

# OFM.

## Wholesale.

### SUPPLIER CODE OF CONDUCT

At OFM. Wholesale B.V. we care for the materials and the supply chain related to our carefully selected garments. We aim for long-term relations with our suppliers to co-create high-quality products and to take care of the people working on them. Transparency regarding the used materials and the circumstances at all production facilities working on our products is of great importance.

This Code of Conduct is based on the Conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights and the Fair Wear Foundation Labour Standards.

#### 1. Management system

The signatories commit to define and implement a management system to ensure that the requirements of this Code of Conduct can be met. Management is responsible for the correct implementation and continuous improvement by taking corrective measures, as well as the communication of the requirements of the Code of Conduct to all employees and subcontractors. It shall also address employees' concerns of non-compliance with this Code of Conduct. OFM. Wholesale B.V. will be informed about non-compliances and follow up. If the buying behaviour of OFM. Wholesale B.V. impacts the compliancy to this Code of Conduct, OFM. Wholesale B.V. shall be informed immediately.

#### 2. Buying practice

At OFM. Wholesale B.V., we commit to a responsible buying strategy. This includes the following aspects:

- *Forecasting* – working on a stable planning, sharing our forecast and purchasing plan with our suppliers as soon as possible and communicating changes as soon as possible
- *Product development* – providing clear technical specs and requirements, asking suppliers for feedback on new product developments, reviewing sampling process with efficiency in mind, working with photos and videos, and supplying a target price for the product
- *Price negotiation* – calculating in cooperation with the supplier, considering costs for material, labour, transport, testing, audits, and the profit for the supplier
- *Payment* – paying on time and what we agreed on
- *Order placement and production* – communicating time plans and deadlines, agreeing on realistic lead times, making agreements on late style/order changes, respecting local and cultural differences, not working directly with subcontractors without the supplier's consent

### **3. No subcontractors unknown to OFM. Wholesale B.V.**

Suppliers may not use subcontractors for the production of OFM. Wholesale B.V. products unless they are known and approved by OFM. Wholesale B.V.. Approved subcontractors must sign this Code of Conduct and adhere to all its agreements. Suppliers shall inform OFM. Wholesale B.V. of any and all details of the production facility.

### **4. Transparency**

Suppliers shall provide information to prove the origin of products for OFM. Wholesale B.V.. This includes an overview of all factories and subcontractors as well as their latest valid social audit reports and regularly updated Corrective Actions Plans. Recognized audit reports are

- Amfori BSCI Audit (Business Social Compliance Initiative)
- Sedex/SMETA Audit
- SA8000
- HIGG
- Fair Wear Audit

When it has been agreed to use sustainable materials for products, the supplier shall provide the applicable scope and transaction certifications as soon as possible, but latest when the goods are shipped.

OFM. Wholesale B.V. works with the Tex.tracer transparency platform to achieve verified supply chain transparency. Suppliers shall join the Tex.tracer platform and fill in compliance and product data to make the supply chain transparent.

### **5. No forced labour**

*ILO Conventions 29 and 105*

Employment is freely chosen. There shall be no use of forced, including bonded or prison, labour. All forms of forced and bonded labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden.

### **6. No discrimination, no sexual harassment and no sexual and gender-based violence**

*ILO Conventions 110 and 111*

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.

The signatories commit to a zero-tolerance policy on sexual and gender-based violence and strict measures against sexual harassment in their own operations.

## **7. No child labour**

*ILO Conventions 138 and 182*

There shall be no use of child labour. 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 15 years. There shall be no forms of slavery or practices like slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. Young workers (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. Children and young persons under 18 shall not be employed at night or in hazardous conditions.

## **8. Freedom of association and the right to collective bargaining**

*ILO Conventions 87, 98, 135 and 143*

The right of all workers to form and join trade unions and bargain collectively shall be recognized. 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.

## **9. Fair remuneration**

*ILO Conventions 26 and 131*

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards in the country concerned and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. Deductions from wages for disciplinary measures is prohibited. Any deductions from wages not provided for by national law shall not 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. The supplier must ensure that the wages are paid in compliance with all relevant laws and regulations and that the payment takes place in a manner appropriate for the employees.

## **10. No excessive hours of work**

*ILO Convention 1*

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 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.

## **11. Safe and healthy working conditions**

*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 minimize health risks as much as possible. Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

The use of sandblasting and potassium permanganate spray is prohibited.

## **12. Legally binding employment relationship**

Obligations to employees 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 arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programs.

OFM. Wholesale B.V. does not allow suppliers to use home workers. All production should be made by workers with legally binding employment contracts.

## **13. Grievance mechanism**

Suppliers shall provide a “reprisal-free” complaints mechanism (e.g. operational-level-grievance mechanism) and to maintain the confidentiality of workers or employees who raise complaints. Suppliers should preferably participate in an effective system to collect and address complaints and suggestions from employees and local stakeholders.

## **14. Clean production**

No hazardous chemicals shall be used in the processing stage and released in water or air. An environmental or human health risk assessment should be carried out for the chemicals in use. This includes hazard identification, hazard characterisation, exposure assessment and risk characterisation. The methodology of the environmental risk assessment should align with OECD guidance. The methodology of the health risk assessment should align with the World Health Organisation guidance.

Chemicals shall be stored and labelled accurately.

## **15. No harmful substances**

Suppliers must purchase materials without harmful substances.

Products for OFM. Wholesale B.V. must comply with the European legislation on harmful substances and more specifically: the EU POP-regulation (Persistent Organic Pollutants) and the EU REACH-regulation (Registration, Evaluation, Authorization and Restriction of Chemicals) by the European Chemicals Agency (ECHA). Suppliers must ensure compliance with REACH and must inform all their downstream suppliers and subcontractors about it.

The substances listed in the latest version of the OFM. Wholesale B.V. Restricted Substances List must not be used in quantities exceeding the specified limits in manufacturing processes and product components (including accessories/trims attached to garments, prints and packaging materials). Suppliers must ensure compliance with the OFM. Wholesale B.V. Restricted Substances List and must inform all their downstream suppliers and subcontractors about the content of this list. A copy of the latest version of the OFM. Wholesale B.V. Restricted Substances List is attached to this Code of Conduct and updated frequently.

## **16. Animal welfare**

OFM. Wholesale B.V. does not accept any raw materials derived by animal cruelty. Suppliers and fabric suppliers shall ensure that the raw materials used in products for OFM. Wholesale B.V. are not exposed to animal cruelty. Suppliers and fabric suppliers should follow below provision guidelines:

- Freedom from hunger and thirst - by ready access to fresh water and a diet to maintain full health and vigour.
- Freedom from fear and distress - by ensuring conditions and treatment which avoid mental suffering.
- Freedom from heat, stress or physical discomfort - by providing an appropriate environment including shelter and a comfortable resting area.
- Freedom from pain, injury or disease - by prevention or rapid diagnosis and treatment.
- Freedom to express normal behaviour - by providing sufficient space, proper facilities and company of the animal's own kind.

Banned materials are real fur, angora wool, down and feathers (when live plucked), exotic animal skins (incl. snake, alligator, crocodile, lizard and ostrich) and any raw materials from endangered species listed on the IUCN Red List of Threatened Species as extinct in the wild, critically endangered, endangered, vulnerable or near threatened.

Suppliers shall be able prove the origin of resources if requested.

## **17. No bribery and corruption**

The signatories should consider the good practices put forth in the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance, which include:

- Strong, explicit, and visible support and commitment from senior management to the company's internal controls, ethics and compliance programs or measures for preventing and detecting bribery, including the bribery of foreign public officials.
- A clearly articulated and visible corporate policy prohibiting bribery, including the bribery of foreign public officials
- Oversight of ethics and compliance programs or measures regarding bribery, including the bribery of foreign public officials, including the authority to report matters directly to independent monitoring bodies such as internal audit committees of boards of directors or of supervisory boards, is the duty of one or more senior corporate officers, with an adequate level of autonomy from management, resources, and authority.