



FRISTADS KANSAS GROUP

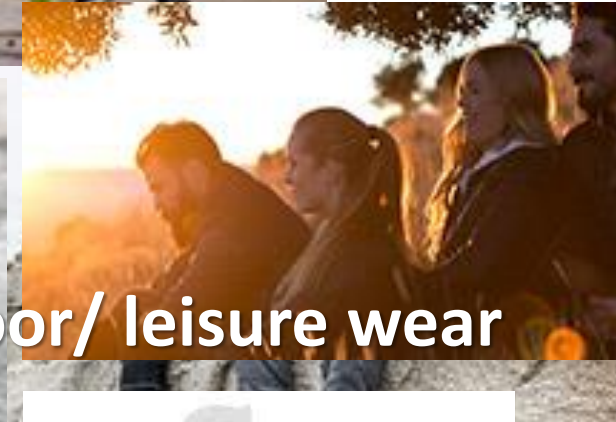
**SUSTAINABILITY &
CORPORATE RESPONSIBILITY**

Annual Report 2018

OUR WORLD OF WORKWEAR



Heavy/ light workwear



Outdoor/ leisure wear



Service wear



Promotional wear

FROM OUR CEO

It has been over 2 years since the United Nations 17 Sustainable Development Goals (SDGs) officially came into force, mobilizing efforts to tackle climate change, poverty and to fight inequality.

*At **Fristads Kansas** Group, Sustainability is about how we do business. We are committed to the UN Sustainable Development Goals and to maintain leadership positions, we believe we must raise our commitment to the next levels, integrating all relevant aspects – from human rights to product performance - into the business to build trust with all stakeholders, from customers to employees and producing partners.*

Sustainability is part of what we do every day, throughout our value chain and wherever we operate. Our brands are making positive long-term changes to the communities in which they operate by finding efficiencies in their supply chain, supporting the successful operations of their supplier partners and customers, and contributing to worthwhile community organizations through volunteering and multiple types of support.

*Anders Davidsson
CEO Fristads Kansas Group*



WHO WE ARE

11
Brands

FRISTADS
Acode
KANSAS

B&C
COLLECTION
W
wenaas

BRAGARD

CLINIC
DRESS

SVERRE W MONSEN

Hejco

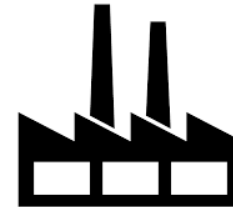
LEIJONA

martinson

2,000
Employees



3
Owned
factories



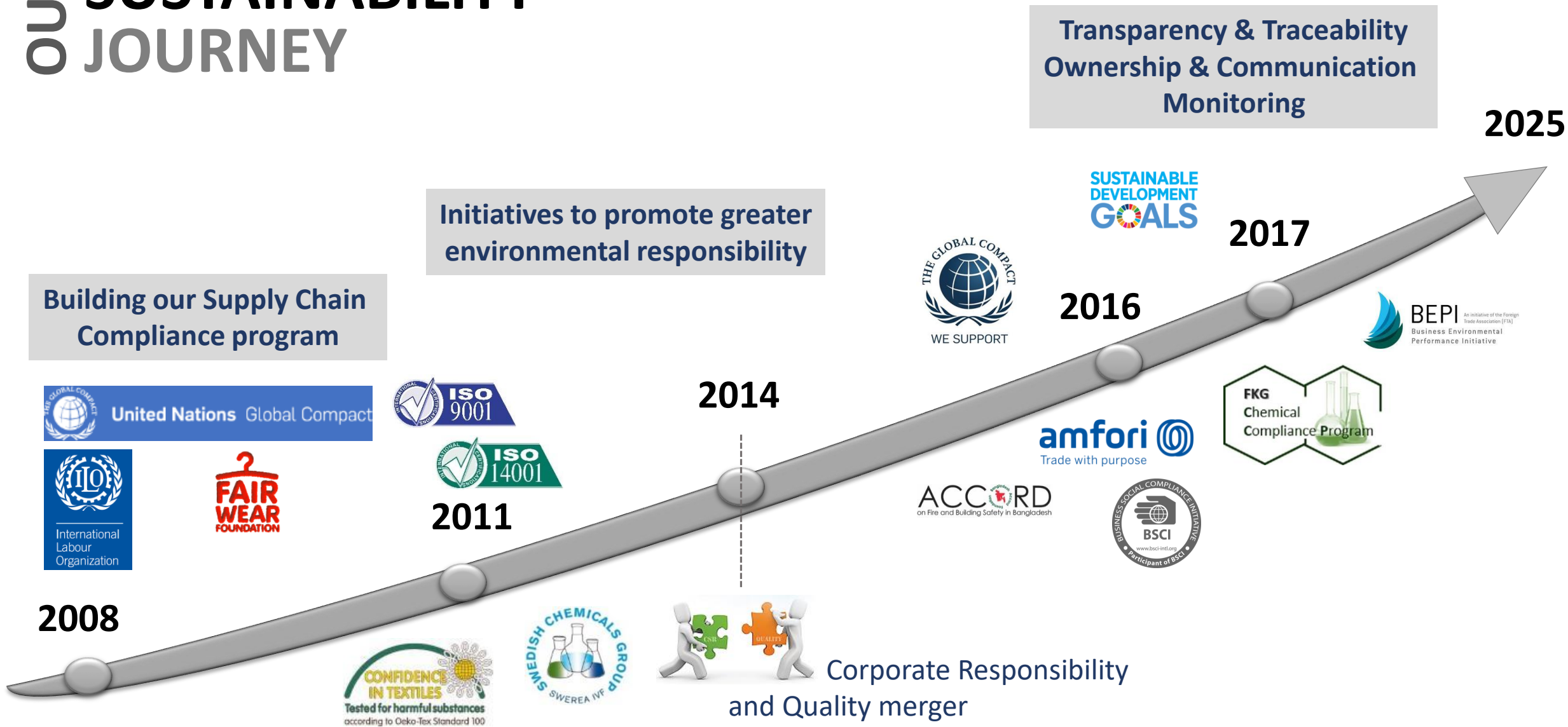
Over
600
factories

From Europe



to Asia

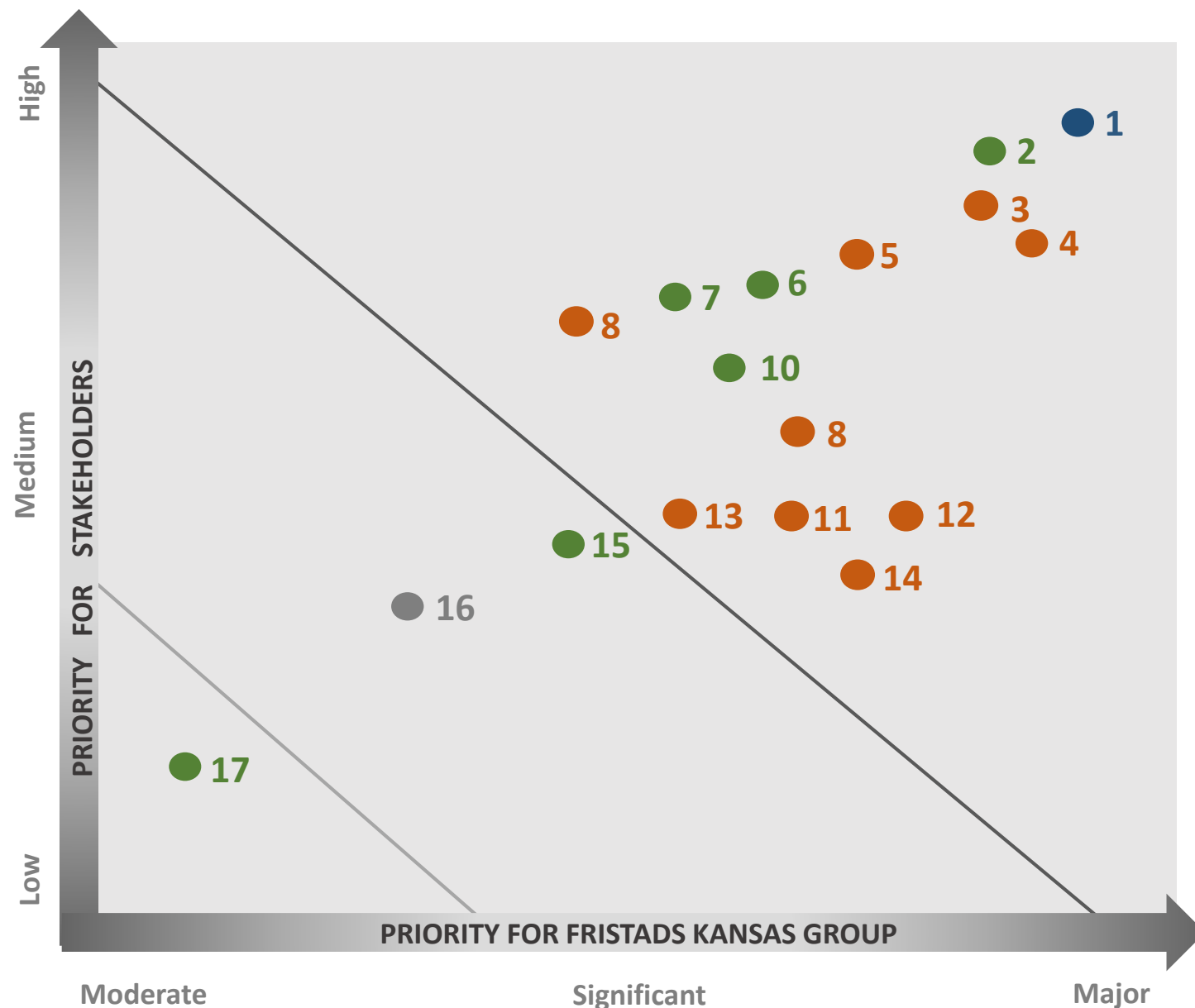
OUR SUSTAINABILITY JOURNEY



OUR MATERIALITY MATRIX

- 1- Customer experience and satisfaction
- 2- Water management
- 3- Human rights
- 4- Health and safety
- 5- Responsible production and consumption
- 6- Climate action
- 7- Partnership for the goals
- 8- No poverty
- 9- Gender equality
- 10- Material recycle and circular economy
- 11- Training and development
- 12- Decent work and economic growth
- 13- Labour/ management relations
- 14- Local community development
- 15- Industry innovation and infrastructure
- 16- Governance and business conduct
- 17- Biodiversity

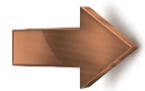
- Financial
- Environmental
- Social
- Governance



OUR COMMITMENT

We have chosen

• **ecovadis** framework to address the 4 SCR issues amongst our brands, setting a Group minimal requirement on policy implementation addressing:



Labor practices and Human rights



Ethics (fair business practices)

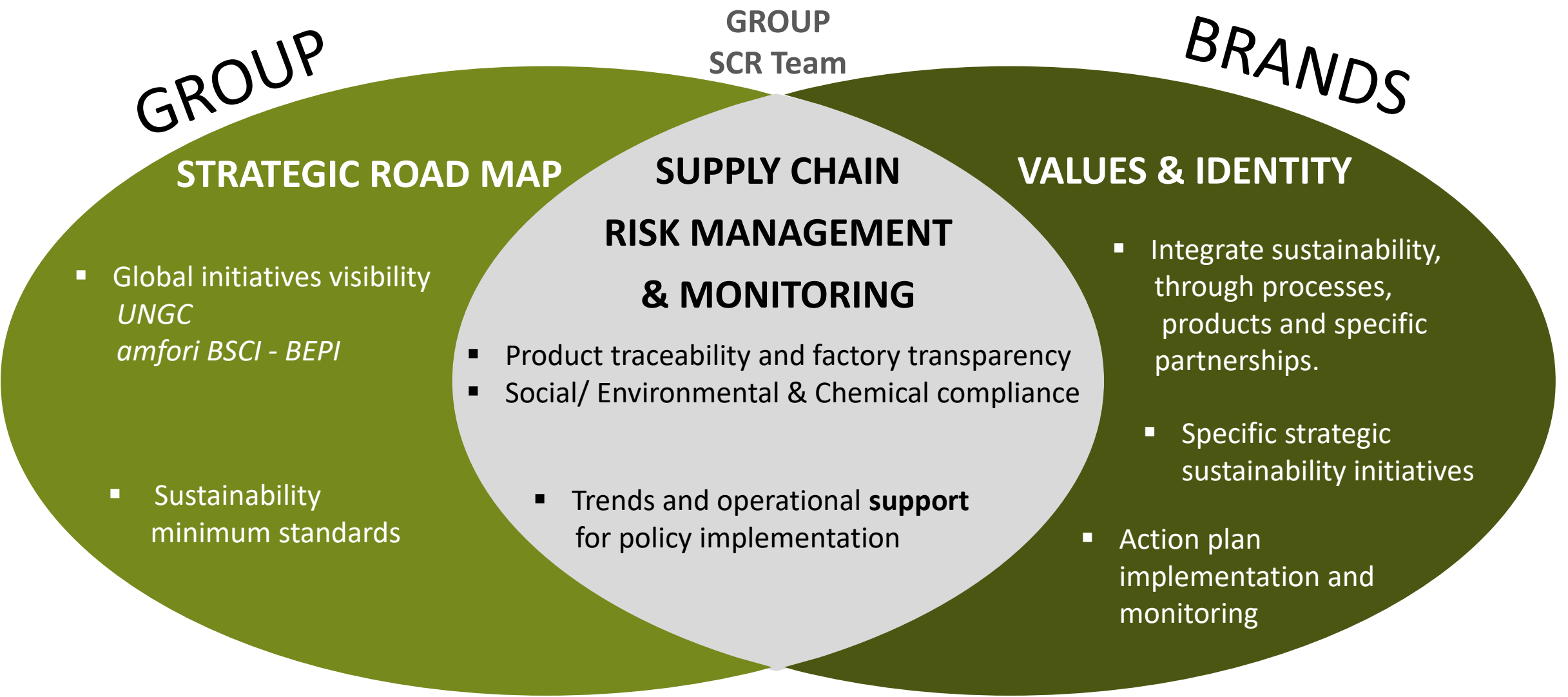


Environment



Sustainable Procurement (covered by the Group)

OUR **APPROACH**

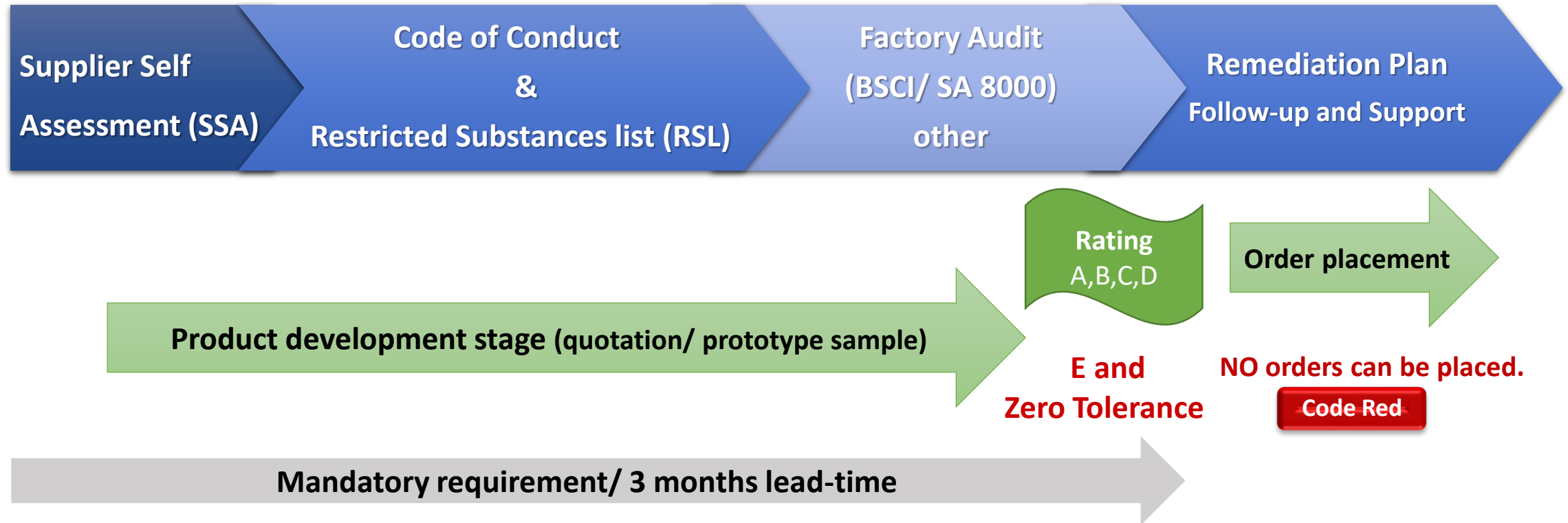


OUR GROUP SUPPLY CHAIN COMPLIANCE



COMPLIANCE PROCESS

Mandatory and Applicable to all suppliers/ factories across all branded product categories and nominated raw materials



■ Specific mandatory requirement and monitoring:

- ✓ All factories in Bangladesh under the New Accord remediation scheme,
- ✓ Effluent Treatment Plant quarterly review in Bangladesh,
- ✓ China fabric mills: review of environmental inspections and schedules.

COMPLIANCE ROLES & RESPONSIBILITY

Brand/ Group Supplier Owners		Group SCR Team	
		Group SCR Coordinator	Regional Compliance Managers
1. New suppliers / factories <ul style="list-style-type: none"> Send contact details to Group SCR Team. Support RCM to get SSA completed. Once audit successfully completed inform PDC and Supply Chain. 		1. New suppliers / factories <ul style="list-style-type: none"> Send Compliance guideline / COC / RSL once SSA reviewed and confirmed by RCM Update MSB (worksheet : Propose new factories) , upload SSA / COC / RSL on KIT Input factories details in BSCI platform 	
High Risk Countries <ul style="list-style-type: none"> BSCI/ SA 8000 audit mandatory for all garment supplier/ factory and only for nominated raw material if no other audit available. For occasional raw material supplier/ factory: Risk assessment visit to be agreed with Head SCR. For temporary own factories' subcontractors : Risk assessment visit to be agreed between Sourcing/ Supply Chain and Head SCR. 	Low Risk Countries <ul style="list-style-type: none"> For garment supplier/ factory review of existing certification (ie.ISO or other) or if no audit available BSCI/ SA 8000 audit recommended For nominated raw material supplier/ factory: review of existing certification (ie.ISO or other) and/ or Risk assessment to be agreed with Head SCR. 	2. Existing suppliers / factories <ul style="list-style-type: none"> Yearly audit schedule according to factory rating and review with SO. Monthly update of worksheet “ Annex 2 – SSA” and send to SCRC Monitor audit report release and remediation plan within BSCI timeline. For Bangladesh monitor Accord remediation plan. With Head SCR initiate Code Red Process. Send audit report to concerned supplier owner, Head SCR / SCRC. Complete “SCR Factory Follow up Chart” and send to SCRC/ Head SCR. Group SCR Team monthly review and highlight of non compliant suppliers/ factories Escalation implementation with SO in case of non remediation. 	
2. Existing suppliers / factories <ul style="list-style-type: none"> Inform Group SCR Team/ PCD/ Supply Chain of inactive supplier/ factory. Prioritize yearly audit schedule (preferred-strategic/ tactical/ complementary). Support RCM for follow up or renewal of audit. Review audit report (KIT or BSCI platform) prior to supplier/ factory visit and engage on remediation with report back to RCM. Code Red escalation and internal information. Yearly supplier/ factory rating. 		3. 3PP (3rd Party Producer) Non branded Group product suppliers <ul style="list-style-type: none"> Upload signed COC & RSL to Kit 	
3. 3PP (3rd Party Producer) Non branded Group product suppliers <ul style="list-style-type: none"> Send COC and RSL for signature and return to SCRC and ensure of existing compliance program. 		3. Capacity building activities <ul style="list-style-type: none"> Enroll factories in BSCI Producer Workshops per remediation issues and in webinars through the FTA academy platform. Taylor capacity building trainings for strategic factories. Report number of factories enrolling on quarterly basis to Head SCR for brand sourcing information and rating. 	

COMPLIANCE RISK CLASSIFICATION

Based on amfori Country Risk Classification

<https://www.amfori.org/sites/default/files/amfori%20BSCI%20CRC%20V2019%20Final.pdf>



COUNTRIES



For all garment factories

mandatory audit

- BSCI/ SA 8000



For nominated raw material
factories

mandatory audit

- BSCI/ SA 8000
- STeP by OEKO-TEX®
- ISO 26000/ ISO 14001



For all garment factories
If no BSCI/ SA 8000 audit
available

**Review of existing
certification**

- ISO 9001/ 14001/ 26000
- SMETA (Sedex)
- WRAP
- .../...



For raw material factories

**Review of existing
certification**

- ISO 9001/ 14001/ 26000
- STeP by OEKO-TEX®
- SMETA (Sedex)
- .../...

For temporary own factories'
subcontractors

- Risk assessment to be
agreed between SCR/
sourcing

For occasional raw materials'
factories

- Risk assessment to be
agreed between SCR/
sourcing

FULL SUPPLY CHAIN TRANSPARENCY

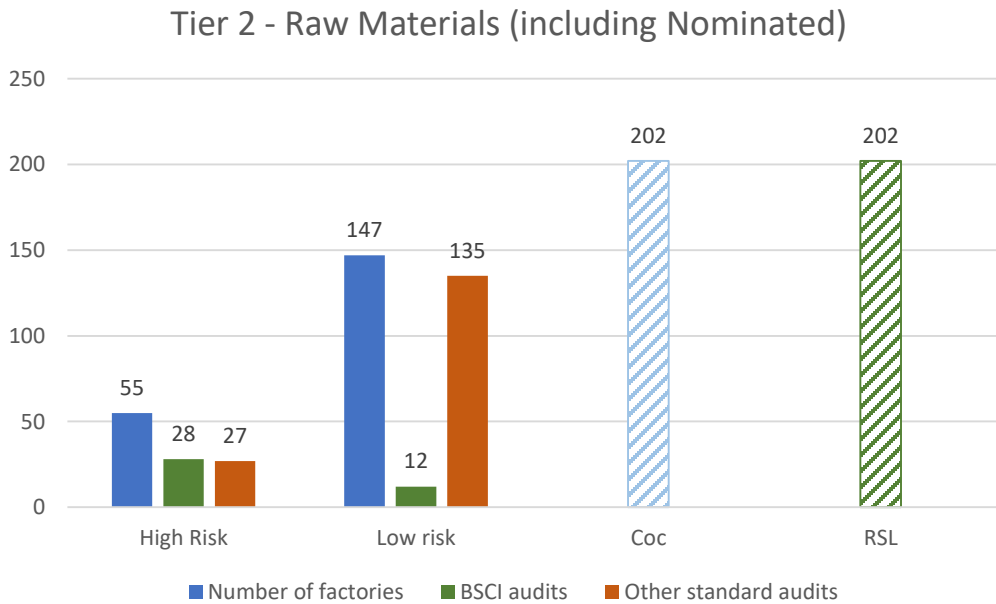
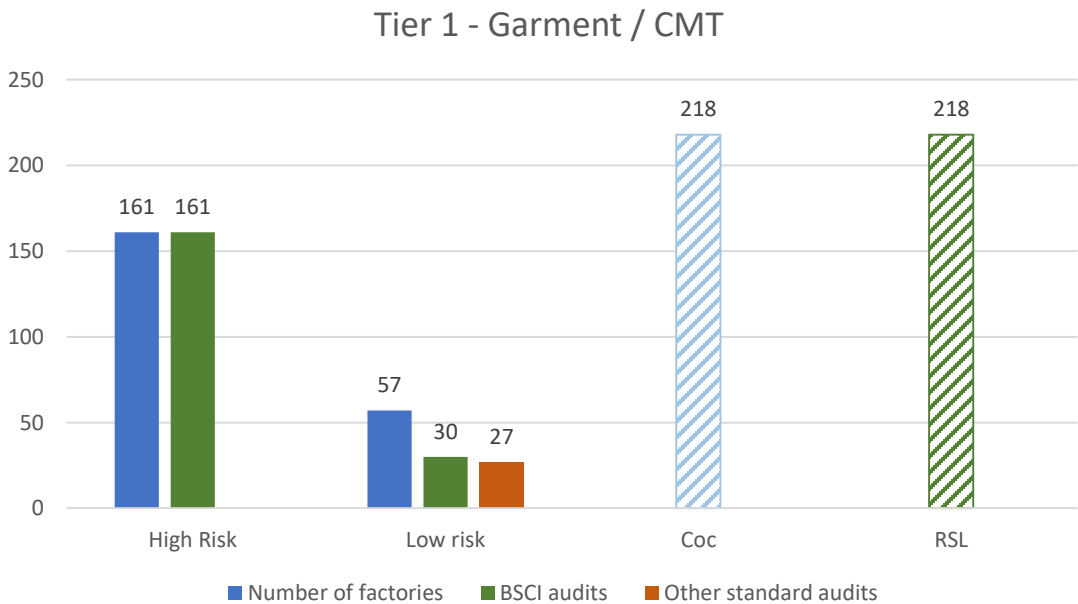
In 2018 compliance visibility and on site follow up for factories:

- Worldwide for all **Tier 1** suppliers (Ready Made Garments & Cutting and Making factories) and **Tier 2** suppliers (**nominated** raw material and accessories factories).

Remediation and improvement at factories is followed through by our regional compliance team (3 teams). Factories are encouraged to participate in capacity building trainings, through on site visits, BSCI platform and New Transition Accord activities.

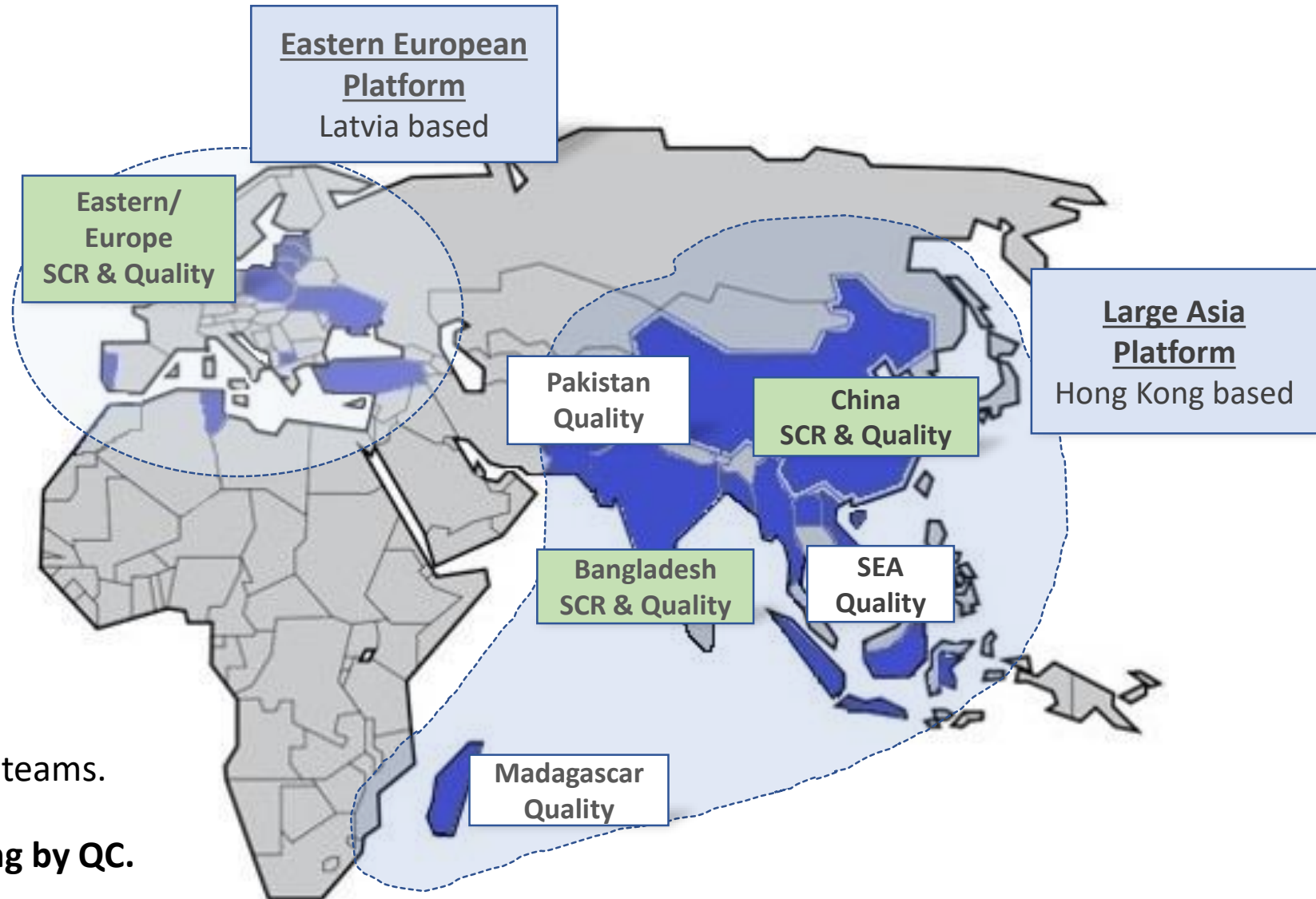
Amongst our brands, colleagues regularly visit each factory, and ensure that they are compliant and develop in the right direction.

In 2019, Tier 3 suppliers (Trims and Accessories) will be eligible to enroll in our compliance programs.



EMPOWERED MONITORING

- **Supplier owner** sourcing allocation.
- **100% Quality control performed** on all finished orders in “large Asia” region.
- Quality controllers are **trained to identify** compliance deviations.
- **If Zero Tolerance** spotted in factory, **real time** reporting to Regional SCR teams.
- Chemical compliance **sample picking by QC.**



If **Zero Tolerance** issues reported:

Risk level	Child / Bonded labour Inhumane treatment/	Unethical Behaviour	Occupational health and safety
Time frame	RED Immediate	RED Immediate	RED on hold
From	Group SCR	Group SCR	Group SCR
To	Sourcing/ CR Owner Supplier Owner/ Supply Chain/ Product Development	Sourcing/ CR Owner Supplier Owner/ Supply Chain/ Product Development	Sourcing/ CR Owner Supplier Owner/ Supply Chain/ Product Development
To	Brand and Group CEO/ Board	Group Board Quarterly reporting	Group Board Quarterly reporting
Action	Running orders frozen	No new orders placed until remediation completed	No new orders placed until remediation completed
Time frame	within 24h-48h	3 months: anti-corruption policy implemented in factory/ QC control	3 months with potential 3 months extension
Additional action	Supplier compensation - in case of orders cancelled if no remediation	Group SCR monthly remediation review And brand team update	Group SCR monthly remediation review and brand team update
Additional action		Resourcing	Resourcing

In 2018, no Zero tolerance audit result or issue was reported.

OUR GROUP CHEMICAL COMPLIANCE



RESTRICTED SUBSTANCE LIST

Our **Restricted Substance List (RSL)** is based on the chemical guidance of our partner **swerea|IVF**, updated twice a year it reflects the latest EU harmonized legislation which includes:



POPs regulation



Biocide Regulation



Product Safety Regulation



Substance of Very
High Concern

COMPLIANCE PROGRAM

BACKGROUND

- Apply same methodology assessment than for supply chain compliance,
- All suppliers sign our Restricted Substance List,
- 2016, with our partner **SGS** launch of our **own chemical testing protocol**.

PROCESS

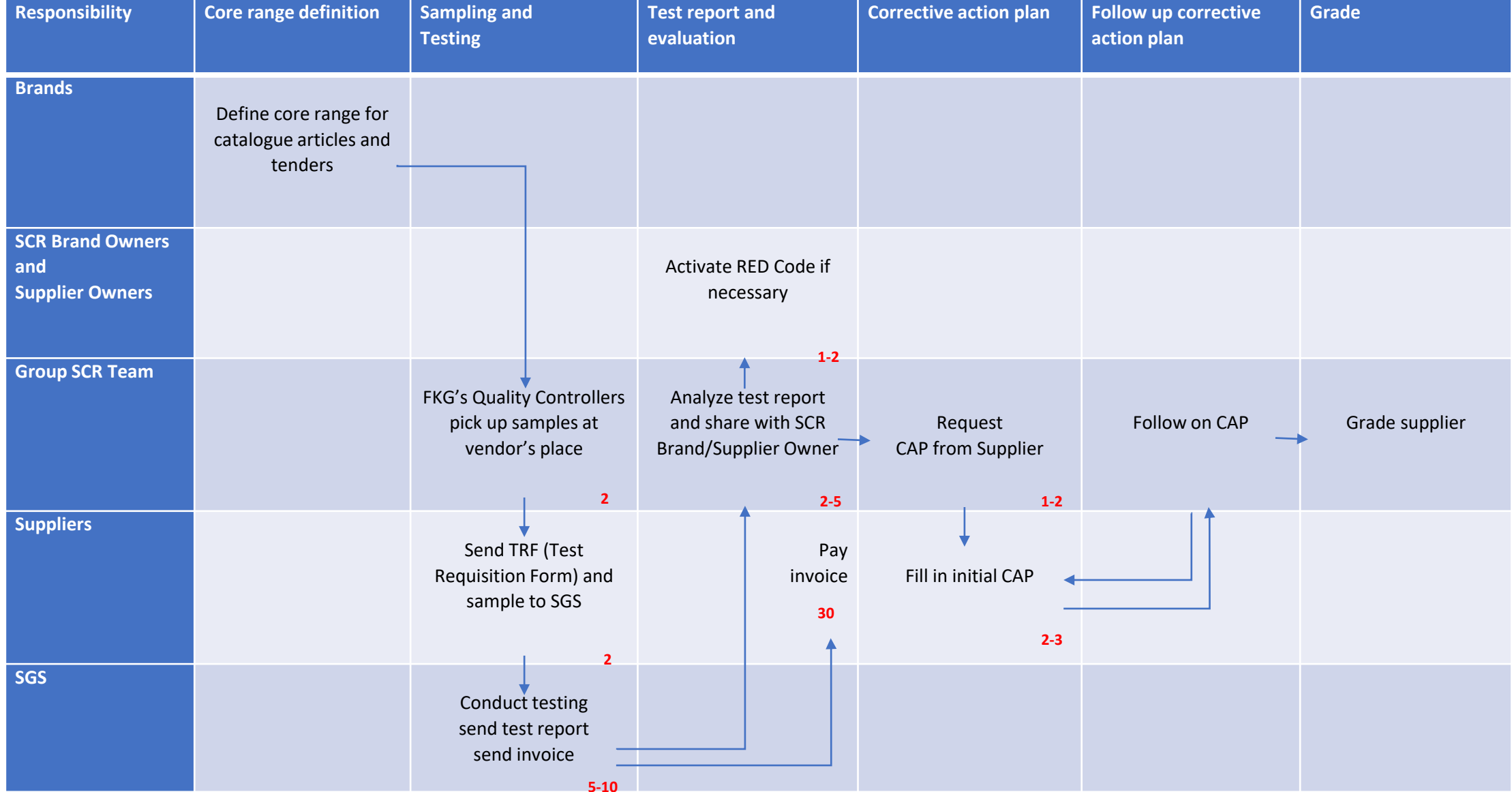
- Dedicated chemical testing packages defined with SGS appointed as third party testing laboratory.
- Testing of core range raw materials and finished goods at supplier's cost.
- Compulsory testing program managed centrally by our Group SCR Team.

ROAD MAP

- 2016: **over 100 nominated** fabrics and trims **reports** performed or reviewed,
- 2017: test **focus on** core ranges' **finished products from non nominated raw materials 80%**,
- 2018: Focus high risk ranges (FR/ sensitive certified tenders) and new launches.
- 2019: ongoing continuous tests.



CCP PROGRAM PROCESS



CCP RATING

Risk level	RED – Non Compliance REACH (Restricted Substances Annex XVII) When chemical is banned or regulated (limited value) Product recall/ sales restriction/ fine + communication hazard	ORANGE - SVHC Substance of Very High Concern (Candidate List) Rule of 0.1% weight article Duty to communicate to professional users/ dealers (not final consumer)	Yellow - Common market requirements (Not yet restricted) But under high concern example PFOA, formaldehyde, ...
Time frame	RED Immediate	ORANGE	YELLOW
From	Group SCR	Group SCR	Group SCR
To	Sourcing - Supplier Owner/ Supply Chain/ Product Development	Sourcing - Supplier Owner/ Product Development	Sourcing - Supplier Owner/ Product Development
To	Brand and Group CEO/ Board	Group Board Quarterly reporting	Group Board Quarterly reporting
Action	Running orders frozen	No new orders placed until remediation completed	Corrective Action Plan with supplier
Time frame	within 24h	3 months	3 months with potential 3 months extension
Additional action	Supplier compensation in case of orders cancelled if no remediation	Supplier owner responsible to request random testing (from 1 to 10 within 12 months) at supplier's expense	Supplier owner responsible to request random testing (from 1 to 10 within 12 months) at supplier's expense
Additional action		Resourcing	



In 2018, no Red issue occurred amongst the 40 random tests performed.

OUR BRANDS' INTEGRATED SUSTAINABILITY



OUR COMMITMENT

We take pride in being known as an employer of choice dedicated to helping our employees achieve their best. This extends to providing them the opportunities and environment suitable to allow them to excel, through:

- Creating a safe, healthy, supportive and discrimination-free working environment,
- Providing ample opportunities to enhance one's skill, through on-the-job training and clearly defined progression pathways,
- Ensuring equal opportunities and competitiveness in staff remuneration and recognition.

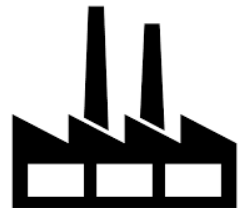
OUR PEOPLE OUR STRENGTH

We perform in-house employee surveys to gather feed back and ideas regularly and stay up to date on the pulse of the organization throughout geographical locations.

In August 2018, we conducted a 3rd party workers survey at our factory in Riga to enable us to assess the areas of improvements on health and safety and workers' satisfaction to tailor trainings in 2019.



750 employees



3 Own factories



PRODUCTS AND SERVICES

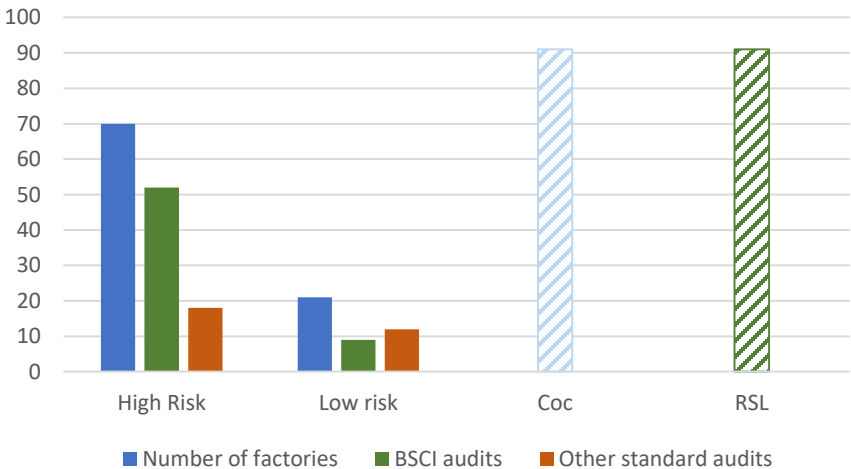
Supply Chain Risk Management

As a member of the BSCI and BEPI, initiatives committed to improving social and environmental conditions in the global supply chain, it is a mandatory requirement that all our suppliers and factories sign our Code of Conduct and our Restricted Substance List, and participate in regular compliance audits carried out by external 3rd party certified testing companies to be eligible to manufacture our products.

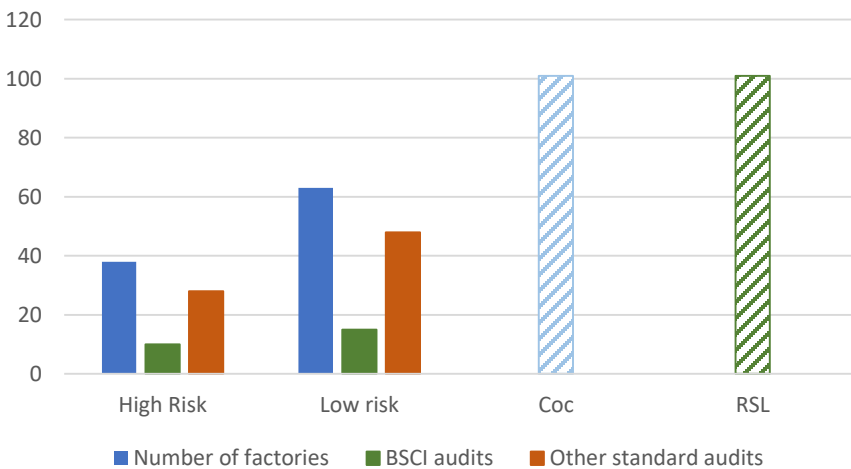


BEPI An initiative of the Foreign Trade Association (FTA)
Business Environmental Performance Initiative

Tier 1 – garment/ CMT



Tier 2 – Fabric / Accessories



OUR COMMITMENT

Our dedication to preserving the environment and our resources include:

- Actively pursuing sustainable development initiatives and implementing good environmental practices,
 - » All our geographical location and own productions sites are ISO 14001 certified,
- Regularly reviewing our business practices to identify how we can use resources like energy, water and other raw materials sustainably and more efficiently, while reducing waste and greenhouse gas emissions,
- Ensuring that our products are safe for our customers and the environment
 - » 100% of our nominated fabrics are OEKO-TEX certified,
 - » Our **Restricted Substance List (RSL)** is based on the chemical guidance of our partner Swerea, and updated twice a year it reflects the latest EU harmonized legislation,
 - » In 2016 we launched our own Chemical Compliance program, in partnership with SGS to ensure that our suppliers were committed to our RSL.
- New office building, during 2019 Fristads are moving in to an office building with an integrated warehouse.

Throughout this project the environmental aspects have been constantly considered



swerea|IVF



Substance of Very High Concern



Collaborative sustainability: From design to materials

Environment

At FRISTADS we track the reach of our social, environmental and economical impacts and pursue meaningful sustainable initiatives.



WASTE RECYCLING

To recycle the waste generated by the production of our garments, our design team has developed, in collaboration with one of our best compliant factory in South East Asia, a process enabling the waste to be reused for knee and elbow pads filling.

ENVIRONMENTAL FRIENDLY SOLUTIONS

To reduce our products' environmental footprint, we offer our customers with full sustainable uniform collections, from conventional raw materials, fabrics & accessories, to organic cotton and recycled polyester .



- **Organic cotton** uses far less water and the crops aren't treated with pesticides, insecticides, herbicides and Genetically Modified Organisms.
- **Recycled polyester** doesn't require new petroleum to create, lowering the demand for petroleum extraction and reducing overall carbon footprint.
- **Producing recycled polyester** is better for the climate, creating 75% less CO₂ emissions than virgin polyester.



Sustainability Achievements 2018



By end 2018 we have completed the move to our new lean and green warehouse



The warehouse site has a 25,000 m² **multifunctional** hall and a **three on-site wind turbines** to achieve **full CO2 neutrality**, and the roof is covered with solar panels.

The building construction is combination of concrete, steel and wood.



Sustainability Achievements 2018



Lean and green transport to reduce CO2 footprint

About 1250 trucks a year were needed to move all our containers from the port of Antwerp to our warehouse.

Instead we now use barges that bring goods via the Albert Canal from the port of Antwerp to a small terminal near our warehouse (about 5 km away).

From 80 km by truck, only 5 km per container are now trucked truck.
95% of all inbound containers are transported to our warehouse via barges.

Only the 5% exceptions will be transported by truck.



2018 ACHIEVEMENTS

ISO 14001:2015

- In 2017 Wenaas Workwear AS get certified according ISO 14001:2015. Ahead of the certifying, we mapped all our challenges and benefits related to environmental impact.
- New goals were set, and during the last year we have worked to improve the performance further. And have had no deviations at the external audit in 2018.

Supply chain

- When applicable, raw material suppliers should be located in the same area as the producer of finish products.
- We are continuously working to consolidate our suppliers base.



PROTECTING PEOPLE AT WORK SINCE 1931

This is to certify that the Environmental System of
Wenaas Workwear AS
Mandalen
complies with Environmental Management System Standard
NS-EN ISO 14001 : 2015

The certificate is valid for the following activities:

Design of Workwear.
Sales and Distribution of Workwear
and Personal Protective Equipment.

CERTIFICATE

The certificate expires: **30.06.2020**

Initially certificated: **30.06.2017**

Dovre Certification AS

Stavanger, **30.06.2017**

Certificate No.: **154**


Company's Representative
Birger Flaa


Dovre Certification AS
Engelshavnveien 24, 4018 Stavanger


Lead Auditor
Atle Storås


NORVIGS
ACCREDITATION
METS 003

The equivalence of the quality of the certificate issued under accreditation granted by an accreditation body that is signatory to the EAC Multilateral Agreement is recognised by the other signatories as laid down in the Agreement



AMELIORATIONS SOCIALES ET ENVIRONNEMENTALES 2018

I. Thématiques sociales (RH)

- 1. Diversité et égalité des chances / égalité de traitement (RH)
 - Egalité hommes/femmes
 - Insertion des personnes handicapées
 - Lutte contre les discriminations
 - Embauches juniors/seniors
 - ESAT
- 2. Promotion et respect des droits de négociations et de réunion
 - Organisation du dialogue social, procédures d'information, de consultation et de négociation avec le personnel (CE)

RESULTATS AUDITS BRAGARD ECOVADIS

Bragard a obtenu un score de 55/100, ce qui lui permet de recevoir un niveau de reconnaissance "Silver". Bragard se place donc parmi les 30% des entreprises les mieux notées par EcoVadis.

CSR PERFORMANCE			?
Environment	ENV	50	
Labor Practices	LAB	60	
Fair Business Practices	FBP	50	
Sustainable Procurement	SUP	60	

II. Thématiques sociétales

1. Relations entretenues avec les personnes ou organisations intéressées par l’activité de l’entreprise

PROJET SOCIAL MENDES



En plus de ces vêtements, 152 paires de chaussettes offertes par le tricoteur Bleuforêt, ainsi que 50 sacs à dos Décathlon ont été distribués aux associations Samu social et Accueil Ecoute sur les secteurs d'Épinal et de Nancy cet hiver.

2. Sous-traitance et fournisseurs

- Label France Terre Textile

BRAGARD met un point d'honneur à favoriser l'économie locale et à réduire son empreinte carbone. Ainsi plus de cent articles dans notre catalogue 2018 sont fabriqués avec des matières labélisées France terre textile®

Notre objectif est d'augmenter ce chiffre dans les années à venir. Quatre nouveaux produits certifiés seront ajoutés au catalogue 2019 et plusieurs fournisseurs sont en cours d'agrément.

- Entreprise du Patrimoine Vivant (EPV)

BRABARD comptabilise six fournisseurs labellisés EPV.

- HADJI est un fournisseur stratégique et historique de la marque.



Au dernier audit SMETA commandite par la société ACCOR, HADJI a obtenu une note de 91.6% et a mis en place un plan d'actions correctives afin de continuer à progresser.

Exemple d'améliorations au sein de l'usine :

AVANT



APRES



III. Thématiques environnementales

1. Politique générale en matière environnementale

Bâtiment passif

Notre bâtiment office est passif, équipé de volets BSO qui s'abaissent et se relèvent automatiquement selon la lumière du jour, afin de garantir une meilleure isolation thermique. Il est également conforme à la norme Accessibilité et à la Réglementation Thermique (RT2012).

Formation et information des salariés

Dans une démarche éco-responsable, les employés ont été appelé à réduire leurs impressions et à réutiliser les feuilles de brouillon.

Catalogue

L'engagement environnemental de BRAGARD passe par son réseau de distribution. Nos catalogues sont imprimés en France avec du papier certifié PEFC qui promeut la gestion durable et responsable des forêts françaises. Notre impact carbone est donc fortement réduit et nous favorisons l'économie locale.

2. Gestion des déchets

En 2017, Bragard a revalorisé 45% de ses déchets, trié 5 tonnes de papier et a augmenté ce taux grâce à la mise en place de bennes destinées aux déchets textiles. Elles sont collectées, revalorisées et recyclées par le Centre de tri de textile Vosges TLC. Les salariés peuvent également y déposer leurs vêtements et textiles personnels.

Collection

- 7% du CA réalisé avec nos fournisseurs est dédié au coton Supima®.
- Développement d'une capsule de produits éco-responsables conçus avec des tissus alternatifs peu consommateurs en eau tel que le lin et en fibres recyclées certifiées « Recycled Content ».

Ensuring equal opportunities and creating supportive and discrimination-free working environment

CLINIC & JOB **DRESS** understands that a diverse workplace greatly benefits both employers and employees. CJD and HHO, a sheltered workshop in Osnabrück, are cooperating to place disabled people into suitable employments, specifically return shipments of customers.

Employees at CJD learn to work with colleagues with disabilities, even learning sign language, while HHO personal get familiarized with daily work routine.

A win-win situation that benefits all.



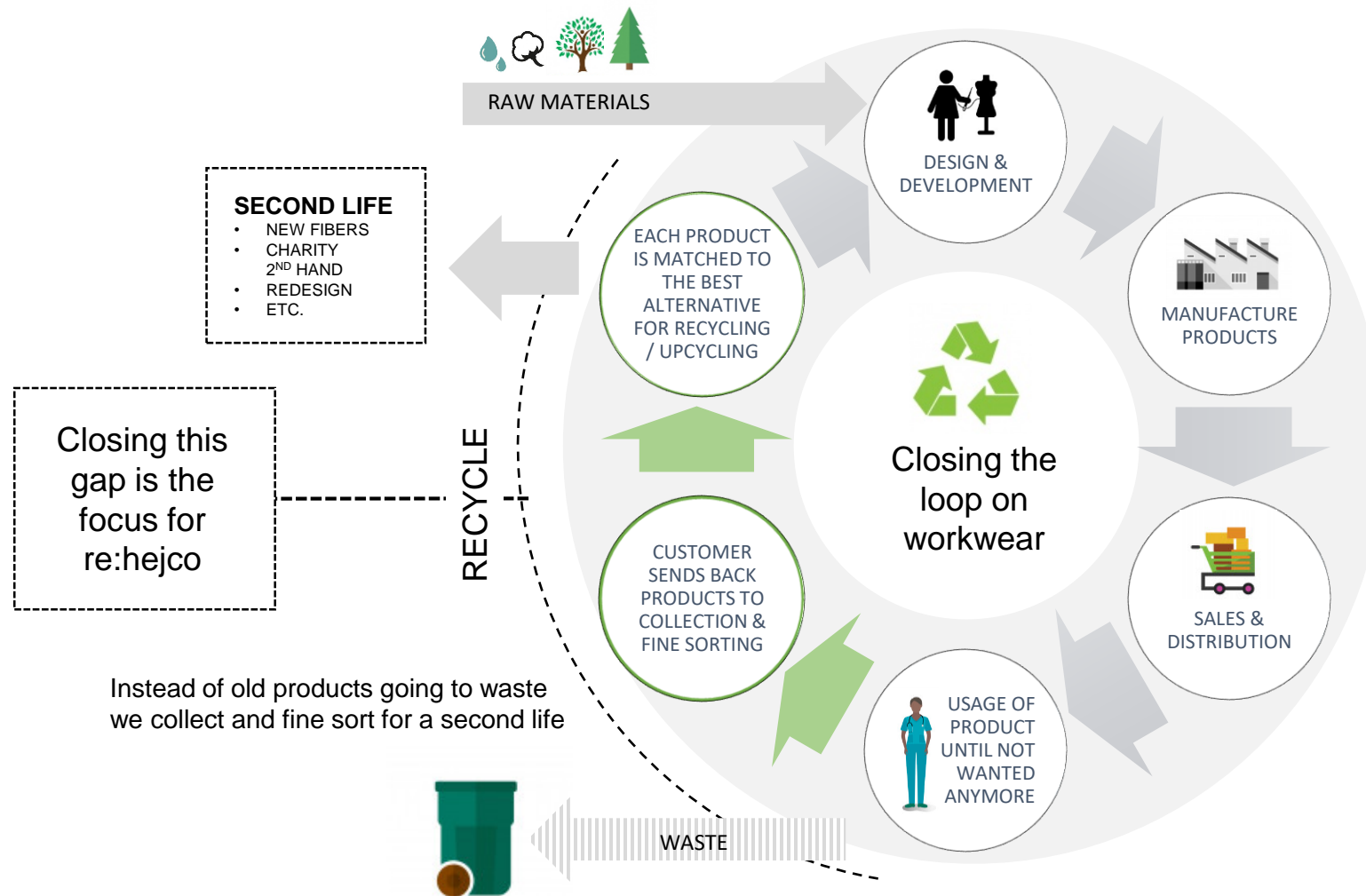


Hejco Sustainability Statement

- We care for those caring for others but we also care for a sustainable future and environment.
- We take full responsibility of what we produce, how we produce, where we produce and how we deliver our products to our warehouse.
- We want to leave as few footprints as possible on the environment and the future.
- We want to participate in creating a better future and by getting our customers to buy Hejco garments we help them to make sustainable and environmental friendly choices.
- We support and collaborate with organisations and initiatives that are sharing the same vision for sustainability and works towards the same targets as us.

Hejco

Our Circular model



Our 2018 Sustainability Achievements

- Engaged with **re:newcell** and started garment testing for 2nd life product range,
- Started to change cotton to eco-cotton in all jersey tops,
- Reduction of carbon footprint & sustainable collection tender offer through local proto-making,
- Waste recycle: Using left over fabric to make limited collection,
- Cooperating with several local organizations internationally and nationally to find new ways to handle our garments i.e. rental, logistics
- Caring for society and supporting organizations such as **A Child's Smile**, Plogga and Stadsmission with Hejco clothes, our time/work.

https://www.youtube.com/watch?v=21ucJ2e_wKk

<https://www.youtube.com/watch?v=sDNW9sIYrKU>



Sustainable achievements 2018

- The use of alternative fibers/material with less environmental impact, has increased from last year by 46 %,
- 10 % of the volume of patient wear (knitted garments) is Eco-labelled,
- By using single-dyed fabrics (where only the polyester is colored) in patient wear we have saved over 2 000 m³ water.



Sustainability strategy 2018-2021

Martinson sees a sustainability challenge together with customer, supplier and other interested parties to minimize resource consumption and environmental impact on land, water and air.

Our focus areas for sustainable development are integrated into our management system, and include sustainable chain from production to waste, and enable circular textiles etc.

Martinson participates in projects for feasibility study for circular value chains in the textile industry.

Plan for the best use of materials and energy by using fabrics, trims and transports that have the least environmental impact. Collaborate with suppliers who have a well-functioning environmental and CSR work

- Increase the use of alternative fiber/materials with less environmental impact.
- Improve sustainable logistics solutions - planning, coordinating and reducing the number of transports, as well as increasing renewable fuels in the transports.
- Reduce consumption of water and energy in manufacturing/purchasing products.

OUR COMMITMENT to the UNITED NATIONS GLOBAL COMPACT



Human Rights	
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 Fristads Kansas Group Code of Conduct BSCI Code of Conduct
Labour	
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 Compliance Program Fristads Kansas Group Code of Conduct BSCI Code of Conduct
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	ISO 14001 Certification Fristads Kansas Group Chemical Compliance Program BEPI
Principle 8: undertake initiatives to promote greater environmental responsibility; and	ISO 14001 Certification Fristads Kansas Group Chemical Compliance Program BEPI
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	ISO 14001 Certification Fristads Kansas Group Chemical Compliance Program BEPI
Anti-Corruption	
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 has embraced and is committed to the United Nations Global Compact's 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 105). Suppliers shall not engage in human trafficking or exploitation, and shall not retain employees' government-issued identification, Passports or work permits as a condition of employment.

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)

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).

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

EMISSIONS TO AIR, WATER AND GROUND

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

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

WASTE MANAGEMENT

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

CHEMICALS MANAGEMENT IN THE FACTORY

(Below, the word chemicals refer to both substances and products, such as lubricant oil, glue, solvents, and dyes.) The Fristads Kansas Group supplier shall ensure compliance with applicable laws and regulations pertaining to procurement, storage, handling and use of chemicals. The Fristads Kansas Group shall have a valid permit for chemicals that are legally restricted. The supplier shall demonstrate compliance with those permits. Specific requirements regarding chemicals in products related to information provision, limit values for chemical residues in products, banned chemicals and testing requirements are detailed in the Fristads Kansas Group Restricted Substances List (RSL).

RECORDS AND PROVISION OF INFORMATION

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

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

PROCEDURE FOR CHEMICAL MANAGEMENT

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

EMPLOYEE INFORMATION AND TRAINING

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

Information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in production areas where the chemical is used. The information can be either the Material Safety

Data Sheet, or specific instructions for safe handling and use (following the MSDS). Information must be in a language understood by the workers.

LABELLING OF CHEMICALS

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

ANTI-CORRUPTION

The Fristads Kansas Group follows a policy of zero tolerance for all forms of corruption, including extortion and bribery. Suppliers shall not engage in any form of bribery, corruption, extortion and embezzlement. Fristads Kansas Group will not accept any kind of corruption related to our business and we expect all our employees and our partners in the supply chain to embrace this position.

AUDIT AND ASSESSMENT

The Fristads Kansas Group reserves the right to audit compliance to its Code 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

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FRISTADS **KANSAS** **Acode**



BRAGARD



hejco



martinson

A large, high-contrast, black and white close-up of a woman's eye, looking directly at the camera. The eye is the central focus of the lower half of the image.

All together