minimisation of raw material consumption and the extension of product life, it is therefore important to further exploit the potential for additional recycling through innovative technologies in order to close the loop.^{11 12}

Ultramid® Cycled® is the result of BASF's ChemCycling® project, in which the company and its technology partners are focusing on pyrolysis technology. The main objective is to find a solution to the fact that some types of waste, such as mixed, contaminated plastic waste or used tires, are currently difficult to recycle or cannot be mechanically recycled for technological, economic or environmental reasons. While unmixed waste should be mechanically recycled, chemical recycling is an important complement for challenging waste streams to increase recycling rates and support the development of a functioning circular economy.

A highly efficient thermochemical recycling process, known as pyrolysis, is used to recover a recycled raw material called pyrolysis oil from scrap tires. This oil is then integrated into BASF's polyamide production process, saving fossil resources at the beginning of the value chain. Using an independently certified mass balance approach, the proportion of recycled raw material can be allocated to the Ultramid® Cycled® material we use in the outer fabrics of our SOLID products.



Excursus

What exactly is the mass balance approach or a massbalanced product?

Until now, chemical precursors for the production of conventional textile fibres, such as polyamide, have been made from fossil resources such as natural gas and oil. If these precursors are to be produced in a more resource-efficient way, they have to be replaced by renewable or recycled raw materials, such as pyrolysis oil. As production takes place in large, complex production networks, it is neither economically nor environmentally sensible to build a separate production infrastructure for the use of such alternative feedstocks only. Instead, the solution is to gradually integrate recycled feedstocks into the existing production chain alongside fossil resources. Importantly, the end products, such as polyamide, remain chemically unchanged. The mass balance is the methodology that ensures that the proportion of recycled raw material (pyrolysis oil) can be attributed to the end product (Ultramid® Cycled®).

In Detail

Our suppliers buy mass-balanced Ultramid® Cycled® from BASF. To do this, BASF procures pyrolysis oil from chemically recycled car tyres and injects it at the start of the production chain. In the numerous value chains of the interlinked production system, alternative resources mix with fossil resources. The independently certified mass balance approach now allows the proportion of pyrolysis oil to be allocated to Ultramid® Cycled®, even if the recycled raw material is not physically present in the final material in a 1:1 ratio. In this way, BASF can use its existing production facilities to gradually increase the proportion of resource-saving raw materials in the production of chemical precursors as demand increases. The principle is similar to green electricity: Both fossil and renewable energy sources are fed into the grid. As demand for green energy increases, the expansion of renewable energy sources is encouraged, which are then integrated into the existing grid.

FROM SCRAP TIRES TO AKSEL

Manufacturing process and transparent supply chain

1. Disposal companies, as well as workshops and private individuals across Europe, collect used tires and supply them to BASF's recycling partners in [Germany](#), [Poland](#), and [Hungary](#).



2. At the recycling plant, the used tires are first shredded. Steel and fabric fibers are separated and directed into respective material recycling streams.



3. The used tire rubber is converted into pyrolysis oil through a thermochemical process known as pyrolysis.



4. **BASF** then feeds in the oil as a recycled raw material at the beginning of their production network for chemical precursors used in the manufacturing of polyamide in Ludwigshafen. As the production progresses, the pyrolysis oil cannot be distinguished from other raw materials used. However, the mass balance approach ensures that precisely the amount of pyrolysis oil required to produce the certified Ultramid® Cycled® is fed in.



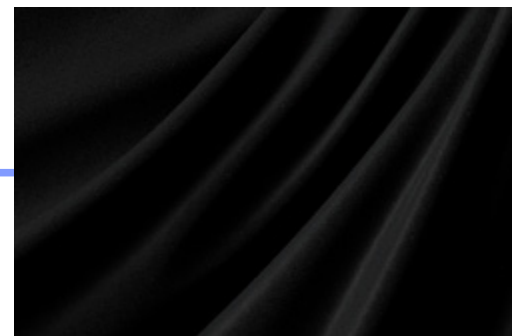
5. In the next step, BASF produces the Ultramid® Cycled® granules.



6. **Italon** in Taiwan then spins the Ultramid® Cycled® granules into their own yarns.



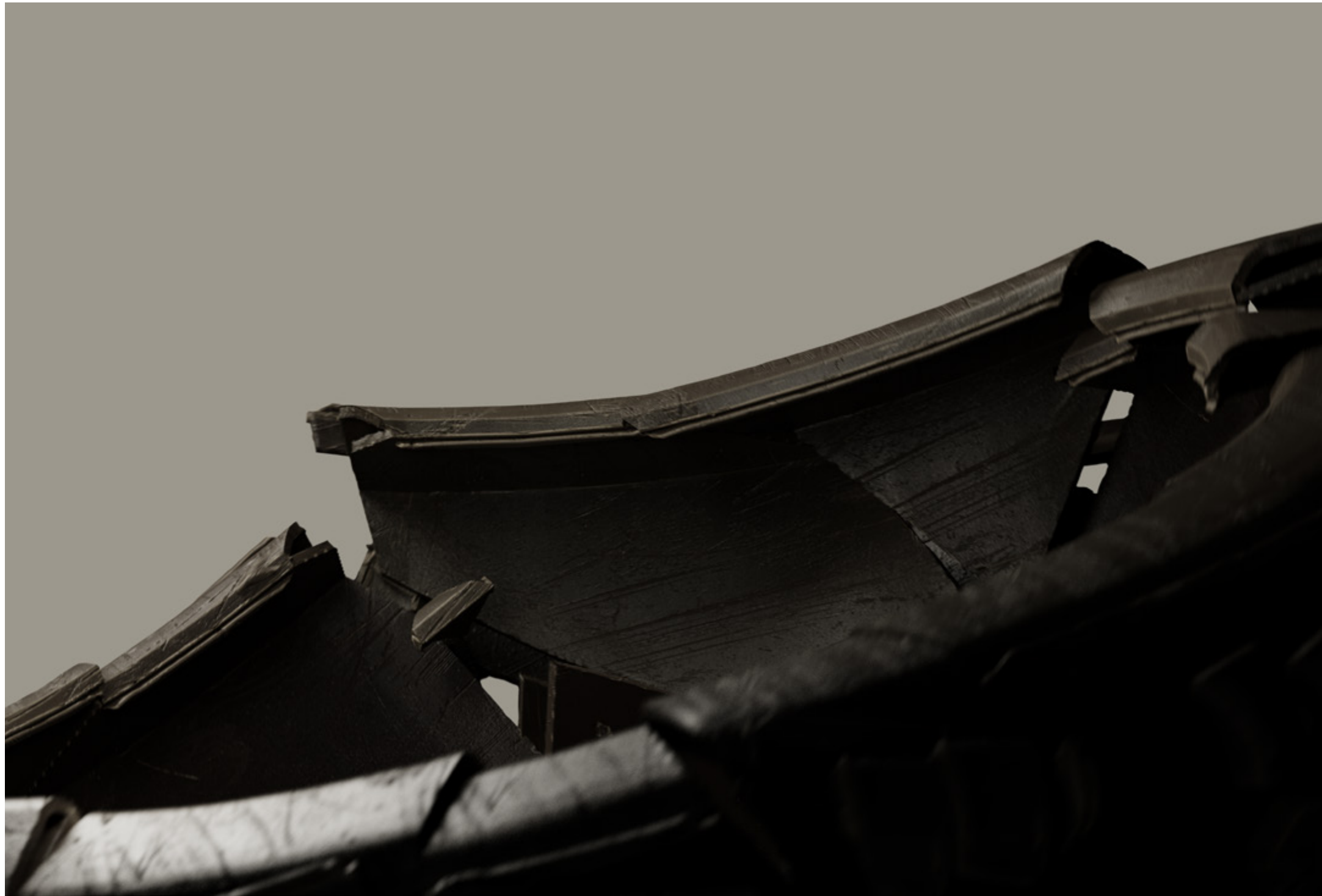
7. Our fabric supplier, **HO YU** in Taiwan, weaves these yarns into outer fabrics for our SOLID products.



8. Our producer **ASG** in Vietnam manufactures the SOLID products using this fabric and other components.



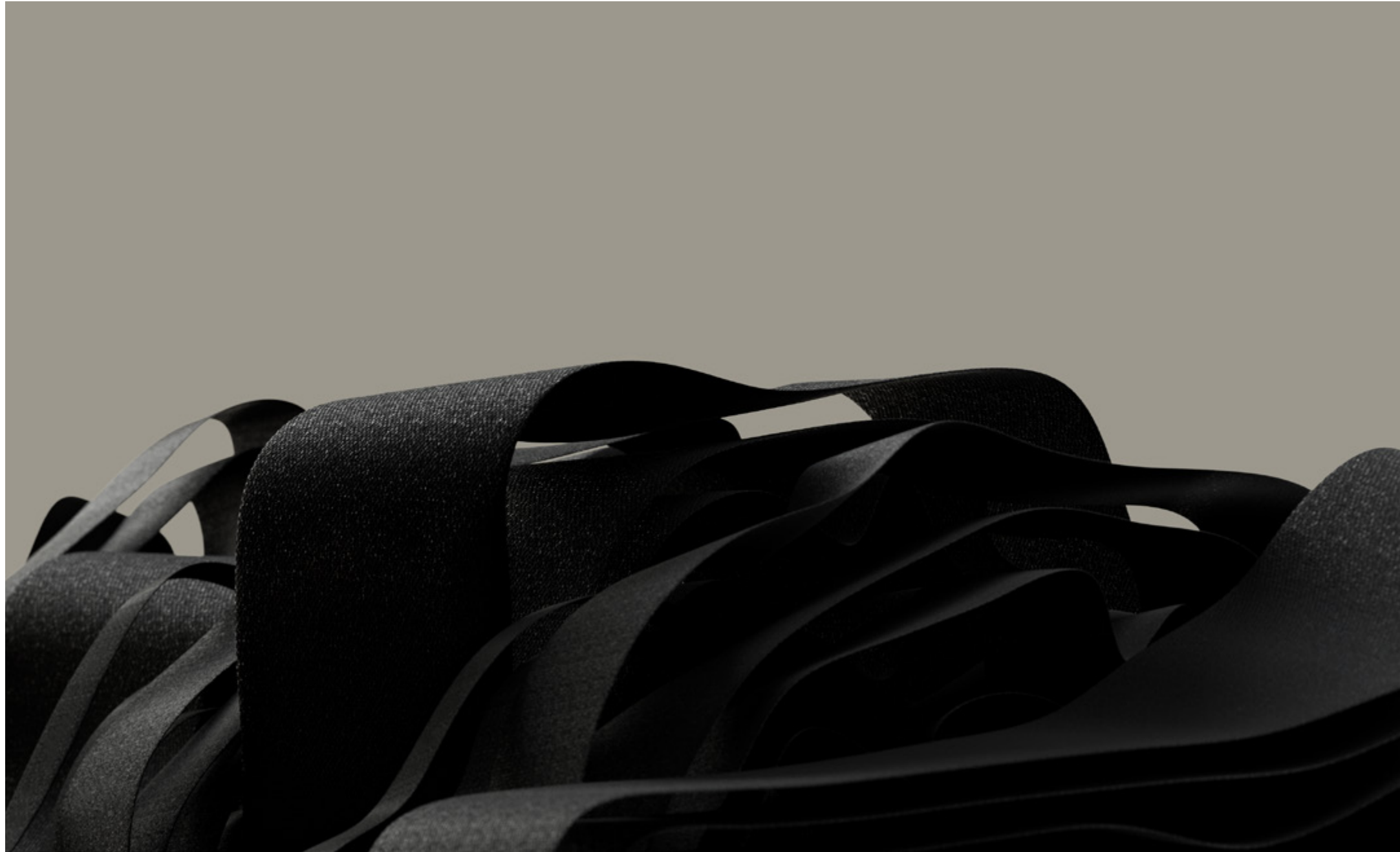
The problem with scrap tires



Compared to other types of waste, the disposal and recycling of used tyres poses a significant challenge and potential environmental problem. Tires do not decompose naturally and are made up of a variety of intricately linked components and materials, making them difficult to recycle. As a result, scrap tires have largely been mechanically downcycled into materials such as rubber granules for flooring or thermally processed for energy generation in cement plants. Semi-used tires are often exported to non-European countries where there are no strict regulations for the safe disposal of tires, so in the end they are often incinerated or disposed of improperly.¹¹

But also in Germany, the illegal disposal and storage of used tires has increased in recent years. This is due to the overall increase in the volume of used tires, the higher costs of legal disposal and the lack of uniform legislation and responsibility for proper disposal. The problem of illegal tire dumping: Improper disposal methods, such as incineration or unauthorised dumping, can release toxins into soil and groundwater, causing serious environmental and health hazards.¹³

Sustainability Benefits: Ultramid® Cycled® x pinqponq SOLID



With Ultramid® Cycled® we are helping to solve the problem of used tyre disposal. The pyrolysis technology unlocks the potential for a circular economy of used tyres by extracting recycled raw materials from them, which can then be used to produce high quality textile fibres such as polyamide.

At pinqponq we are constantly looking for durable, high-quality materials that are sustainably produced and recycle previously used raw materials. Ultramid® Cycled® offers the same functional and aesthetic properties as conventional polyamide but allows us to save fossil resources at the beginning of the value chain.

In this way, we are helping to promote a circular economy for previously difficult-to-recycle waste such as scrap tyres. In addition, the supply chain from scrap tyre to final product is transparent and traceable.

We are not perfect

About this report



We are not perfect. And neither is this report. Although as a small company we are not (yet) obligated to report, we want to transparently inform our stakeholders about how we fulfill our social and environmental responsibilities and where we stand. We take pride in what we have already achieved, but we also want to communicate honestly and clearly about areas where we need to improve.



To select the topics and content for this report, we asked ourselves the following questions:

- ▶ Where does our value chain have the greatest impact on social and environmental conditions, and how do we contribute to improvement?
- ▶ What was contained in the last report?
- ▶ And what topics are of interest to our target audience?

5. We are not perfect – About this report

In addition, also in this year we engaged with recognized reporting standards such as the Global Reporting Initiative (GRI) and the Deutsche Nachhaltigkeitskodex (DNK), and partly aligned our reporting with their guidelines. New reporting requirements from our CR partners and the EU have also been reviewed and partially incorporated into this report. We believe that such standards are important to ensure that corporate sustainability reporting is transparent, credible, and comparable. As a result of these considerations, additional information is included and/or content is presented differently compared to last year.



Our reports are published annually. The reporting period covers our latest fiscal year, from August 1, 2022, to July 31, 2023. To ensure the actuality of the information contained in this report, we did also take into account events up to the editorial deadline in April 2024. To save resources, this report is exclusively available digitally.

Contact

The reduction of our ecological impact, compliance with social standards along the entire supply chain and the search for ever better solutions are our daily challenges in the CR field.

Questions and feedback on this report and beyond are welcome at any time.

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Lea Altenfeld

Corporate Responsibility Manager
baesiq

OUR PROMISE

For a world where everyone enjoys a responsible Lifestyle

baesiq's products are durable, conscientiously designed, and crafted with great attention to detail. We make every effort to extend the lifecycle of our products. The quality of our products is uncompromising and consistently under scrutiny.

We promise to maintain this commitment!



Footnotes

[1] This includes 1x1 in different rhythms (weekly, bi-Weekly) and performance dialogues twice a year.

[2] Padding made of 50% kapok®, 50% recycled polyester.

[3] 67% TENCEL™ Lyocell, 33% Organic Cotton.

[4] With the exception of the fabrics used for our protective covers and wet compartments. Unfortunately, we still have to use a solvent-based PU coating on these fabrics to provide protection against rain and moisture. We are working on an improvement.

[5] Muthu (2020).

[6] Heinrich Böll Stiftung (2019).

[7] A detailed list of our Tier 2 suppliers and subcontractors would go beyond the scope of this report. However, you can find corresponding supplier lists on the Responsibility and Eco & Social websites of our pinqponq and AEVOR brands.

[8] In principle, details of how we deal with all complaints that reach us can be viewed on the [Fair Wear Complaints website](#).

[9] Kafsack (2024).

[10] Ellen McArthur Foundation (2024).

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THANK YOU

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