

Canyon's Environmental, Social and Governance Policy

1. About Canyon

Canyon is one of the most innovative bike brands in the world. The concept began in founder Roman Arnold's garage and grew to be the world's largest direct-to-customer manufacturer of road bikes, mountain bikes, triathlon bikes, gravel bikes, hybrid bikes, and electric bikes.

Canyon have earned their glowing reputation for innovation through consistently using advanced materials, thinking, and technology. The iconic Canyon design is easy to identify. Alongside being boldly competitive and ever-expanding, they are committed to making the global cycling community accessible for every rider.

At the same time, Canyon is committed to responsible business practices. The safety and wellbeing of their employees, partners and ecosystems across the global supply chain, the protection of the environment, and responsible production are of paramount importance to Canyon.

While Canyon partners with some of the finest athletes on the planet, their mission, 'Inspire to Ride', highlights how they work to promote the power of cycling to everyone.

2. Scope of the policy

The purpose of the Environmental, Social Governance (ESG) Policy is to formalize how Canyon integrates its ESG policies and codes through structured governance in its core business strategy and key processes.

Canyon ESG codes and policies (hereafter called policies) apply to the Canyon Group and all companies involved in the production of goods and services that are produced in the name of Canyon, or distributed through Canyon's sales channels.

All relevant codes and policies are publicly available on the Canyon compliance site at www.canyon.com.

3. Key frameworks and legal requirements

The Canyon ESG approach is based on internationally recognized laws, standards, and principles, which provide a clear and transparent framework on how business can be done in a responsible way. These include, but are not limited to:

- The Universal Declaration of Human Rights and the two main international instruments through which it has been codified: The International Covenant on Civil and Political Rights (ICCPR) and its two Protocols, and the International Covenant on Economic, Social and Cultural Rights (ICESCR)
- The UN Guiding Principles on Business and Human Rights
- Organisation for Economic Co-operation and Development ("OECD") Guidelines for Multinational Enterprises
- The Dhaka Principles for Migration with Dignity
- The ILO Declaration on Fundamental Principles and Rights at Work and its core Conventions and Recommendations
- UN Global Framework on Chemicals—For a Planet Free of Harm from Chemicals and Waste (GFC)

4. Assigned responsibilities

Non-Financial reporting and ESG risk management: The Audit Committee, as required by applicable law, rules or regulations and otherwise to the extent it deems necessary or appropriate, shall:

- (a) Review the report on non-financial information, including its third-party verification, and any related information to the extent necessary for an understanding of Canyon and its group development, performance, position, and impact relating to, as a minimum, environmental, social and employee matters, respect for human rights and anti-corruption and bribery matters.
- (b) Review and discuss any presentations or policies regarding ESG, prior to their presentation to the Advisory Board. The Committee shall review and discuss policies with respect to risk assessment and risk management, including Canyon's major financial risk exposures as well as reputational, legal, operational, environmental, and business risks to which the Company is or may be subject, and discuss with the Internal Auditor the steps management has taken to monitor and control such exposures.

Approval and review of ESG policies: The responsibility for the strategic direction, approval, and review of the ESG codes and policies has been assigned to the Advisory Board. Policies shall be revised every 3rd year or ad hoc if required due to legal requirements or other circumstances which would require such a review. Those other circumstances shall be brought to the attention of the Advisory Board by the Audit Committee. The CEO remains responsible for the overall compliance, monitoring of progress, and implementation of the policies.

Implementation and enforcement: The responsibility for the implementation and enforcement of the policies is headed by the Global Director ESG. However, Canyon is aware that the implementation and enforcement of responsible business practices is a company effort and has therefore embedded the implementation and enforcement of the ESG roadmap across the organisation. The Supply Chain, Purchasing, Research & Development, Quality, Finance and IT teams, and the Human Resources Department play a crucial role in this endeavor, and support the implementation with their respective business processes and dedicated staff.

Monitoring of the implementation: The CEO is responsible for monitoring the status of implementation and enforcement of the policies together with the Global Director ESG every half year. Additionally, he shall adopt appropriate measures to guarantee the implementation and enforcement of the policies.

5. Whistleblowing process

Employees (applicants, current or former), direct and indirect suppliers and business partners and their employees, customers, communities, and other interest groups can report any actual or suspected cases of violations, or violations that may arise against Canyon's values and principles, and that are connected to its activities via the [Canyon Speak Up Platform](#).

Reports can be made anonymously, and reported non-compliances will be received by an external, independent entity (ombudsperson). Canyon's ombudsperson is responsible for acknowledging reported misconduct, determining the responsible case manager, and directing the report to the relevant Canyon Whistleblowing Officers, in line with pre-defined categories and responsibilities.

In case of a complaint involving the Whistleblowing Officers, Managing Directors, Executive Leadership Team, including the CEO, or a situation that is directly threatening the health and safety of an individual or a community, the complaint will be directed to the Advisory Board Chair only, who will be responsible for the case management.

Canyon takes all reports very seriously and acts accordingly by following the below process:

1. Receipt confirmation and categorisation
2. Case investigation
3. Remedy and feedback
4. Continuous effectiveness measurement

In accordance with Canyon's values and its legal requirements, no form of retaliation against whistleblowers is allowed. The confidentiality of the whistleblower is maintained, and their identity is protected. In this context, retaliation means adverse conduct taken when an individual reports an actual or perceived violation of the Canyon Code of Ethics and/or practices that aren't allowed by this code. Deliberate misreporting or reports only intended to cause harm will not be covered by the whistleblower protection, Canyon may then share whistleblower's name and take action against them under the law.

The complete process documentation can be found in the Speak Up Policy on the [Canyon compliance site](#).