

The Hunkemöller Ethical Code of Conduct

1. Objective

We consider ourselves responsible for all of the activities carried out in our name worldwide. We feel a particular responsibility to provide decent working conditions for the employees producing our products as well as the natural environment in which we operate. This responsibility involves all employees who make products or part of products for Hunkemöller, whether they are directly employed by Hunkemöller or by third party subcontractors and suppliers. Manufacturing goods with respect to the needs of workers, in particular vulnerable workers such as women, migrants, and temporary workers, advancing the welfare of workers and communities, reducing waste, using resources responsibly and efficiently and working towards carbon reduction are important elements in Hunkemöller's corporate values and sustainability strategy. This Hunkemöller Ethical Code of Conduct (hereafter called the Code) is completing the General Purchasing Conditions. The Code is an operational guide to help Hunkemöller Business partners understand their requirements regarding Social and Environmental due diligence in order to start (and maintain) a commercial relation with Hunkemöller. Our overall CSR strategy is based on 5 main topics which are key to build a strong partnership:

Principle 1 - Factory Safety

Principle 2 - Workers Health & Well Being

Principle 3 - Environmental Protection

Principle 4 - Supplier Transparency

Principle 5 - Supply-Chain Traceability

Our target is to cascade those good practices in to our entire supply-chain in a win-win partnership philosophy to make products together sustainably.

2. Introduction

The Code sets out the minimum standards of business conduct that we require from all suppliers, their subcontractors and other business partners who do business with Hunkemöller, hereafter collectively referred to as "Business partners". The Hunkemöller Code is based on Hunkemöllers holistic approach and commitment to ensure the continuous improvement of social and environmental due diligence within our own operations as well as the organisations and supply chains of our Business partners. The minimum standards set in this Code are fundamental in Hunkemöller sourcing strategies, in how we evaluate baseline factory performance, and determine with which Business partners Hunkemöller will continue to engage and grow our business. This Code is based, amongst other principles, on the International Labour Organisation (ILO) Conventions, the OECD Guidelines and UN Conventions. With this due diligence procedure, we aim to identify, prevent, mitigate, account for and remediate adverse human rights and environmental impacts in our operations and supply chains. This Code is supported and supplemented by the Hunkemöller Labour Policy, Environmental Policy, Animal Welfare Policy and Material Policy.

It is expected that all business partners share Hunkemöller's values and commitment to social and environmental due diligence and that business partners can demonstrate that they meet the standards set in this Code, and comply with applicable laws, rules and regulations. It is the responsibility of Hunkemöller's Business partners to actively inform their subcontractors about Hunkemöller's Code, to cascade its principles to their Business partners and to ensure these are implemented in every factory and workplace that produces, finishes, packs or handles goods or performs services for Hunkemöller. In case of updates to this Code, it is the responsibility of the Business partner to update his direct Business partners accordingly.

Hunkemöller undertakes the responsibility to help its Business partners to continuously improve labour, health and safety and environmental conditions in the workplace, and to help our Business partners understand how to move from basic to advanced sustainability practices. We recognize that this effort requires listening to our Business partners and their employees' needs, an understanding of what we can change, as well as a collaborative approach using capacity building tools such as root-cause analysis, training, and management-system development to drive meaningful change.

Hunkemöller is committed to strictly comply with all applicable law, conventions and regulations. Hunkemöller have based the requirements in this Code on the following conventions:

- ILO Conventions
- OECD Guidelines for Multinational Enterprises

- United Nations' Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- United Nations Global Compact
- UN's Conventions on Children's Rights and the Elimination of All Forms of Discrimination Against Women

The Hunkemöller Code aims to attain compliance with all above mentioned conventions and any other relevant social and environmental standards. By signing this Code, Business partners are, within their scope of influence, committed to acknowledge the social and environmental standards laid down in this Code and to take appropriate measures within their company policy for their implementation and compliance.

3. Scope

3.1 Legal requirements

All Business partners must comply with all applicable national laws and regulations in the countries where they operate, including those at the federal, state/provincial and local community levels. When differences or conflicts in standards arise, suppliers are expected to comply with the one which provides the highest protection to workers and the environment.

3.2 Intellectual property rights

Suppliers must ensure that intellectual property rights are respected, and that unlawful copies of Hunkemöller products are neither offered, nor produced.

4. Management Systems

Business partners are expected to implement management systems which comply with all applicable laws and promote improvement with respect to topics laid out in this Code. This includes the following aspects:

- **Legal and Other Requirements:** Business partners will comply with all laws, regulations, contractual agreements and generally recognized standards.
- **Communication of Sustainability Criteria in Supply Chain:** the Business partner will communicate the principles of this Code to their supply chain.
- **Commitment and Accountability:** Business partners are encouraged to fulfil the expectations of this Code by using the right resources.
- **Risk Management:** Business partners are expected to implement mechanisms to identify, determine and manage risks in all areas addressed by this Code and with respect to all legal requirements.
- **Documentation:** Business partners are expected to develop correct documentation to demonstrate that they share the principles and values expressed in this Code. This documentation may be reviewed by Hunkemöller upon mutual agreement.
- **Continuous Improvement:** Business partners are expected to continuously improve their sustainability performance by implementing the necessary measures.
- **Audits:** audits have to take place on a **semi-announced basis by default**, which means the supplier is aware an audit will take place but is not notified of the date. Only first audits are allowed on a fully-announced basis. Fully unannounced audits are also accepted. Business partners agree to be audited by an accredited auditing firm on behalf of Hunkemöller in order to monitor their social and/or environmental compliance progress rate.

4. Transparency

Hunkemöller and our Business partners are jointly responsible for ensuring social and environmental compliance and the integrity of our product content claims from farm to finished goods. To achieve overall conformity, transparency and traceability into all levels of the supply chain is paramount.

Hunkemöller expects our Business partners to fully comply with this Code and be completely transparent about their ability to adhere to our policies, processes, standards, audits, assessments or supplier investigations. Transparency must be a fundamental component of our business relationship.

Hunkemöller requires Business partners to disclose all production locations and guarantee that goods for Hunkemöller are exclusively manufactured at the locations indicated. Hunkemöller also requires suppliers to map and continuously track and monitor their supply chain and to provide transparent information into the owned and/or subcontracted farms, mills, plants, factories and other sites that are involved in the manufacture of our products.

4.1 Monitoring

Relevant documentation must be maintained for auditing and validating purposes. We have the right to make unannounced visits to all units producing goods or services for Hunkemöller at any time. We also reserve the right to appoint an independent third party of our choice to conduct audits in order to evaluate compliance with our Code. During audits or validations we require access to all areas of the premises, to all documents and to all employees for interviews. We also demand the right to provide employees with contact details for Hunkemöller.

4.2 Corrective Action

Our audits/validations aim to identify gaps between the requirements in this Code and the actual practices and conditions in the workplace. The audited/validated company will usually be given the opportunity to propose and implement a Corrective Action Plan (CAP). We will follow up the implementation of the plan and check whether all findings have been remediated. A supplier failing to undertake these improvements within the indicated time frame would seriously damage its relationship with Hunkemöller. Unwillingness to cooperate or repeated serious violations of the Hunkemöller Code and national/local law may lead to reduced business and ultimately termination of the business relationship with us. Please note that we follow the amfori BSCI Zero-Tolerance protocol.

5. Labour Practices

In accordance with the ILO Conventions, the United Nations' (UN) Universal Declaration of Human Rights, the UN's Conventions on Children's Rights and the Elimination of All Forms of Discrimination Against Women, the UN Global Compact and the OECD Guidelines for Multinational Enterprises and all other relevant internationally recognised agreements, this Code aims to attain compliance with certain social and environmental standards. The standards set out in this Code are based on the amfori BSCI Code of Conduct.

5.1 No Discrimination, Violence, Harassment or Disciplinary Actions

ILO Conventions 100, 111, 143, 158, 159, 169, 183 and 190

Business partners shall adhere to relevant ILO conventions and not discriminate, exclude or have a certain preference for persons on the basis of sex, gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, pregnancy, diseases or any other condition that could give rise to discrimination. In particular, workers shall not be subject to any form of violence, harassment, and inhumane or degrading treatment in the workplace, as well as threats of violence and abuse, including corporal punishment, verbal, physical, sexual, economic or psychological abuse, mental or physical coercion, or other forms of harassment or intimidation.

Business partners' management and factory managers and supervisors must treat all workers with respect and dignity at all times. Management must implement a gender-sensitive culture where all workers feel safe and are respected by their colleagues, offering equal opportunities and treatment. The need for a respectful and dignified working environment shall be communicated to make everyone understand the boundaries of acceptable behaviour. Moreover, workers who report issues on the grounds listed above shall not suffer harassment, discipline, or retaliation.

Any form of discrimination, preferential treatment, verbal abuse, or any other form of behaviour that is disrespectful or intimidating must be thoroughly investigated. For this purpose, Business partners must have a written policy or plan to address violation(s) and provide a confidential procedure for employees to report harassment, corporal punishment, physical and/or mental abuse. In case of a proven incident, the case must be dealt with through a formal disciplinary process. Such disciplinary process shall be made in writing but should also be explained verbally to workers in terms and language they can understand. The disciplinary measures taken shall be in line with national legislation.

Sexual harassment in any form is not acceptable in the workplace or in any facilities related to the workplace, including transportation and dormitories. Business partners must prohibit sexual harassment, including unwelcome sexual advances, unwanted hugs and touches, suggestive or lewd remarks, requests for sexual favours, or the display of indecent, derogatory, or pornographic pictures, posters, drawings, or videos. All workers must be protected from retaliation for complaining about harassment.

All relevant key personnel, including manager, security staff, doctors, nurses, managers must be regularly trained to recognize signs of gender-based violence and understand laws and organization policies on human trafficking and sexual exploitation.

5.1.1 Protecting the vulnerable

Business partners must give special consideration to the rights of those most vulnerable to abusive labour practices, such as women, home workers, agency workers, temporary workers, and migrant workers.

5.1.2 Employment Relationship

Business partners must engage with workers on the basis of rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labour and social security laws and regulations.

5.2 No Child Labour

ILO Conventions 138 and 182

Business partners observe this principle when they do not employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply. Business partners shall, therefore, adhere to relevant ILO conventions regarding child labour and protect children from any form of exploitation.

Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. Special care shall be taken on the occasion of the dismissal and removal of children. In removing children from the workplace, business partners should identify in a proactive manner, measures to ensure the protection of affected children.

Hunkemöller's zero tolerance approach to child labour, the requirements for Business partners and remediation process in the event of child labour allocation is further explained in the Hunkemöller Labour Policy.

5.3 Special Protection for Young Workers

Business partners observe this principle when they ensure that young persons (who are legally entitled to work i.e. above the minimum age of employment of 15 and below the age of 18) do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle.

Where young workers are employed, Business partners should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours allow their attendance in school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes. Young workers shall be removed from any hazardous work or source of hazard immediately when such cases are identified, and the scope of their work should be redefined without any loss of income to the worker.

Hunkemöller's programme to protect young workers is further explained in the Hunkemöller Labour policy.

5.4 No Precarious Employment

Business partners observe this principle when, without prejudice to the specific expectations set out in this chapter, (a) they ensure that their recruitment process and employment relationships do not cause insecurity and social or economic vulnerability for their workers; (b) work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

Before entering into employment, Business partners shall provide workers with understandable information in their own language and ensure they are aware about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners should aim at providing decent, and where relevant, flexible working conditions that also support workers, irrespective of gender, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in their hometowns.

Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship or training schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, (c) labour-only contracting and (d) contract substitution. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

When homeworkers are used, all local laws and internationally recognized standards must be followed. At a minimum, hours and wages must be tracked and homeworkers must be guaranteed proper compensation and access to minimum social provisions, such as maternity and statutory social security protection.

5.5 No Bonded Labour, Forced Labour or Human Trafficking

ILO Conventions 29 and 105 and ILO Protocol 29

Business partners shall adhere to relevant ILO Conventions and not engage in, or through business partners, be complicit to any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. Mental and physical coercion, slavery, state imposed forced labour and human trafficking are prohibited throughout our supply chain. Business partners will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners.

Business partners shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly. This responsibility encompasses adhering to international principles of fair responsible recruitment, including the Employer Pays Principle, and requiring the same from their recruitment partners, when engaging and recruiting all workers, either directly or indirectly. As a minimum this responsibility includes:

- No recruitment fees and costs are charged to workers;
- Clear and transparent employment contracts;
- Workers' freedom from deception and coercion;
- Freedom of movement and no retention of identity documents;
- Access to free, comprehensive, and accurate information;
- Freedom to terminate contract, change employer, and safely return;
- Access to free dispute resolution and effective remedies;
- Based on the same international principles, Business partners shall progressively compensate the damages incurred to the workers within a reasonable timeframe, if historical or actual failure of adherence to principles is identified.

Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Business partners shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

All disciplinary procedures must be established in writing and are to be explained verbally to workers in their own language in clear and understandable terms.

5.6 The rights of Freedom of Association and Collective Bargaining

ILO Conventions 11, 87, 98, 135 and 154

Our Business partners are required to recognize and follow the ILO Conventions and respect the right of their employees to freedom of association and collective bargaining. Employees should be free to form and join trade unions and bargain collectively. Employees should not be subjected to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization.

Business partners shall: (a) respect the right of workers to form unions in a free and democratic way; (b) not discriminate against workers because of trade union membership; (c) ensure meaningful representation of all workers, without distinction, specially of gender and (d) respect workers' right to bargain collectively.

Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

Business partners and factory management must not prevent, or discriminate against, workers who wish to lawfully and peacefully associate, organise or bargain collectively. The decision whether or not to associate should be made solely by the workers.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, Business partners shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

5.7 Fair Remuneration

ILO Conventions 12, 26, 95, 100, 101, 102 and 131

Business partners observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder.

Business partners shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Business partners must comply with all legal requirements on wages and provide any fringe benefits required by law or contract.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills, responsibility, seniority and education of workers and shall refer to regular working hours. Workers must be provided with clear written details of how their wages have been calculated. Overtime payments must be at a premium rate, compatible with local legislation.

If the compensation paid does not meet the workers' basic needs and provide some discretionary income, our Business partners are required to take appropriate actions that seek to progressively realize a level of compensation that does.

Where employees are paid according to their output (piece work), their wage must still meet the legal minimum wage standard and should cover a decent living standard. A formal, agreed piece rate calculation must be in place which ensures that workers are paid fairly and are able to meet the legal minimum wage standard, or above, within normal working hours.

Business partners shall assess the existent pay gap accurately, ensure that workers of all genders and categories, such as migrant and local workers, receive the same remuneration for equal jobs and qualification.

Women employees are entitled to maternity protection (leave and benefits as well as protection against discrimination) in accordance with the requirements of national laws and regulations or ILO Conventions Nos. 183, 103, and 3, whichever is higher.

5.7.1 Wages

Employers shall not ask their workers for a deposit or withhold wages of workers; minimum wage does not include wage compensation for overtime work or allowances.

5.7.2 Benefits

Business partners shall ensure social insurance participation for employees in accordance with the law and pay social insurance fees; the factory is recommended to submit the progressive coverage plan for social security to ensure 100% coverage for all of the workers in the factory.

5.7.3 Deductions

Deductions will be permitted only under the conditions and to the extent allowed by law or fixed by collective agreement. The cost of clothing and protective equipment required to perform work safely must be paid in full by the employer. Deductions from wages or any other form of financial penalty must not be used as a disciplinary measure.

5.8 Decent Working Hours

ILO Conventions 1 and 14 and ILO Recommendation 116

Business partners must not require their employees to work more than the regular and overtime hours permitted under the law of the country where they are employed. Business partners observe this principle when they ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. However, Hunkemöller recognizes the exceptions specified by the ILO, in which overtime is permitted. Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO. Working hour practices that enable a healthy work-life balance for the workers should be promoted.

The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than 125% the regular rate, shall not represent a significantly higher likelihood of occupational hazards and under no circumstance, exceed the limit established by national legislation. Furthermore, Business Partners shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

Workers must be able to refuse to work overtime without any form of penalty. Workers who refuse overtime must not be denied the opportunity to work overtime in the future.

5.9 Occupational Health and Safety

ILO Convention 155

Business partners observe this principle when they follow the ILO convention and respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.

Business partners shall comply with national occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced. The active cooperation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees. The latter should also aim to represent the diversity of the workers.

Business partners shall ensure that systems to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers are in place and those shall regularly be reviewed, in accordance with the procedure of due diligence proposed in the OECD Guidelines.

Business partners shall take effective measures to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing, so far as is reasonable, the causes of hazards inherent within the workplace. Moreover, records of all health and safety incidents in the workplace and all other facilities that are provided or mandated should be maintained by the business partners.

Business partners commit to train all departments and individuals on occupational health and safety regularly throughout all stages of employment and provide information on potential occupational health and safety risks to workers and public, including affected communities.

Business partners will seek improving workers protection in case of accident, including through compulsory insurance schemes.

Business partners shall take all appropriate measures and obtain all relevant licenses and documentation required by national legislation, to see to the stability and safety of the equipment and buildings they use, including residential facilities for workers when these are provided or mandated by the employer or a recruitment partner, as well as to protect against and prepare for any foreseeable

emergency. Business partners shall provide awareness to workers and respect their right and responsibility to exit the premises and or stop working without seeking permission in case of imminent danger.

Business partners shall ensure adequate occupational medical assistance and related facilities and provide equal access to all workers for these services. Health services (including insurance) should serve the distinctive concerns and needs of all genders and ages.

Business partners shall ensure access to drinking water, safe and clean eating and resting areas free of charge as well as clean and safe cooking and food storage areas, where applicable. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge taking the needs of different worker categories, such as pregnant and nursing women, into consideration.

Business partners shall provide an adequate number of safe, separate toilets with adequate level of privacy for all genders, paper towels and washbasins with hand soap in all work areas.

5.10 Building Fire and Safety

ILO Convention 155 and ILO Recommendation 164

The Production facility must be able to display, with relevant permits, that production buildings and installations in such buildings, are of the correct standard for how they are being utilized. A Lightning Protection system should be installed on the factory roof. This should be inspected by a qualified 3rd party on a yearly basis. There must be a management system to ensure that operational loads (including occupational loads) do not, at any time, exceed the factory floor loading limits. There shall be an automatic fire alarm system.

Fire drills and testing of emergency systems shall be conducted on a regular basis, but at least once/twice a year. In case of multi-tenancy, the Building Certificate and Fire Certificate cover the whole building and the fire alarm should be centralized in the whole building. The fire drill should be a joint fire drill.

All safety equipment (such as firefighting equipment etc.) shall be available in sufficient numbers throughout the production facility, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in firefighting techniques. Buildings shall be provided with a clear and unobstructed way of exit for all occupants to safely evacuate, that includes (but is not limited to) a sufficient number of clearly marked, unlocked and unblocked exits, and safe and unobstructed exit pathways leading out of the premises. Evacuation plans shall be in place and shall be posted at the entrance to each exit stair.

Electrical systems, panels and wiring must be installed by certified electrician, shall be properly documented, and must be maintained in good working order. The generator and boiler must be kept separately from the production area.

There shall be proper ventilation, windows, fans, air conditioning and /or heating in at workplaces, so that circulation, ventilation and temperature requirements are met. The factory shall ensure that the noise level is acceptable. The lighting must be sufficient to ensure a safe working environment. If the factory provides food for its workers, the canteen, in which food is stored and prepared, must be located separately from the production area and also be clean and in a good condition and must have a valid kitchen certificate.

5.10.1 International Accord for Health and Safety in the Textile and Garment Industry

In case a Business partners has a production facility in Bangladesh that is manufacturing products for Hunkemöller, he is obliged to join the International Accord or Health and Safety in the Textile and Garment Industry, also if he acts as an intermediary (e.g. trader or agent) between Hunkemöller and a production facility. When becoming a signatory, the intermediary is expected to take full responsibility for their production facility by taking over the Lead Brand position for the factory in order to ensure effective action plan (CAP) development and coordinated, timely and successful remediation of all CAP issues. The intermediary does so by:

- Acting as the chief spokesperson, coordinator, and intermediary with the RSC, the factory owner, and the other Accord companies present at the factory.

- Organizing meetings and discussions with other Accord companies about the factory's participation in the RSC programme, including: preparation for inspections; finalization of CAPs; confirming remediation is financially feasible; coordinating with other companies, the factory and RSC to ensure remediation is on track; escalating delays or problems with remediation to the RSC; and keeping the RSC updated on progress and ultimately, on CAP completion.
- Coordinating with the Accord and RSC to assist the factory owner regarding any potential media queries.

Intermediary production facilities are expected to:

- Open their supplier factories to fully independent inspections by qualified experts and engineers
- Allow the results of these inspections to be reported publicly, in a searchable database

5.11 Housing Conditions

Business partners who provide housing facilities for its employees must follow all requirements regarding health and safety set under point 5.9 "Occupational Health and Safety". The dormitory must be separated from the workplace and have a separate entrance. Dormitories must have sufficient living and storage space for workers, and all necessary services must be provided. Employees should have free access (and should be free to leave at any point) to the dormitory and have a place where they can lock in their private belongings.

Dormitories should be kept secure, clean and have safety provisions (such as fire hoses/extinguishers, first aid kits, emergency lighting etc.). Emergency evacuation drills shall also be conducted at least twice a year. The dormitories are ideally located on the ground floor. When they are located on the top floor, they need to have direct access to at least 2 unobstructed emergency exits. Cooking should take place in a dedicated kitchen area.

5.12 Ethical Business Behaviour

Business partners observe this principle when, and without prejudice to the goals and expectations set out in this chapter, they are not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving, paying or accepting of any improper monetary or other incentive - directly or indirectly, material or immaterial - to any person, foreign/domestic public or political official, political party, party official, employee of a state-owned enterprise, a candidate for public or political office or any other third party to induce such officials or third party to use their influence with a government or other entity.

There shall be no improper advantage sought, including the payment of bribes, to secure the delivery of goods to Hunkemöller, or to influence the outcome of an independent audit or review. This includes audits that are commissioned directly by the supplier, or on behalf of other customers.

Business partners shall develop and adopt adequate internal controls, programmes, or measures for preventing and detecting corruption, extortion, embezzlement or any form of bribery, developed on the basis of a company-specific risk assessment.

Business partners are expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices to enhance transparency of their activities. Business partners should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain.

It is of the utmost importance that business partners provide awareness to the workers about the policies, controls, programmes and measures against unethical behaviour, and promote compliance within the company through trainings and communication.

Furthermore, they should collect, use and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

Business partner shall be liable and indemnify Hunkemöller for any and all bribery, money laundering and/or corruption violations on the part of the supplier and/or its affiliates, including but not limited to losses, actions, proceedings, costs (including without limitation legal costs), expenses, damages,

claims, demands and liabilities of any kind arising out or as a result of such violations and as incurred by Hunkemöller.

Neither the Business partner, nor any of its subsidiaries, directors, officers, employees or agents, shall use the agreement(s) with Hunkemöller to attempt to disguise the sources of illegally-obtained funds. The Business partner further represents and warrants that no such attempt of the sort described in this paragraph has been made prior to the date of an agreement with Hunkemöller.

Business partners shall seek to ensure compliance with (international) sanction regulations / laws and as such are expected to implement adequate processes ensuring compliance therewith. Business partners should note that Hunkemöller reserves the right to withdraw orders immediately and without notice if there is evidence of any non-compliance with (international) sanction regulations. In addition, Business partners shall be liable and indemnify Hunkemöller for any and all act of non-compliance on the part of the Business partner and/or its affiliates, including but not limited to losses, actions, proceedings, costs (including without limitation legal costs), expenses, damages, claims, demands and liabilities of any kind arising out or as a result of such violations of sanction regulations and as incurred by Hunkemöller.

5.13 Unauthorized sub-contracting

The subcontracting of any part of a Purchase Order to a factory without prior written authorization from Hunkemöller is considered a Zero Tolerance issue (i.e. is not allowed). Hunkemöller reserves the right to immediately and permanently discontinue business with any factory engaging in unauthorized subcontracting, including the right to refuse delivery of the relevant products, without payment and prevent the sale of those products.

5.14 Traceability

We require our Business partners to map and continuously track and monitor all locations in all levels of their supply chain and upon request provide transparency information into farms, mills, plants, production units and other sites that are involved in the production of our products.

5.15 Product safety and Quality

The Business partner must meet generally recognized or contractually agreed quality requirements and comply with safety standards and all legal and labelling requirements and specifications. Production facilities must have a clearly documented quality system and quality improvement plan. This system must include reliable "in process" and final finished goods checks. These checks must be performed by qualified parties. Finally, if requested, our QC staff members must be given the autonomy and support he/she needs to provide a neutral check and report on the quality of a selected shipment of finished goods.

5.16 Community

We encourage our Business partner and their employees to get involved in local social and environmental community charity efforts by volunteering time and/or providing other types of support.

6. Protection of the Environment

Business partners are required to comply with all applicable environmental laws, rules and regulations at their facilities and in the communities in which they operate, particularly with respect to water, energy, hazardous chemicals, air quality and waste and take the necessary measures to avoid environmental degradation. In cases national environmental legislation is weak or poorly enforced, Business partners are expected to comply with international standards. Complying with all relevant laws and regulations regarding the protection and preservation of the environment includes obtaining and maintaining all required environmental permits (e.g., discharge monitoring), approvals and registrations.

Business partners should identify and assess significant environmental impact of operations and establish effective policies and procedures that reflect their environmental responsibility. They will seek to implement adequate measures to prevent mitigate and remediate adverse impacts on the surrounding communities, natural resources, and the overall environment.

Business partners shall implement a process- and risk-based environmental due diligence management system in their business practices, adjusted to the business model of the company. This can also be integrated into the overall due diligence management system.

Hunkemöller's policy for Environment is further explained in the Hunkemöller Environmental Policy.

6.1 Higg FEM

In 2021, after becoming a member of the Sustainable Apparel Coalition (SAC), Hunkemöller adopted the Higg Facility Environmental Module (FEM), as its primary tool to assess environmental performance within our supply chain. As part of Hunkemöller's *Together Tomorrow* sustainability strategy, we have made the monitoring of the environmental performance of our Business partners on a yearly basis an obligation. For this reason, all Business partners have to complete, on an annual basis, the self-assessment and verification of the Higg Facility Environmental Module (FEM).

The Higg FEM is one of the industry's most trusted and commonly adopted tools to measure a factory's environmental performance. The tool assesses seven environmental impacts, including Environmental Management Systems (EMS), energy usage, water usage, chemical management, air emissions, waste and wastewater, empowering factories to scale sustainability improvements. The tool also allows us to evaluate performance against benchmarks, where factories are able to identify weaknesses and possible corrective actions to make sure it is on the right track for better environmental performance.

6.2 Resource Use, Emissions and Pollution

Business partners must take measures to continuously improve energy efficiency in buildings, transport and production, and make reasonable efforts to use renewable or less carbon intensive energy sources. Production facilities shall continuously monitor, and, if requested, disclose to Hunkemöller their energy and natural resource usage, emissions, discharges, carbon footprint and disposal of wastes and take a proactive approach to minimize negative impacts on the environment. Business partners must take measures to minimise noise pollution and emissions to air, soil, and groundwater.

6.3 Waste management

Business partners shall implement methods to reuse or recycle waste from the factory. Business partners should keep detailed records of resource consumption as well as waste production and emissions, to ensure effective monitoring. This information should be available to Hunkemöller on request.

Business partners should work towards the elimination or reduction of waste by practices such as modifying production, improved maintenance, materials substitution, conservation, recycling and re-use of materials. Any waste and in particular hazardous waste must be taken care of in a responsible manner and in accordance with local law.

6.4 Water

Water is a scarce resource in many parts of the world and shall be used as efficiently as possible. All outgoing wastewater from wet processes must be treated before it is discharged. The treated wastewater quality must meet the requirements in local legislation or the ZDHC Waste Water Guidelines, whichever is stricter.

Business partners are required to have a water sampling program in place if utilizing ground (well) or surface water as a source for facility provided drinking water with samples tested at least quarterly for all parameters required by local law or in absence of local law, international standards of water quality.

6.5 Energy

Business partners are expected to work towards reduction of the consumption of electricity, gas, oil and other fuels through improved employee awareness, investment in energy saving equipment and improvement of production efficiency. All emissions that are produced during production must be monitored and controlled and treated as required by law.

6.6 Hazardous Substances

Business partners will ensure that chemicals used are in compliance with Hunkemöller's Chemical Restrictions set out in the Hunkemöller Restricted Substance List for the relevant product type. All

chemicals and hazardous materials must be safely handled, transported and disposed in accordance with the legal requirements. Chemical containers must be properly labelled and safely stored. A material safety data sheet (MSDS) must be available (in the local language) in the workshop. The instructions in the MSDS must be followed.

6.6.1 Oeko-Tex

From 2023 onwards, we expect that all our products are certified in accordance with the Oeko-Tex 100 standard. This means that all production facilities need to be Oeko-Tex certified (Oeko-Tex 100, Oeko-Tex STeP or Oeko-Tex Made in Green). Oeko-Tex is an internationally recognized certification body that determines standards and value limits for raw materials usage by judicious value limits for raw material consumption in the textile and leather industry. All 1st tier production facilities must submit an Oeko-Tex certificate for each relevant wet production site for review.

7. Animal welfare

Business partners are expected to share Hunkemöller's commitment to strictly comply with all applicable animal welfare laws, conventions and regulations. Manufacturing processes must not be harmful to animals and no animals should be slaughtered specifically to produce goods for Hunkemöller. Materials of animal origin must be sourced in a humane, ethical and sustainable manner with respect to animal welfare, and species conservation. No products in full or part are to be sourced from endangered species listed by the Convention on International Trade in Endangered Species (CITES) or International Union for the Conservation of Nature (IUCN). Further details can be found in the Hunkemöller Animal Welfare Policy.

8. Product Conformity

All goods delivered by Business partners and suppliers must meet the Hunkemöller General Purchasing Conditions, Hunkemöller Restricted Substance List, Hunkemöller Material and Testing Procedure and Hunkemöller's Packaging and Delivery Instructions. To be found on: <https://suppliermanual.hunkemoller.com>.

9. Material Policy

Business partners are expected to share Hunkemöller's commitment to source materials in an ethical, transparent and responsible manner. Materials used in goods produced for Hunkemöller must not be derived from practices or origins which violate our principles as defined in the Hunkemöller Material Policy, the Hunkemöller Animal Welfare Policy or from regions with serious human right violations. Hunkemöller's policy for materials must be respected by our Business partners and implemented throughout their supply chain.

10. Monitoring and Enforcement

All Business partners must fulfil a minimum level of compliance as set out in this Code. To verify whether manufacturing locations comply with this Code, regular third-party audits must be performed according to the BSCI Code of Conduct or equal accreditation systems approved by Hunkemöller.

Business partners must maintain relevant documentation for auditing purposes, at all times. Hunkemöller reserves the right to make unannounced visits to all units (or 'manufacturing locations' or 'factories' as these were referenced previously) producing goods or services for Hunkemöller. Hunkemöller also reserves the right to appoint an independent third party of our choice to conduct audits in order to evaluate compliance with our Code. During audits we require unrestricted access to all areas of the premises, to all documents and to all employees for interviews.

10.1 Monitoring

Relevant documentation must be maintained for auditing/verification purposes. We have the right to make unannounced visits to all units producing goods or services for Hunkemöller at any time. We also reserve the right to appoint an independent third party of our choice to conduct audits in order to evaluate compliance with our Code. During audits we require access to all areas of the premises, to all documents and to all employees for interviews. We also demand the right to provide employees with contact details for Hunkemöller, so they are also informed of where they can lodge grievances about perceived or real instances of wrong or unfair treatment.

10.2 Remediation

Any discovered non-conformities must result in creation of a Corrective Action Plan (CAP). Hunkemöller commits to engage in a constructive dialogue with suppliers to develop and implement

CAPs, with appropriate time scales for implementation and improvements to be achieved. All CAPs should include root cause evaluation, timelines for completion and responsible parties and must be provided to Hunkemöller at the latest 60 working days after the audit.

The Business partner and/or factory is expected to prioritize the findings and address the most serious findings first. Hunkemöller will work with the factory to suggest remedial actions, tools, or other resources to effectively address findings. Suppliers are expected to make progress in correction of all identified issues. Progress or completion of findings identified as 'Critical – Immediate Action' must be immediately communicated to Hunkemöller representatives within 14 business days after receiving the CAP. Completion of other corrective actions will be verified during follow up or reevaluation assessments and/or through regular communication/contact with the Business partner.

If a Business partner fails to undertake sustainable improvements within the stipulated timeframe, Hunkemöller will take appropriate action. Unwillingness to cooperate or repeated serious violations of Hunkemöller's Code and local law may lead to reduced business and ultimately termination of the business relationship with Hunkemöller.

10.3 Accountability

Hunkemöller expects accountability from our Business partners with whom we have a direct and shared responsibility for compliance with this Code. Suppliers and Business partners must take immediate responsibility for any non-compliance issues and act swiftly to correct them. It is also expected that suppliers and Business partners are committed to educate the management and workforce on the Code through training.

10.4 Communication

All business partners are required to share the Hunkemöller Code with their sub-contractors and sub-suppliers. Hunkemöller also require Business partners to undertake training efforts to educate current and new employees about the Hunkemöller code standards.

11. Buyers responsibility

All Hunkemöller employees involved with the design, development, procurement and manufacturing of products and services must adhere to the content of this Code. Compliance with the requirements of this Code is therefore a condition of any agreement or contract between Hunkemöller and the business partner. The aim of this Code is to mutually work towards the set standards and if necessary Hunkemöller commits to help business partners to improve their management of adverse impacts and achieve compliance with the provision of this Code.

Hunkemöller is aware that our company's actions and procurements practices can influence suppliers' ability to comply with the requirements in this Code. Therefore, Hunkemöller will regularly assess possible impact caused by purchasing, design and compliance practices. This includes ensuring that purchasing practices such as but not limited to planning, forecasting, lead time, order volume, product development, pricing, order size fluctuation, sampling, payment and consistency of orders do not cause or contribute to adverse impacts at our suppliers' operations. Hunkemöller further commits to periodically review the adequacy and continue effectiveness of this Code.

12. Additional Information

Our Business partners and its employees are expected to familiarize themselves with this Code and operate accordingly. If Business partners are violating any of these Code elements, please bring these issues to our attention by contacting us at Corporateresponsibility@hunkemoller.com. All information received will be kept in strict confidence and your identity will be protected.

Questions regarding the Hunkemöller Code and our Sustainability program can also be addressed to Corporateresponsibility@hunkemoller.com

Declaration

We, the undersigned hereby confirm

- That we have read and understood the standards set in this Ethical Code of Conduct and comply with all requirements.
- That we are aware of all relevant laws and regulations of the country or countries in which our company operates.
- That we will inform all of our subcontractors of the contents and requirements of this Ethical Code of Conduct, and that we will ensure that they also comply with the provisions incorporated therein.
- That Hunkemöller and any organisations acting on its behalf may carry out audits with or without notice at our business premises and the business premises of our subcontractors at any time.

Date.....

Name of supplier.....

Name.....

Address.....

Signature.....

Company Stamp/Seal

This document must be signed by a duly authorised representative of the company and returned to Hunkemöller.