



## CODE OF CONDUCT

This Code of Conduct – or “CoC”- describes the minimum standards of business conduct which we see as fundamental in our dealings with suppliers. We expect all our business partners – from the component sourcing through to the final production process – to fully comply with the following standards. Just as we do ourselves.

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. This responsibility involves all employees who make products or part of products for HVEG Fashion Group regardless of whether they are directly employed by HVEG Fashion Group, i.e. Brams Paris B.V., Fashion Linq B.V, Chiba Textiles Ltd., Fashion Linq Asia Ltd., Fashion Connections Textilhandels GmbH, Romath GmbH., Fashion Linq GmbH, Belt Fashion Eindhoven B.V., Wink Accessories B.V., Wink Optics B.V., Link Ningbo Trading Co. Ltd. , Jomo Fashion B.V., Y’Organic B.V., Coconette GmbH, Protex GmbH, Mojo Fashion GmbH and Asian Fashion Group (HK) Limited (hereafter called its subsidiaries) or by third party subcontractors and suppliers.

We work in compliance with national and international applicable laws and regulations. Moreover we have set social and environmental criteria based on the conventions of the International Labour Organisation (ILO) and UN Conventions. We ask our suppliers to support us in our Compliance (CSR) program and to work according to the standards set below.

Whenever it is clear that a supplier does not act in accordance with the requirements set out in this CoC, we may consider to end our business relationship with this supplier (including the cancellation of any outstanding orders) if the supplier does not take the necessary corrective action in order to ensure compliance with the CoC.

### 1. Legal Compliance

#### 1.1 Law

All our employees and business partners will follow the national and international laws and regulations that apply to the business that is conducted. When these law conflict with the CoC, suppliers must choose that side which provides the greater protection of workers or the environment.

#### 1.2 Intellectual Property Rights

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

### 2. Management Systems

Suppliers are expected to implement management systems which comply with all applicable laws and promote improvement with respect to the expectations of this CoC. This includes the following aspects:

- Legal and Other Requirements: suppliers will comply with all laws, regulations, contractual agreements and generally recognized standards.
- Communication of Sustainability Criteria in Supply Chain: the supplier will communicate the principles of this CoC to their supply chain.
- Commitment and Accountability: suppliers are encouraged to fulfil the expectations of this Supplier CoC by using the right resources.
- Risk Management: suppliers are expected to implement mechanisms to identify, determine and manage risks in all areas addressed by this CoC and with respect to all legal requirements.
- Documentation: suppliers are expected to develop correct documentation to demonstrate that they share the principles and values expressed in this CoC. This documentation may be reviewed by HVEG Fashion Group upon mutual agreement.
- Training and Competency: suppliers will establish training measures for their managers and employees to gain a good level of knowledge and understanding of the contents of this CoC, the laws and regulations and generally recognized standards.
- Continuous Improvement: suppliers are expected to continuously improve their sustainability performance by implementing the necessary measures.
- Audits: all our suppliers should follow the Amfori BSCI Code of Conduct. 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. Suppliers agree to be audited by an accredited auditing firm on behalf of HVEG Fashion Group or by our customers in order to monitor their social compliance progress rate.

### **3. Labour**

#### **3.1 Employment practices**

##### *ILO Convention 181*

When recruiting workers, suppliers should respect human rights and address adverse human rights impacts with which they are involved. No recruitment fees or related costs should be charged to, or otherwise borne by, recruited workers and jobseekers. Suppliers shall only employ workers who are legally authorised to work in their facilities and are responsible for validating workers' eligibility to work through appropriate documentation. To every extent possible, work performed shall be based on recognised employment relationship established through national law and practice. Obligations to workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, home-working arrangements, excessive use of fixed-term contracts of employment or through apprenticeship schemes, where there is no real intent to impart skills or provide regular employment. In case of employment through third party labour agencies, the supplier shall comply with Convention no. 181 of the International Labour Organisation on Private Employment Agencies. Enterprises and public employment services should not retain passports, contracts or other identity documents of workers. Enterprises and public employment services should respect workers' confidentiality and ensure protection of data pertaining to them.

#### **3.2 Employment Relationship**

Suppliers 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.

### **3.3 Child Labour**

*ILO Conventions 10, 79,138,142 and 182 and Recommendation 146 and CRC, art. 32(1)*

The use of child labour will not be tolerated. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 16 years. 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 16-18 shall not be engaged in work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety (including night work), morals, or education. The factory is recommended to register young workers with the local labour bureau according to the applicable law and conduct regular health checks. Young workers shall be given the opportunity to participate in education and training programmes.

### **3.4 Discrimination**

*ILO Conventions 100, 111, 143, 158, 159, 169 and 183.*

No discrimination shall be tolerated in hiring, remuneration, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in workers' organisations including unions, political affiliation or opinions, sexual orientation, family responsibilities, marital status, or any other condition that could give rise to discrimination.

### **3.5 Forced and Compulsory Labour and Disciplinary Measures**

*ILO Conventions 29 and 105*

There shall be no use of forced, bonded (including debt bondage) or involuntary prison labour, slavery or trafficking of people in any form. All forms of forced labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden as is prisoner labour that violates basic human rights. Workers shall be free to vacate the workplace premises at the end of the workday. All workers are entitled to a written contract of employment in a language they understand.

### **3.6 Freedom of Association**

*ILO Conventions 11, 87, 98, 135 and 154*

The right of all workers to form and join trade unions and bargain collectively shall be recognised. The company shall, in those situations in which the right to 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.

### **3.7 Harassment, Abuse and Disciplinary Actions**

Suppliers must treat workers with dignity and respect, and not engage in or tolerate bullying, harassment, intimidation, violence, corporal punishment, physical and/or mental abuse or other forms of coercion. Suppliers 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. This procedure must be secure and should not scrutinize employees. Management and supervisors should be encouraged to take classes that provide training on harassment, awareness, sensitivity to other cultures, corporal punishment, and mental abuse.

### **3.8 Protecting the Vulnerable**

Suppliers 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.

### **3.9 Grievance Mechanism**

Supplier shall ensure that workers have in place an effective mechanism which allows workers to raise any work-related concern and/or report grievances to management without retribution and anonymously if required. The grievance mechanism must be transparent, set out clearly how grievances will be assessed and how feedback will be provided. Workers and their representatives must be informed clearly about the scope of the mechanism, how it operates and ensure that it is equally accessible to all workers. This means that the existence and scope of the grievance mechanism must be communicated to all workers and their representatives. Moreover, the grievance mechanism must be available to permanent, indirectly employed, and temporary workers. Disciplinary procedures need to be clearly documented, communicated and easily accessible to all workers. All disciplinary matters shall be recorded, including evidence that the worker knew and understood what he/she was accused of and given the right to trade union or other appropriate representation at disciplinary meetings, which may lead to significant disciplinary penalties or dismissal.

### **3.10 Workplace Health and Safety**

*ILO Convention 155*

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. Personal protection Equipment (PPE) should be provided free of charge to workers where needed. All medical equipment (such as first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid. Occupational health checks should be conducted on a regular basis by a qualified nurse or doctor; the record of these checks should be kept in good order.

### **3.11 Building Fire and Safety**

*ILO Convention N<sup>o</sup> 155 and ILO Recommendation N<sup>o</sup> 164*

The factory 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 3<sup>rd</sup> 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. 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 factory, 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.

### **3.12 Health and Safety: Sanitation in Dormitories**

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

### **3.13 Wages & Benefits**

*ILO Conventions 12, 26, 101, 102 and 131*

Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, maternity leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. Illegal, unauthorised or disciplinary deductions from wages shall not be made. Deductions from wages as a disciplinary measure are forbidden, unless this is permitted by national law and a freely negotiated collective bargaining agreement is in force. All disciplinary measures should be recorded. All employees should be made aware of their payment conditions before they commence their employment and receive a copy of their labour contract.

- Wages: wages should always be enough to meet basic needs and to provide some discretionary income. Employees 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.
- Benefits: employers shall ensure social insurance participation for every employee 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.

### **3.14 Working Hours**

*ILO Conventions 1 and 14 and ILO Recommendation 116.*

Hours of work shall comply with laws and industry standards. In any event, workers shall not on a regular basis be required to work more than 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

### **3.15 Subcontracting**

HVEG Fashion Group does not permit subcontracting without our prior written approval. All salesman-sample and bulk production orders must be placed within facilities that have been pre-approved by HVEG Fashion Group, without exception. Direct suppliers are required to continuously monitor approved subcontractors and sub-suppliers for social and environmental responsibility using standards that meet or exceed our Code of Conduct.

### **3.16 Traceability**

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

### **3.17 Product Safety and Quality**

The supplier must meet generally recognized or contractually agreed quality requirements and comply with safety standards and all legal and labelling requirements and specifications. Factories 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.

### **3.18 Community**

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

## **4. Environment and Animal welfare**

Suppliers must assure environmental protection in all their activity and comply with all environmental laws. They must also respect animal welfare and work progressively towards adopting healthy and humane practices towards animals based on best available technology and standards. Reasonable efforts must be taken to ensure that purchasing decisions do not contribute to deforestation, cruel treatment of animals, or adverse impacts on vulnerable ecosystems or endangered species.

### **4.1 Environment and Safety Compliance**

Suppliers must have an environmental management system in place and integrate environmental impact into business decisions. They should take a pro-active approach towards improving environmental performance, and require the same from their suppliers and subcontractors. Responsibility for environmental performance should be given to a CSR management representative. Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment must comply with or exceed environmental laws. Suppliers must assure environmental protection in all their activity and agree to be monitored separately for environmental responsibility if necessary. This includes production procedures, waste management, handling and disposal of dangerous material – such as chemicals – and emissions.

### **4.2 Resource Use, Emissions and Pollution**

Suppliers must take measures to continuously improve energy efficiency in buildings, transport &

production, and make reasonable efforts to use renewable or less carbon intensive energy sources. Factories shall continuously monitor, and, if requested, disclose to HVEG Fashion Group 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. Suppliers must take measures to minimise noise pollution and emissions to air, soil, and groundwater.

#### **4.3 Waste Water**

Suppliers with wet processes (including dyeing and finishing/washing plants) must take measures to continuously improve water efficiency and facilitate reuse & recycling where possible. Suppliers must treat wastewater properly prior to discharge, test the wastewater as required to meet national and local water discharge compliance standards, and share wastewater quality data with stakeholders, upon request from HVEG Fashion Group.

#### **4.4 Hazardous Chemicals**

Suppliers using chemicals must meet the standards set out in our MRSL and work with HVEG Fashion Group and their own suppliers towards the elimination of hazardous substances from the supply chain. We encourage suppliers to join the ZDHC to Zero Programme (Zero Discharge of Hazardous Chemicals), commonly referred to as Detox.

#### **4.5 Protecting Animal Life**

Animal-based materials shall be sourced in an ethical manner. All products sold to are to be produced without causing harm to animals. Leathers, skins and feathers must only be obtained as a by-product and not be the sole purpose of the slaughter of an animal. 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). Angora, real fur or pelts are not to be used on any products supplied to HVEG Fashion Group. Down should be NSF Traceable down. Skins should not be obtained while an animal is alive; feathers should not be plucked from live animals. Wool cannot be sourced from producers that use mulesing as part of their animal husbandry strategies.

### **5. Anti-corruption**

Suppliers must comply with all applicable anti-bribery and corruption laws. Suppliers must not offer, pay, solicit or accept bribes, including facilitation payments. Suppliers must have an anti-corruption policy and procedures in place, and review them regularly to ensure that they are operating effectively.

### **6. Monitoring and Enforcement**

#### **6.1 Transparency and Co-operation**

We expect all our business partners to fully comply with this CoC. We also expect our suppliers and other business partners to be transparent and not intentionally mislead our official auditor bodies. We believe in co-operation and we are willing to work with our suppliers and other business partners to achieve sustainable solutions and to promote suppliers and other business partners who are in compliance. Ethical behaviour is required and any breaches of HVEG Fashion Group CoC must immediately be reported local management or to the HVEG CSR Officer (Anke Fransen; [anke.fransen@hveg.nl](mailto:anke.fransen@hveg.nl)).

**6.2 Monitoring**

Relevant documentation must be maintained for auditing purposes. We have the right to make unannounced visits to all units producing goods or services for HVEG Fashion Group 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 CoC. 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 HVEG Fashion Group.

**6.3 Supply Chain**

The HVEG Fashion Group CoC applies to our direct suppliers, other business partners and manufacturers of goods or services for HVEG Fashion Group and their downstream subcontractors and (sub)suppliers.

**6.4 Corrective Action**

Our audits aim to identify gaps between the requirements in this CoC and the actual practices and conditions in the workplace. The audited company will usually be given the opportunity to propose and implement a corrective action plan. We will follow up the implementation of the plan and check whether all CAPs have been remediated. A supplier failing to undertake these improvements within the indicated period would seriously damage its relationship with HVEG Fashion Group. Unwillingness to cooperate or repeated serious violations of the HVEG Fashion Group CoC and 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.

**Acknowledgement**

I hereby declare that I have received a copy of the HVEG Code of Conduct (the "CoC"), and understand and agree to its contents.

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Company name (typed or printed)

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Authorized company representative's name and title

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Date

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Company Stamp