

Code of Conduct – Supplier Commitment



Statement and Commitment

FRISTADS KANSAS GROUP as a member of the United Nations Global Compact has embraced and is committed to its guiding 10 principles for Corporate Responsibility on Human Rights, Labour, Environment and Anti-Corruption and our Code of Labour Standards is based on those of the International Labour Organisation (ILO).

We recognise that our business has an impact on environmental and social aspects far beyond our own immediate operations and we expect our suppliers and each and every of their factories to share the same values.

The Fristads Kansas Group and the AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts for Suppliers lists the minimum requirements for supplier performance pertaining to human rights, labour rights, environmental management and anti-corruption. These requirements are applicable to Fristads Kansas Group and all its brands suppliers as well as our own production facilities. It is a non-negotiable requirement from our side that all our suppliers should follow this code, communicate the obligations set out herein and ensure compliance with the code throughout their organisations, supply chain and each and every of the factories that produce Fristads Kansas Group and all its brands' products.

Core Principles

HUMAN RIGHTS and LABOUR STANDARDS

The Fristads Kansas Group suppliers and each and every of its factories are expected to conduct their activities in respect of human rights as set out in The United Nations Universal Declaration of Human Rights and Labour Standards are based on the Conventions of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights. In the text below, reference is made to specific conventions. Where clarifications of ILO Conventions are required, the standards follow ILO Recommendations and existing jurisprudence. The standards apply to all worker categories in the factory (migrant workers, temporary workers, etc.).

1. Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105). Suppliers shall not engage in human trafficking or exploitation, and shall not retain employees' government-issued identification, passports or work permits as a condition of employment.

2. There is no discrimination in employment

In recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps. (ILO Conventions 100 and 111)

3. No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall be no less than the age of completion of compulsory schooling and, in any case, not less than 15 years. (ILO Convention 138). There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15 – 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals. (ILO Convention 182).

4. Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Convention 87 and 98) The Company shall, in those situations in which the right of freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143).

5. Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Whenever the legal or industry minimum standards are not sufficient to meet these basic needs, suppliers are encouraged to provide adequate compensation to their employees in order for the basic needs to be met. Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

6. Working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period (ILO Convention 1). If local law allows employees may voluntary work overtime and on rest days and shall always be compensated at a premium rate.

7. Decent working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible. (Following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited. Clean bathrooms and access to potable water shall be provided. If dormitories are available for the workers, these should be designed and maintained in a way that ensures human dignity and an acceptable degree of personal privacy.

8. Legally binding employment relationship

Working relationships shall be legally binding, and all obligations to employees under labour or social security laws and regulations shall be respected.

9. Fire safety

Fire safety is an important concern in manufacturing operations. The Fristads Kansas Group insists that proper safety conditions be maintained both in the factory workplace as well as all office, living, dining, and recreational facilities.

ENVIRONMENTAL STANDARDS

The Fristads Kansas Group believes in the value of a precautionary approach to environmental challenges, the idea that prevention is better than cure, and the importance of continuous improvements.

In addition to the requirements listed below, Fristads Kansas Group suppliers are encouraged to develop a formal Environmental Management System and to monitor their environmental performance so that they can maintain a process of continuous improvement.

Conditions outside the workplace

Marginalized populations: production and extraction of raw materials for production should not contribute to and destroy the resource and income base for marginalized population groups, for example by claiming large areas of land or other natural resources on which these populations depend.

Emissions to air, water and ground

The Fristads Kansas Group supplier shall ensure compliance with all applicable laws and regulations pertaining to air, water and noise pollution and if required obtain the necessary permits and be able to demonstrate compliance with those permits.

The Fristads Kansas Group supplier shall ensure compliance with all applicable laws and regulations pertaining to ground contamination.

Waste management

Companies must ensure that waste is stored and disposed properly as per legal regulations without any harm to employees and the environment.

Chemicals management in the factory

(Below, the word chemicals refer to both substances and products, such as lubricant oil, glue, solvents, and dyes.)

The Fristads Kansas Group supplier shall ensure compliance with applicable laws and regulations pertaining to procurement, storage, handling and use of chemicals.

The Fristads Kansas Group shall have a valid permit for chemicals that are legally restricted. The supplier shall demonstrate compliance with those permits. Specific requirements regarding chemicals in products related to information provision, limit values for chemical residues in products, banned chemicals and testing requirements are detailed in the Fristads Kansas Group Restricted Substances List (RSL).

Records and provision of information

The Fristads Kansas Group supplier shall establish and maintain a list of all chemicals used in production and maintenance, including the name of the chemical product, the purpose or area of use and a reference to a Material Safety Data Sheet.

The Fristads Kansas Group supplier shall have valid Material Safety Data Sheets (MSDS) for all chemicals used in production and maintenance.

Procedure for chemical management

The Fristads Kansas Group supplier shall have a written procedure for the storage, handling and use of chemicals. The procedure shall specify who is responsible to ensure that proper procedure for handling chemicals is always followed at the supplier.

Employee information and training

The supplier shall ensure that employees that procure, store, handle and use chemicals have the right competence and are adequately trained. Records from training shall be kept by the supplier.

Information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in production areas where the chemical is used. The information can be either the Material Safety Data Sheet, or specific instructions for safe handling and use (following the MSDS). Information must be in a language understood by the workers.

Labelling of chemicals

The Fristads Kansas Group supplier shall ensure all containers of chemicals – including temporary containers – are properly labelled with appropriate danger symbols and chemical names to ensure the contents are known and the potential risk minimised.

Storage and handling of chemicals

The Fristads Kansas Group supplier shall undertake all necessary precautions to prevent chemicals from leaking to air, ground and water.

Disposal of chemicals

The Fristads Kansas Group supplier shall dispose chemicals in compliance with legal regulations referring to their classification.

ANTI-CORRUPTION

The Fristads Kansas Group follows a policy of zero tolerance for all forms of corruption, including extortion and bribery. Suppliers shall not engage in any form of bribery, corruption, extortion and embezzlement.

Fristads Kansas Group will not accept any kind of corruption related to our business and we expect all our employees and our partners in the supply chain to embrace this position.

Audit and Assessment

The Fristads Kansas Group, as a member of the AMFORI reserves the right to audit compliance to the AMFORI BSCI (Business Social Compliance Initiative) system standards at any time at its suppliers and each and every of its factories.

The suppliers and each and every of its factories are to sign the Fristads Kansas Group Code of Conduct and the AMFORI BSCI (Business Social Compliance Initiative) Code of Conduct, and by doing so agree to allow Fristads Kansas Group and/ or any organisations acting on its behalf, to carry out audits with or without notice at the supplier's production premises and the production premises of the supplier's factories, at any time.

The Fristads Kansas Group supplier and/ or factory shall cooperate fully with the audit team during audits and shall grant full access to the premises and any documentation that the audit team ask for, as per ***Fristads Kansas Group Supplier Compliance Guidelines*** document.

AUDIT PROCESS*

The supplier and its factory will be informed by email of the audit 4 weeks prior to the date and the list of documents requested to perform the audit will be submitted at the same time.

The supplier and its factory have the right to request a different date within a reasonable timeframe.

Corrective Action Plan will be sent to supplier and its factory within 10 days after the audit date.

**Refer to "Fristads Kansas Group Supplier Compliance Guidelines" for full audit process.*

Compliance Commitment

We, the undersigned, hereby confirm :

Company:..... Name:..... Signature: Date:

- That we have received and taken due note of the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts and the Fristads Kansas Group Supplier Compliance Guidelines.
- That the **Fristads Kansas** Group Supplier and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts posters will be displayed in every factory.
- That we are aware of all relevant laws and regulations of the country or countries in which our company operates.
- That we will inform **Fristads Kansas** Group in case of conflict between provisions of the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts and any applicable laws or regulations in our countries of operation.
- That we will observe and endorse the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts in its entirety without amendment or abrogation.
- That we take the full responsibility for the implementation of these standards in our company.
- That we will inform all our employees about all the core principles of the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts.
- That **Fristads Kansas** Group may inform all workers employed by us or the supplier about the complaints procedure that **Fristads Kansas** Group is using.
- That **Fristads Kansas** Group, and any organisations acting on its behalf, may carry out audits, with or without notice, at the supplier's business premises and/ or its factories premises engaged for **Fristads Kansas** Group and all its members' production locations at any time. And that we shall cooperate fully with the audit team during audits.
- That if an audit reveals less than full compliance with the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts, we will jointly agree a corrective action plan and take full responsibility for ensuring that this plan is implemented according to the defined time plan.
- That we will inform all our factories producing goods for the **Fristads Kansas** Group of the contents and requirements of the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts and that we will ensure that they also comply with the provisions incorporated therein. This will be done in collaboration with the **Fristads Kansas** Group Compliance team and according to the procedure stated in the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts.

Fristads AB/ Martinson Clothing AB/ Kansas A/S / Wenaas Workwear AS/ Sverre W Monsen AS/
Leijona Oy/ CLINIC & JOB DRESS GmbH / The Cotton Group SA

FRISTADS KANSAS GROUP

Furthermore:

We acknowledge that if we fail to meet the requirements of the **Fristads Kansas** Group and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts, and if no solutions can be agreed upon and implemented within a reasonable amount of time, **Fristads Kansas** Group may choose to halt current production, cancel corresponding contracts, suspend future contracts and/or terminate the business relationship.

We shall notify **Fristads Kansas** Group of the location of all business premises used for the production of goods for **Fristads Kansas** Group and all its members prior to order placement.

We guarantee that the production of goods for **Fristads Kansas** Group and all its member brands is carried out exclusively at the locations we have indicated. We understand that failure to inform **Fristads Kansas** Group of the location where work for its products is carried out is adequate justification for the immediate and unconditional termination of all business and contractual relationships.

Supplier: -----

Address: -----

Phone: -----

Email: -----

Date: -----

On behalf of the Supplier/ Factory (Signature)

Company Stamp/Seal (when applicable)

Name in Print: -----

Position: -----

This document must be signed by a duly authorised representative of the company and returned:

By email to compliance.documents.hk@fristadskansas.com

By Mail to Fristads Kansas Group,

Att: Sourcing Department

BOX 1102 / PROGNOSEGATAN 24 / 501 11 BORÅS / SWEDEN

Fristads AB/ Martinson Clothing AB/ Kansas A/S / Wenaas Workwear AS/ Sverre W Monsen AS/
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