

# FRISTADS KANSAS GROUP



**Sustainability**



&

**Corporate Responsibility**



## 2016 ANNUAL REPORT

*Doing the right  
thing*

# FRISTADS KANSAS GROUP

## 2016 at a glance

Fristads Kansas Group has a portfolio of leading brands in the European professional wear market, providing work wear for a wide variety of services and industries – from large international conglomerates to small local businesses – across Europe and beyond.



**TURN OVER Euros 445 M**

**OWN factories 2**

**EMPLOYEES 2000 +**

**IPOs 3**

**Suppliers 500 +**

# MESSAGE FROM OUR CEO



The term “responsibility” originates from the Latin word “respondere”, which means to respond or reply. Today, companies are required more than ever to respond to certain questions: How are they contributing to society and the environment? How do they treat the people who work for and with them?

“Taking responsibility means addressing these questions”.

At Fristads Kansas Group we are deeply engaged in answering these questions. Consequently, since 2015, we redefined our strategy to address higher challenges moving from Corporate Social Responsibility (CSR) to Sustainability and Corporate Responsibility (SCR).

As a member of the United Nations Global Compact, we embrace its 10 guiding principles for Corporate Responsibility on Human Rights, Labour, Environment and Anti-Corruption. We at FRISTADS KANSAS GROUP are determined to make every effort to ensure that our SCR policy and the principles outlined in the UN Global Compact are reflected throughout our organisation, in our management strategy, in our organisational culture, and in our day-to-day operations.

The same vision that drives the group’s business strategy drives our commitment to environmental and social sustainability.

We encourage every employee to play a part in making sustainability a reality, from the group’s sustainable & corporate responsibility team to each brand and their team around the world.

Our sustainability engagement is intrinsic to our organization and our goals.

We give our brands a common base of targets and guidelines for their actions in sustainability to ensure the highest level of best practice is reached across the group, while letting each brand create the specific solution most relevant to its business.

In 2020 we want to be a Group that is synonymous with innovation, quality and sustainability. A Group that continues to be recognized for performance and efficiency. A company that is respected for its values, its vision, and for its sustainable responsible conduct.

**Anders Davidsson**

# OUR COMMITMENT

At **FRISTADS KANSAS GROUP**, we believe that social and environmental responsible companies perform better. We spare no efforts to meet and exceed all SCR (Sustainability & Corporate Responsibility) related expectations of the company's stakeholders.

However, we also believe that the greatest reward of our efforts in terms of SCR is to see the concrete results in the form of good working conditions for the people that we depend on, and measurable reductions of negative environmental impacts.

All brands of the **FRISTADS KANSAS GROUP** embrace the notion that all corporations have a social responsibility that they must act upon on a fundamental human level, *we act because we care, and because we can.*

FRISTADS KANSAS GROUP's overarching ambition in the realm of SCR is to meet and exceed the expectations of our key stakeholders, and to ensure that our effort generates concrete positive results. We believe that the path to achieve this goes through dialogue, accountability, transparency and continuous improvement.

**Dialogue:** We actively listen to and engage with our stakeholders as well as with experts on environmental and social affairs.

**Accountability:** We monitor the results of our efforts and allow external parties to perform independent gap assessment of our compliance process,

**Transparency and continuous improvement:** Information about our SCR policies, goals and progress is available to all interested stakeholders.



<https://www.unglobalcompact.org/>



# OUR COMPLIANCE JOURNEY

**Here's what we're doing** to ensure that Fristads Kansas Group's products are produced under safe, fair, legal and humane working conditions and taking care of the environment throughout the supply chain – and some background on how we got to where we are today.

## Gap Assessment Compliance program

To ensure full transparency of our audit process, we have launched in January 2016 a Social and Environmental Gap Assessment compliance program in partnership with an independent global Testing, Inspection and Certification company Bureau Veritas.

The aim was to assess our Group workplace audit standards and process through free random verification audits by Bureau Veritas at any of our strategic suppliers, providing full transparency to our stakeholders.

7 of our strategic suppliers have been audited revealing that our Group auditing criteria's and remediation follow up by our Compliance team met and even exceeded minimum expectation.



## Taking the next step

In October 2016, Fristads Kansas Group joined the FTA (Foreign Trade Association) which enabled us to move from our own audit program to the BSCI audit system (Business Social Compliance Initiative) and the BEPI (Business Environmental Performance Initiative).

In doing so, we intend to:

- ◇ To move our Group compliance team role from auditing to capacity building activities,
- ◇ To reduce the number of different overwhelming audits done at factories,

- ◇ To reduce the audit cost for factories as BSCI audit is shared among FTA members, freeing financial resources to be allocated to continuous improvement,
- ◇ To support the implementation of sustainable environmental programs through BEPI,
- ◇ To harmonize remediation at factories through BSCI participant common platform.





## Our Compliance program

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 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, our own production facilities and all our brand's suppliers. We act professionally, diligently and ethically and we expect the same of every supplier, which is mirrored in our Code of Conduct

Our program ensures that our suppliers abide by all local laws and meet the international requirements of our responsible sourcing guidance. We actively promote and foster an open dialogue around any issues that arise during our relationship – it is only through this that we can effect meaningful change.



In order to manage on-going supplier performance, we maintain a proactive audit and compliance program centered on worker welfare, factory working conditions, environmental legislation and impact. Fristads Kansas Group has full access to supplier facilities, factory workers, employees, safety and environmental records.

The audit schedule is monitored internally by our SCR team in Latvia (for Northern Eu-

rope), Bangladesh (for Bangladesh and Pakistan) and Hong Kong (for China, South East Asia and Madagascar) and performed by accredited BSCI 3<sup>rd</sup> party auditors.

In addition to the audits, there is a continuous improvement support led by our internal compliance team as **we believe that sustainable changes are achieved through positive dialogue and continuous improvement.**

# Supplier relations

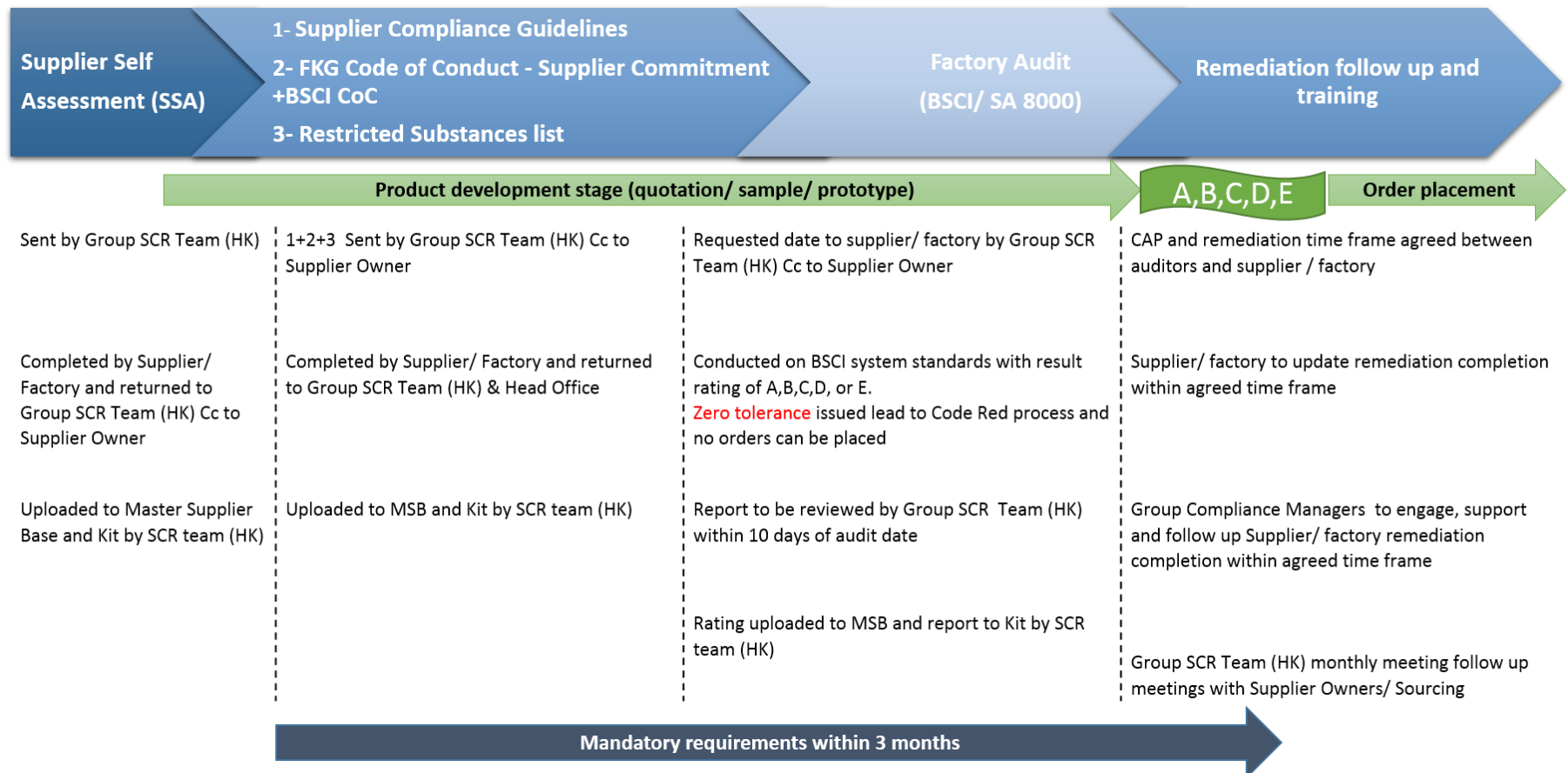
To be eligible for production, suppliers must enrol in our Compliance program.

Suppliers are responsible for reporting all factories used for the production of products provided to Fristads Kansas Group. In **Bangladesh** the minimum requirement to be eligible for our compliance program is for factories to have been **audited either by Acord or Alliance** prior to completing the Supplier Self-Assessment, the 1<sup>st</sup> step in

Fristads Kansas Group compliance program. Factory information are sent to the Brand Supplier Owners and the Group Sustainable and Corporate Responsibility (SCR) team.

A Self-Assessment document (SSA) is sent to suppliers and/ or factories to be filled in and returned to the Group SCR team. Supplier and/ or factories will receive Fristads Kansas Group Code of Conduct -

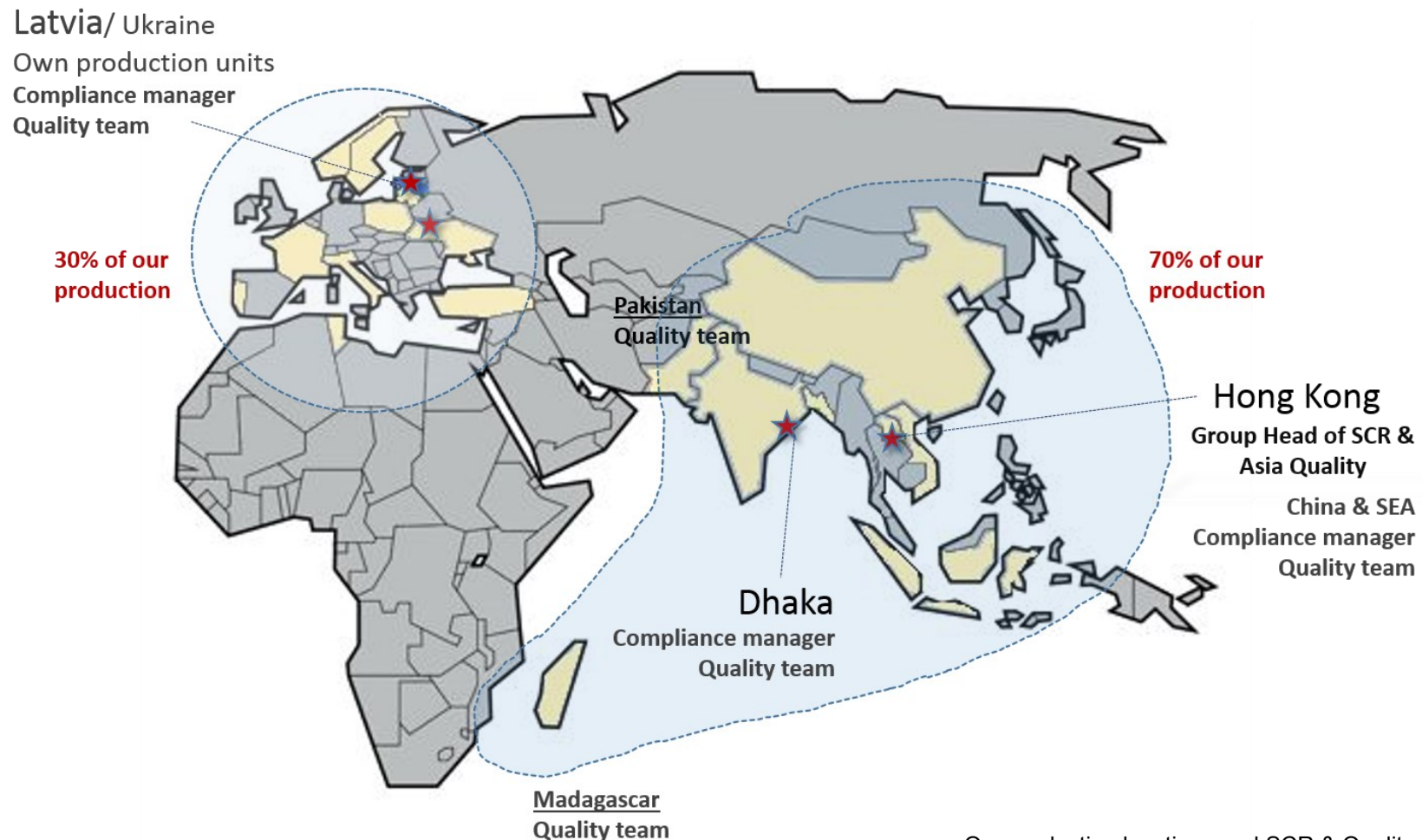
Supplier Commitment , BSCI Code of Conduct, FKG Supplier Compliance Guidelines and the FKG Restricted Substance List latest version (RSL) documents.



## A unique approach to factory transparency & product traceability

Engaged in 2014, the merger of our Group Corporate Social Responsibility and Asia Quality departments, ensures that all our brands have full visibility on their suppliers and each and every factory producing our products.

Furthermore, the “low risk country” classification was waived on January 2014 to harmonise our requirements throughout our supplier base.



Our production locations and SCR & Quality monitoring



# A sustainable business is everyone’s business

Preferred sourcing at sustainable suppliers is a group practice to support positive commitment and encourage employees to take ownership for the positive impacts of the company.

We believe that **responsible sourcing and product development** is an important foundation of our success as a company and our role as a leader in work wear product innovation. And by understanding that it is critical to the lives, welfare and development of communities, we are committed to

## Coherent system for monitoring and remediation

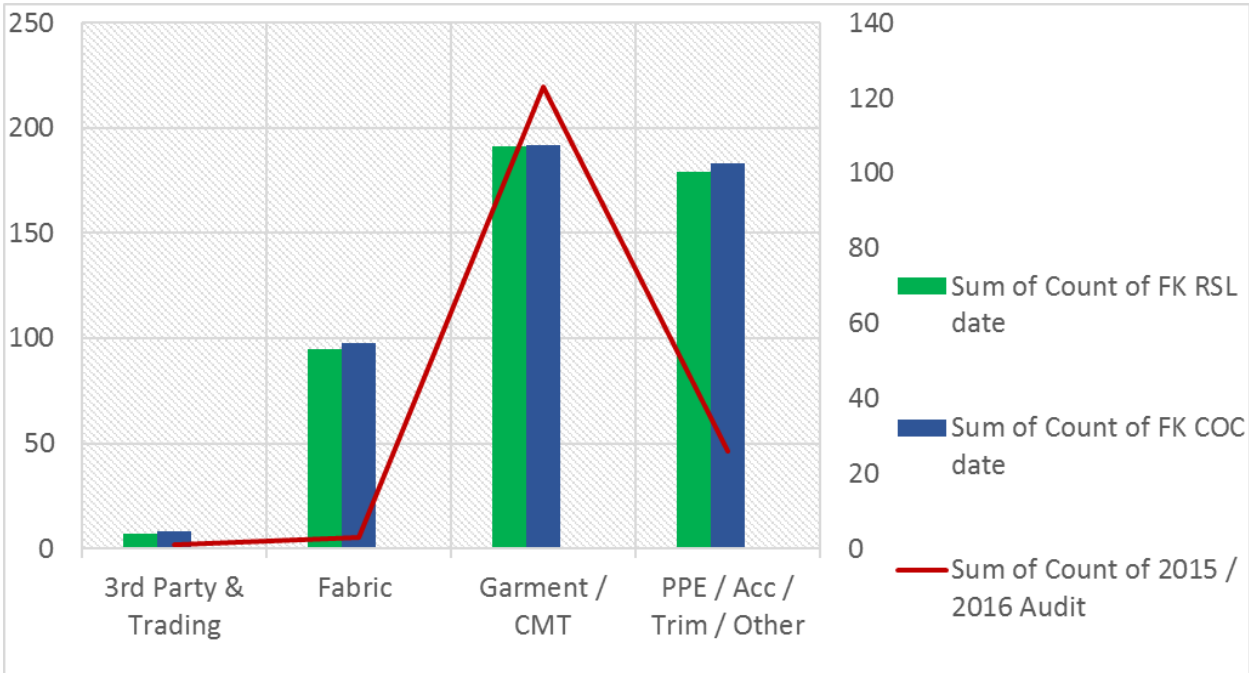
All factories are regularly visited by our Brands’ sourcing teams and our Group Quality Controllers as 100% final inspection is conducted on all manufactured garments.

The sourcing teams and our QC’s are trained to identify visible non-compliance with our Code of Conduct.

On site review refers to child and bonded labour, harassment, occupational health and safety standards on the factory floors, such as blocked fire exits and further. Any deviation is immediately reported to the Group SCR team in order for area compliance managers to engage with the factory management and workers and implement remediation activities.

In the event of critical issues detected, such as child and bonded labour, harassment, bribery, an escalation process is implemented within a 24h timeline, involving Brand sourcing, product development and supply

chain top managers reporting to Group CEO and board members when applicable. Each meeting between Brands’ sourcing teams and suppliers include a full review of compliance improvements,



## Towards full chemical accountability: our Chemical compliance program

As part of our social and environmental compliance program, all our suppliers and factory must review and sign our Restricted Substance List (RSL).



We update our RSL twice a year based on the chemical guidance of our partner **Swerea** and communicate these updates to our suppliers and factories.

Our RSL reflects the latest EU harmonized legislation which includes REACH, POPs regulation, Biocide Regulation and Product Safety Regulation. It also ensures compliance with

the SVHC (Substances of Very High Concern) Candidate List. And most of our Group's brand products are OEKO TEX certified.

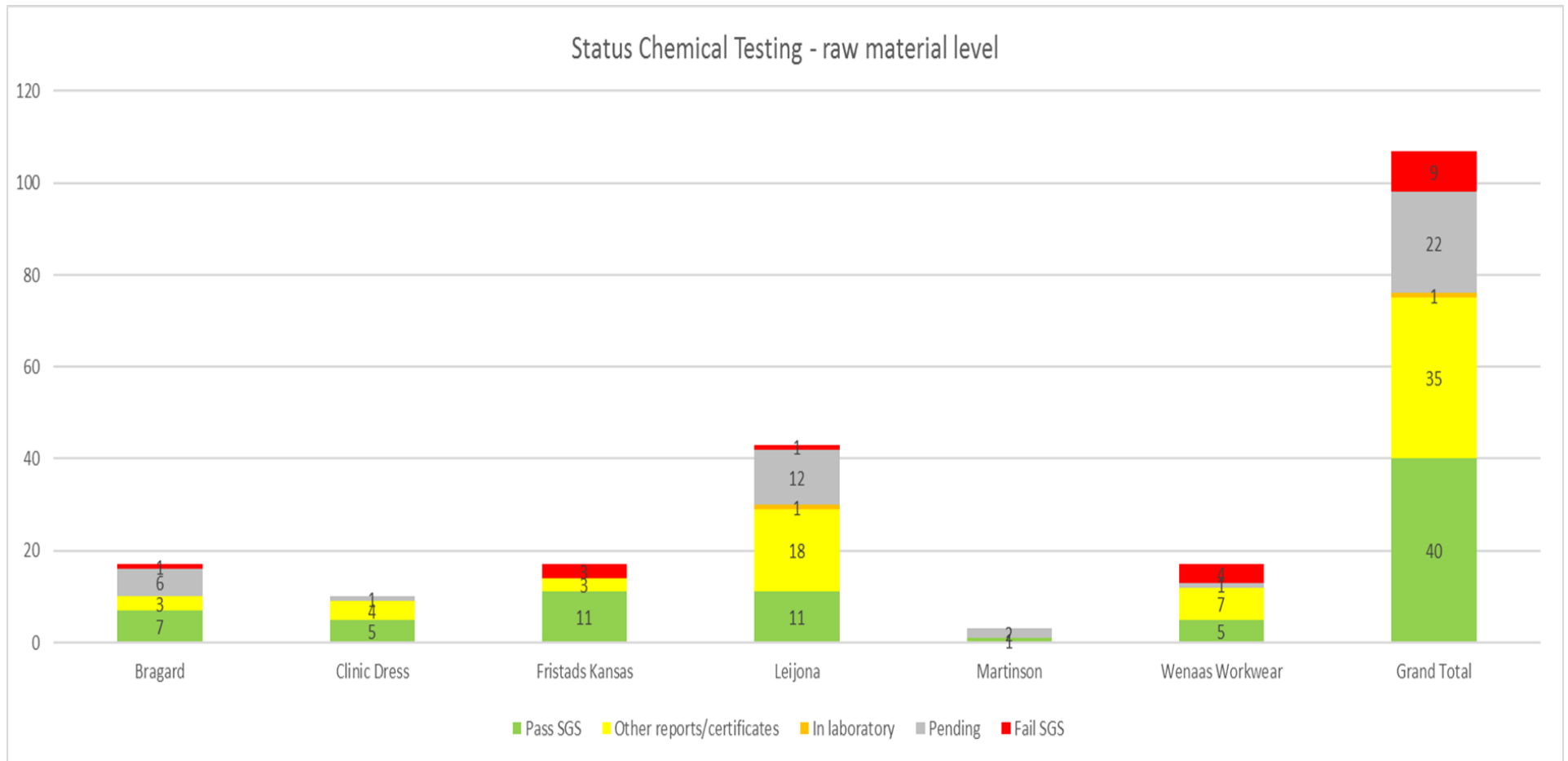
As a market leader, we can't be satisfied with sole collection of signed certificates of compliance by our suppliers and OEKO TEX certificates. Though an OEKO TEX certificate is a

very positive sign it is however far from guaranteeing testing of all fabrics from a supplier's assortment and all chemicals, and as based on sample and not systematic as implemented in our chemical compliance program.

Within our industry, dyeing and finishing processes are considered to be waste and chemical intensive and there are concerns on whether the use of chemicals and the treatment of resultant waste will detrimentally affect the environment and human health.

We need to create transparency, so we spare no efforts to understand in depth the kind of chemicals our finished products are containing and at which levels.

These levels need to be compared to the EU regulation, but also to the levels expected by the market.



#### 2016 Raw Material testing results

Failed results are addressed from product recall (not applicable in 2016) to re-engineering according to the levels detected

On the 1<sup>st</sup> of January 2016, we have launched a **Chemical Compliance program with our partner SGS** to help us build customized testing packages that fit our industry and products.

Core range products (raw materials or finished goods) are been tested based on criteria like volumes and also taking into consideration potential risks (i.e. special finishes like anti-flame or water and stain repellency).

Testing of core range raw materials and finished goods is conducted four times a year and test results reviewed, recorded and made available upon request to our customers, as well as the first step in our sustainable product re-engineering program.

# LEADING BY EXAMPLE



The Fristads Kansas Group believes that ISO Management Systems supports integration of best practice into its brands, achieving **sustainable inclusive growth** by getting everyone on board and working with each another.





## The benefits of ISO Management Systems

- ◇ **Engagement of employees** – Involve employees in the improvements of the processes they work with to help to test and advance these improvements when implemented and, increase and measure productivity.
- ◇ **Improvement of stakeholders' trust** – Gaining competitive advantages by improving our environmental performance through efficient use of resources and reduction of waste.
- ◇ **Increase leadership and employee's involvement** – To meet environmental commitments and improve its impact by integrating the issues into the strategic planning process.
- ◇ **Encourage better environmental performance of suppliers** – By integrating them into the organization's business systems.
- ◇ **Life-cycle perspective** – Looking at the performance of the products and their use and final disposal. Identifying the life-cycle stages that can be controlled or influenced by the organization, this can include raw-material acquisition, design, production, transportation/delivery, use, end-of-life treatment and final disposal. What the life-cycle stages are will vary from product to product and from service to service.

|   | 2016   |                 | 2017   |                 |
|---|--------|-----------------|--------|-----------------|
|   | Brands | Owned factories | Brands | Owned factories |
|  | 60%    | 100%            | 80%    | 100%            |
|  | 30%    | 50%             | 80%    | 100%            |

Percentage of quality and environment certifications

# OUR SCR GOVERNANCE



The Fristads Kansas Group's SCR team set targets and guidelines and acts as a platform

of resources to complement the brands own activities.

Fristads Kansas Group Head of SCR reports to the Group Sourcing and Supply Chain Director, who reports into the Group CEO.

The Board reviews and approves the Sustainability & Corporate Responsibility policies

and oversees the brands social, environmental and economic sustainable targets and their suppliers' performance.

In each brand a SCR Brand Owner is responsible for implementing the brands' SCR strategy and meets at least quarterly with the Group SCR team to review performance.

# ANTI-CORRUPTION

All our employees commit to our Code of Ethics and Business Conduct, designed to help and protect us, as we go about our work for Fristads Kansas Group and each of its brands. In a competitive, fast-moving and increasingly regulated marketplace, it is important that each of us understands the rules that we must follow and the conduct that is expected of us in order to support and increase our customers' confidence and play a valuable role in society.

As colleagues, we are responsible for following the Code. Wherever we work and whatever our role, the Code is there to help keep us safe and protect the reputation of our business among customers, colleagues, suppliers, and all stakeholders.

Our reputation is our most precious asset and in many ways, a direct reflection of the way we do business.

Our Code means more than just following the law and our policies. It's about using our values and leadership skills to guide our conduct and decision-making so that we are always doing the right thing at work and working in a fair, open and honest way.

## Our values:

- ◇ **Teamwork through ensuring our responsible people always do the right thing,**
- ◇ **Excellence in committing to developing our people, so that they are highly skilled and intensely customer focused,**

## ◇ **Leadership in ensuring continuous improvement and driving performance.**

Knowing our policies, applying good judgement, being honest and speaking up are just some of the ways that we can build pride in Fristads Kansas Group, and throughout our brands, and help build a stronger business for the future.

A Speak Out link will be implemented in each of the brands in 2017 when normal escalation channels will have proven inefficient.

We have a zero tolerance policy towards any form of bribery and corruption as detailed in our Fristads Kansas Group Anti-Corruption Policy and compliance program.

# CONFIDENTIAL INFORMATION

**We value and protect our confidential information and we respect the confidential information of others.**

Fristads Kansas Group's continued success depends on the use of its confidential information and its nondisclosure to third parties. Unless required by law or authorized by the board, personnel shall not disclose confidential information or allow such disclosure. This obligation continues beyond the termination of employment. Furthermore, we must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.

We respect that third parties (suppliers, factories, agents, distributors, and joint venture partners) have a similar interest in protecting their confidential information. In case that third parties share with Fristads Kansas Group confidential information, such information shall be treated with the same care as if it was Fristads Kansas Group's confidential information.

**We keep accurate and complete records.**

We believe that the integrity and accuracy of our business records are of utmost importance. We maintain well-managed and



accurate records consistent with all applicable legal requirements and industry standards. This applies to each and every detail of our business.



**All of our brands and personnel compete vigorously but fairly and legally**

We must comply with all competition and anti-trust rules in the countries in which we operate. We believe competition is in the

# COMPETITION

best interest of our company, our customers, our employees, and society at large, as it drives efficiency and innovation, which are the basis of a well-functioning market economy.

We respect competition laws in all the markets in which we are active. We train our em-

ployees to ensure that they are knowledgeable regarding competition law and to make sure they can identify situations where competition law considerations are relevant.

We ensure that expert in-house legal advice is available to assist employees in navigating competition laws.

# United Nations Global Compact Commitment

FRISTADS KANSAS GROUP embraces its 10 guiding principles for Sustainability & Corporate Responsibility on Human Rights, Labour, Environment and Anti-Corruption.

| Our commitment  |  |               |
|---|--|---------------|
| <b>Human Rights</b>   |  |               |
| Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and                     | Fristads Kansas Group Sustainability & Corporate Responsibility Policy                                 |               |
| Principle 2: make sure that they are not complicit in human rights abuses.  | Fristads Kansas Group Compliance Program and Union engagement<br>Fristads Kansas Group Code of Conduct | BSCI          |
| <b>Labour</b>   |  |               |
| Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; | Fristads Kansas Group Compliance Program and Union engagement  |               |
| Principle 4: the elimination of all forms of forced and compulsory labour;  | Fristads Kansas Group Compliance Program   |               |
| Principle 5: the effective abolition of child labour; and   | Fristads Kansas Group Compliance Program   |               |
| Principle 6: the elimination of discrimination in respect of employment and occupation.   | Fristads Kansas Group Code of Conduct  | BSCI          |
| <b>Environment</b>  |  |               |
| Principle 7: Businesses should support a precautionary approach to environmental challenges;  | ISO 14001 Certification<br>Fristads Kansas Group Chemical Compliance Program                           | Fris-<br>BEPI |
| Principle 8: undertake initiatives to promote greater environmental responsibility; and   | ISO 14001 Certification<br>Fristads Kansas Group Chemical Compliance Program                           | Fris-<br>BEPI |
| Principle 9: encourage the development and diffusion of environmentally friendly technologies.  | ISO 14001 Certification<br>Fristads Kansas Group Chemical Compliance Program                           | Fris-<br>BEPI |
| <b>Anti-Corruption</b>  |  |               |
| Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.                            | Fristads Kansas Group Anti-corruption Policy and Compliance Program                                    |               |



## Supplier Code of Conduct

FRISTADS KANSAS GROUP as a member of the United Nations Global Compact has embraced and 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 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 Fristads Kansas Group and all its brands' suppliers as well as its 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.

## HUMAN RIGHTS and LABOUR STANDARDS

## EMPLOYMENT IS FREELY CHOSEN

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 305). 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.

## 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, disabilities, or handicaps. (ILO Conventions 100 and 111)

## 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. [3] 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).

## 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).

## 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.

## 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.

## 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.

## 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.

## FIRE SAFETY

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

## ENVIRONMENTAL STANDARDS

## 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.

## LABELING 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 minimized.

## 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 its 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 reserves the right to audit compliance to its Code and the BSCI (Business Social Compliance Initiative) Code of Conduct 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 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.

## **FRISTADS KANSAS GROUP**

### **Sustainability & Corporate Responsibility**

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