

## The Hunkemöller Ethical Code of Conduct

### I. Introduction

This Ethical Code of Conduct sets out the minimum standards Hunkemöller requires from all suppliers who manufacture or procure goods or perform service for Hunkemöller. The Hunkemöller Ethical Code of Conduct is based on Hunkemöllers holistic vision and commitment to improve health, safety, equality and development and ensure fair and decent working conditions. This Ethical Code of Conduct is a document through which Hunkemöller endorses its commitment to exercising human rights due diligence and environmental protection in its supply chain, according to, amongst other principles, the OECD Guidelines. With the proper due diligence procedure, we aim to identify, prevent, mitigate, account for and remediate adverse human rights, as well as environmental impacts in the supply chain. This Ethical Code of Conduct is supported and supplemented by the Child Labour Policy, Environmental Policy, Animal Welfare Policy and Material Policy.

This Code is applicable to all suppliers, their subcontractors and other business partners, hereafter collectively referred to as “Business partners”, who do business with Hunkemöller. Standards equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night and migrant workers. The Hunkemöller Ethical Code of Conduct is created to fulfil our commitment to our employees, to our customers, to our shareholders and to other stakeholders.

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 is an important element in Hunkemöller’s corporate values and sustainability strategy. It is expected that all business partners share Hunkemöller’s values and commitment to the welfare and rights of workers and to environmental compliance and that business partners can demonstrate that they meet the standards set in this Code.

It is the responsibility of Hunkemöller’s Business partners to inform their subcontractors about Hunkemöller’s Ethical Code of Conduct. The minimum standards set in this Code are fundamental in Hunkemöller sourcing strategies, how we evaluate baseline factory performance, and determine the Business partners with which Hunkemöller will continue to engage and grow our business.

Hunkemöller undertakes the responsibility to help our 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, understand what we can change and find 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 Ethical Code of Conduct aim to attain compliance with all mentioned and other relevant social and environmental standards. By signing this confirmation, 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.

## **Scope**

The standards in this Ethical Code of Conduct apply to all direct Business partners of Hunkemöller. Hunkemöller requires all Business partners to be informed of the standards set in this code and ensure their operations meet the applicable requirements. It is the responsibility of Hunkemöller's suppliers and other Business partners to inform their subcontractors about Hunkemöller's Ethical Code of Conduct, to cascade its principles to their business partners and to ensure these are implemented in every factory and workplace that produce, finish, pack or handle goods or performs services for Hunkemöller.

Hunkemöller requires all involved with the design, development, procurement and manufacturing of products and services to be informed of the standards set in this Ethical Code of Conduct and ensure that all goods are produced in manufacturing locations by workers who meet the applicable standards including all laws, rules and regulations.

## **Legal requirements**

All suppliers and other 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.

## **Transparency**

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

Hunkemöller expect our Business partners to be completely transparent on their ability to adhere to our policies, processes and standards in relation to the Hunkemöller Ethical Code of Conduct, 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 require suppliers to map and continuously track and monitor their supply chain and provide transparency information into the owned and/or subcontracted farms, mills, plants, factories and other sites that are involved in the production of our products.

## **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.

## **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.

## **Buyers responsibility**

All Hunkemöller employees involved with the design, development, procurement and manufacturing of products and services must adhere to the content of this Ethical Code of Conduct. 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.

## **II. Code of Labour Practices**

In accordance with the ILO Conventions, the United Nations' 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 other relevant internationally recognised agreements this social policy confirmation aims to attain compliance with certain social and environmental standards. The standards set out in this Code of Conduct is based on the Amfori BSCI Code of Conduct.

### **1. The rights of Freedom of Association and Collective Bargaining**

Our Business partners are required to recognize and follow the ILO Conventions<sup>1</sup> and respect the right of their employees to freedom of association and collective bargaining. Employees should be free to join organizations of their choice. 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.

### **2. No Discrimination, Violence or Harassment**

Business partners shall adhere to relevant ILO conventions<sup>2</sup> 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.

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<sup>1</sup> ILO Convention 87 Freedom of Association and Protection of the Right to Organize Convention, 1948, ILO Convention 98 Right to Organize and Collective Bargaining Convention, 1949

<sup>2</sup> ILO Convention 100 Equal Remuneration Convention, 1951, ILO Convention 111 Discrimination (Employment and Occupation) Convention, 1958, ILO Convention 183 Maternity Protection Convention, 2000, ILO Convention 190 Violence and Harassment Convention, 2019

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. If proven, it 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.

### **3. Fair Remuneration**

Business partners observe this principle when they adhere to the relevant ILO conventions<sup>3</sup> 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.

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<sup>3</sup> ILO Convention C95 - Protection of Wages Convention, 1949, ILO Convention 100 Equal Remuneration Convention, 1951, ILO Convention C131 - Minimum Wage Fixing Convention, 1970

### ***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.

## **4. Decent Working Hours**

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.

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.

In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

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. Occupational Health and Safety**

Business partners observe this principle when they follow the ILO convention<sup>4</sup> 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 co-operation 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.

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<sup>4</sup> ILO Convention 155 - Occupational Safety and Health Convention

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, and paper towels and washbasins with hand soap in all work areas.

## **6. No Child Labour**

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<sup>5</sup> 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 Child Labour Policy.

## **7. Special Protection for Young Workers**

Business partners observe this principle when they ensure that young persons (who is 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 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.

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<sup>5</sup> ILO Convention C138 - Minimum Age Convention, 1973, ILO Convention C182 - Worst Forms of Child Labour Convention, 1999.

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

## **8. 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 home towns.

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.

## **9. No Bonded Labour, Forced Labour or Human Trafficking**

Business partners shall adhere to relevant ILO Conventions<sup>6</sup> 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.

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<sup>6</sup> ILO Convention 29 Forced Labour Convention, 1930, ILO Convention 105 Abolition of Forced Labour Convention, 1957, ILO Protocol 2014 to the Forced Labour Convention

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.

#### **10. 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.



## **11. Housing Conditions**

Business partners who provide housing facilities for its employees must follow all requirements regarding health and safety set under point 5 “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.

## **12. 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.

### ***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.

### ***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.

### ***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.

### ***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.

### **III. Other requirements**

#### **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. Further details can be found in the Hunkemöller Animal Welfare Policy.

#### **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>.

#### **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.

### **IV. Implementation**

#### **Monitoring**

All Business partners must fulfil a minimum level of compliance as set out in this Ethical Code of Conduct. 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 reserve 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 reserve the right to appoint an independent third party of our choice to conduct audits in order to evaluate compliance with our Ethical Code of Conduct. During audits we require unrestricted access to all areas of the premises, to all documents and to all employees for interviews.

#### **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 revaluation 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 Ethical Code of Conduct and local law may lead to reduced business and ultimately termination of the business relationship with Hunkemöller.

### **Communication**

All business partners are required to share the Hunkemöller Ethical Code of Conduct 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.

### **Additional Information**

Our Business partners and its employees are expected to familiarize themselves with the Ethical Code of Conduct 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](mailto:Corporateresponsibility@hunkemoller.com). All information received will be kept in strict confidence and your identity will be protected.

Questions regarding the Hunkemöller Ethical Code of Conduct and our Sustainability program can also be addressed to [Corporateresponsibility@hunkemoller.com](mailto: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 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.