



GOOD WORK
upstream

The Kwintet Code of Conduct for Suppliers Compliance Commitment

Version 1

DEFINITIONS

“Kwintet supplier”	Kwintet supplier shall mean a producer of products or services with which Kwintet maintains direct contractually regulated business relations.
“Sub-contractor”	Sub-contractor shall mean any company or contractor engaged by the Kwintet supplier to perform any part of the manufacturing process, including cutting, sewing, embroidery, assembling and packaging, for a Kwintet order that has been awarded to the Kwintet supplier.
“1st tier supplier” (for the Kwintet supplier)	1 st tier suppliers, for the Kwintet supplier, shall mean all suppliers of input materials to Kwintet products (e.g. fabric, yarn, trimmings etc.) with which the Kwintet supplier has a direct contractually regulated business relationship.

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THE KWINTET CODE OF CONDUCT FOR SUPPLIERS

At Kwintet, we take respect for human rights, compliance with labour laws and environmental protection very seriously. In our own operations we are committed to upholding high standards and to continuous improvement. We also recognise that our business has an impact on environmental and social aspects far beyond our own immediate operations. It is therefore important for us to select business partners that share our commitment to ethical and environmental practices and agree to our standards of business conduct.

The Kwintet Code of Conduct 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 Kwintet 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.

It is Kwintet's policy to (whenever technically feasible) maintain longstanding business partnerships with our suppliers. We are confident that the Kwintet Code of Conduct for Suppliers will work to the benefit of all affected stakeholders: Your company, your employees, our company, our employees, and the many companies that buy Kwintet's products. By adhering to high standards for social and environmental performance our companies may remain as attractive business partners on a highly competitive market.

CODE REQUIREMENTS

Administrative/management practice

Commitment to comply with the Kwintet Code of Conduct

The Kwintet supplier shall acknowledge and accept the requirements specified in this document by signing the Kwintet Code of Conduct Compliance Commitment found at the end of this document. A signed copy of the Kwintet Code of Conduct Compliance Commitment shall be sent to Kwintet.

Cooperation during Kwintet Code of Conduct audits

By signing the Kwintet Code of Conduct Compliance Commitment, the supplier confirms that Kwintet, and any organisations acting on its behalf, may carry out audits with or without notice at the supplier's business premises and the business premises of the supplier's subcontractors, at any time.

The Kwintet supplier 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.

Communication of the Kwintet Code of Conduct to employees

The Kwintet supplier shall communicate the Kwintet Code of Conduct requirements, the local labour law and factory policies to all its current co-workers. Whenever new co-workers are employed the Kwintet supplier shall inform them about the Kwintet Code of Conduct requirements, the local labour law and factory policies during their introduction.

The Kwintet Code of Conduct, translated to a language understood by workers¹, must be displayed in each facility, in a place to which all workers have easy access (e.g. on notice boards).

By signing the Kwintet Code of Conduct Compliance Commitment, the supplier accepts that Kwintet will inform all workers employed by the supplier about the complaints procedure that Kwintet is using. This procedure enables workers and others to file a complaint about the implementation of the labour standards via a local contact point.

Organisation to ensure compliance with the Kwintet Code of Conduct

The Kwintet supplier shall appoint one, or several, person/s who shall have defined responsibilities and the authority to ensure compliance with requirements pertaining to Human Rights, Labour rights, and Environmental performance.

The responsible person/s shall have the necessary competence and knowledge about issues related to hers/his area of responsibility and type of business.

Internal audits

The Kwintet supplier shall at least once every 12 months perform an internal audit to assess their compliance with the requirements in the Kwintet Code of Conduct. The results from the internal audits must be documented, and on request, be shown to Kwintet. If non-compliances are found during the internal audit, the Kwintet supplier shall ensure that corrective actions are taken.

The results from the Kwintet supplier's internal audits will be reviewed by the Kwintet during supplier visits and Kwintet Code of Conduct audits.

Communication of the Kwintet Code of Conduct to sub-contractors

As per Kwintet standard supplier agreement all sub-contractors must be pre-approved by Kwintet. If the Kwintet supplier wishes to outsource part of the production to a sub-contractor, the Kwintet supplier shall:

- Communicate the Kwintet Code of Conduct to the sub-contractor.
- Ensure that the sub-contractor have signed the Kwintet Code of Conduct Compliance Commitment, and filled in the self assessment manual provided by Kwintet. A signed copy of these documents shall be sent to Kwintet.

¹ Kwintet can provide translated versions of its Code of Conduct in several languages.

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- Together with the Kwintet compliance team the supplier shall schedule a Code of Conduct audit with the sub-contractor.
- The Kwintet supplier must wait until the audit is performed and Kwintet has approved the sub-contractor before placing any production of Kwintet products at the sub-contractors facilities.
 - If non-compliances are found at the facilities of the sub-contractor a Corrective Action Plan will be developed. If the Kwintet supplier wishes to pursue working with the audited sub-contractor, the Kwintet supplier shall contact the Kwintet compliance team when the sub-contractor reports that they have implemented the necessary corrective actions defined in the Corrective Action Plan. Kwintet, or a third party nominated by Kwintet, will then do a second audit, the cost for this audit must be borne by the Kwintet supplier.
- Kwintet retains the right to perform announced, or unannounced, audits at the sub-contractors facilities, at any time. The audit can be performed by the Kwintet compliance team or by a third party organisation appointed by Kwintet.

Communication of Kwintet Code of Conduct to first tier suppliers

The Kwintet supplier shall communicate the Kwintet Code of Conduct to all of its first tier suppliers providing direct input materials used in Kwintet products such as e.g. fabric, yarn, and trimmings.

We encourage the Kwintet supplier to take proper procedures to verify that their suppliers are in compliance with the Labour standards outlined in the Kwintet Code of Conduct as well as all relevant and applicable laws and regulations.

Legal compliance

The Kwintet supplier shall be in full compliance with all national laws and local laws, rules and regulations, industry minimum standards, and any other relevant statutory requirements relevant to their business operations, including those which are related to human rights, labour practices, the environment, safety, sanitation codes and building safety codes.

The supplier shall always stay updated on laws and regulations that are relevant for their operations, and there shall be a procedure for updating the list on a regular basis.

The Kwintet supplier shall always comply with the most demanding requirements whether they are applicable regulations or Kwintet Code of Conduct specific requirements.

Should any of the requirements of the Kwintet Code of Conduct be in violation of the national law in any country, the local law should be followed and Kwintet informed about this violation immediately upon the supplier's receipt of this Code of Conduct.

ANTI-CORRUPTION

Kwintet follow a policy of zero tolerance for all forms of corruption, including extortion and bribery. Kwintet AB 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.

Labour standards

The Kwintet Code of Conduct follows the labour standards recommended by the Fair Wear Foundation. The 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 are made to specific conventions. Where clarifications of ILO Conventions are required, the standards follow ILO Recommendations and existing jurisprudence.

1. Employment is freely chosen

There shall be no use of forced, included bonded or prison, labour. (ILO Conventions 29 and 105)

2. There is no discrimination in employment

In recruitment, wage policy, admittance to training programs, 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 recognized. (ILO Conventions 87 and 98) 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. (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

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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. No excessive 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. 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 (ILO Convention 1)

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 minimize 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. Kwintet insist that proper safety conditions be maintained both in the factory workplace as well as all living, dining, and recreational facilities.

ENVIRONMENTAL STANDARDS

Kwintet believes in the value of a precautionary approach to environmental challenges, the idea that prevention is better the cure, and the importance of continuous improvements.

In addition to the requirements listed below Kwintet 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.

Emissions to air, water and ground

The Kwintet 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 Kwintet 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 factory²

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

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

The Kwintet supplier shall have a valid permit for chemicals that are legally restricted. The supplier shall demonstrate compliance with those permits.

Records and provision of information

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

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

² 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 *Kwintet Restricted Substances List*.

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Procedure for chemical management

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

Disposal of chemicals

Dispose chemicals in compliance with legal regulations referring to their classification.

COMPLIANCE COMMITMENT

We, the undersigned hereby confirm:

- That we have received and taken due note of the Kwintet Code of Conduct, of August 2008, and the Kwintet Code of Conduct: Manual for Suppliers.
- That we are aware of all relevant laws and regulations of the country or countries in which our company operates.
- That we will inform Kwintet in case of conflict between provisions of the Kwintet Code of Conduct and any applicable laws or regulations in our countries of operation.
- That we will observe and endorse the Kwintet Code of Conduct 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 the labour standards, the process of auditing and possible remediation actions.
- That Kwintet may inform all workers employed by the supplier about the complaints procedure that Kwintet is using.
- That Kwintet, and any organisations acting on its behalf,³ may carry out audits, with or without notice, at the supplier's business premises 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 Kwintet Code of Conduct, we will jointly agree a corrective action plan together with Kwintet, and take full responsibility for ensuring that this plan is implemented according to the defined time plan.
- That we will inform all of our subcontractors of the contents and requirements of the Kwintet Code of Conduct and that we will ensure that they also comply with the provisions incorporated therein. This will be done in collaboration with the Kwintet Code of Conduct Compliance Team and accordance to the procedure stated in the Kwintet Code of Conduct.
- That Kwintet and any organisations acting on its behalf may carry out audits, at any time and with or without notice, at the business premises of the supplier's subcontractors engaged for Kwintet production.

³ Kwintet Far East is a member of the Fair Wear Foundation (FWF). Annually the FWF will verify the quality of the audits performed by the Kwintet Code of Conduct Compliance team by commissioning independent audits of a random sample of Kwintet suppliers. These audits will be performed by audit teams that are trained and certified by the FWF. In carrying out this independent verification, The Fair Wear Foundation, and the audit teams that they use, are acting on the behalf of Kwintet.



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Furthermore:

We acknowledge that if we fail to meet the requirements of the Kwintet Code of Conduct, and if no solutions can be agreed upon and implemented within a reasonable amount of time, Kwintet may choose to halt current production, cancel corresponding contracts, suspend future contracts and/or terminate the business relationship.

We shall notify Kwintet of the location of all business premises used for the production of goods for Kwintet. We guarantee that the production of goods for Kwintet is carried out exclusively at the locations we have indicated. We understand that failure to inform Kwintet 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.

SIGNATURES

This Code of Conduct has been executed in two original copies and one copy has been given to each of the Parties.

Date:

Name of Supplier Company:

Company identification no.:

Address:

On behalf of Kwintet AB:

On behalf of the Supplier:

Name in Print:

Position:

Name in Print:

Position:

Company Stamp/Seal

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