

G-Star RAW Supplier Code of Conduct 2021

Effective as of 01-11-2021

G-Star is committed to producing high quality and ethically manufactured products at a good value to its consumers. The G-Star RAW Supplier Code of Conduct ('Code') outlines G-Star RAW C.V. ('G-Star')'s minimum social and environmental standards regarding the conditions under which its products should be manufactured. This Code will be subject to regular review and improvement.

This Code is based on internationally recognized guidelines and standards, set by the UN Universal Declaration of Human Rights, the International Labour Organization (ILO) Core Conventions, the Ethical Trading Initiative (ETI) Base Code, the Organisation for Economic Co-operation and Development (OECD) guidelines, Zero Discharge of Hazardous Chemicals (ZDHC) guidelines and ISO 14000.

This Code sets forth the expectations we have of suppliers we work with and it lays down the minimum social and environmental standards we expect each factory to meet.

G-Star's commitment is to only do business with suppliers that share its commitment to fair and safe labour practices and that observe environmental conscious practices in the locations where they operate. Therefore, this Code applies to all suppliers, their subcontractors and other business partners involved in the purchasing, manufacturing and finishing processes of products commercialized by G-Star and/or any G-Star affiliated companies. Suppliers are responsible to communicate this Code to their subcontractors and business partners and to ensure that G-Star's expectations are implemented and adhered to by every facility involved in the supply chain of G-Star products.

Our general rule is that all our suppliers, their sub-contractors and other business partners must follow the applicable national laws in all their activities in the countries in which they operate, and comply with the standards defined by G-Star in this Code. Should there be any differences between the requirements set out by applicable laws and regulations and by G-Star, the more stringent requirements shall apply. If G-Star's expectations were to conflict

with applicable laws and regulations, the supplier must notify G-Star immediately before signing this Code.

It is our intention only to work with suppliers that share our values. We do not wish to work with any supplier that directly or indirectly through its (approved) sub-contractors or business partners, knowingly and negligently violate the applicable laws of the country where the products are manufactured or the standards outlined in this Code. G-Star will take immediate and appropriate actions upon notification of such violations.

G-Star encourages all suppliers to improve their fair and safe labour and environmental practices continuously. Since no code can be all-inclusive, suppliers must ensure that no abusive, exploitative conditions and environmentally unfriendly practices or unsafe working conditions exist at the facilities where G-Star products are manufactured. Besides monitoring compliance with the Code, G-Star collaborates and engages in dialogues with suppliers to strengthen their social and environmental standards as set out below, G-Star commits to support their suppliers in understanding and achieving the social and environmental standards through supplier trainings and by means of the G-Star 'Social and Labour Guidelines' and 'Environmental Guidelines'. These documents provide further explanation, guidance and reference to best practices for suppliers.

G-Star values equal partnerships and understands its own role and responsibilities towards partners and suppliers. In that vein, G-Star commits to responsible sourcing and purchasing practices through the Action, Collaboration, Transformation (hereinafter "ACT") membership commitments. All ACT member brands, including G-Star, have adopted commitments on purchasing practices and the ACT is a monitoring instrument that can measure implementation of these purchasing commitments. These commitments include five essential areas: fair terms of payment, full coverage of wage, increase in FOB prices, better forecasting and planning, training and responsible exit.

Social standard

1. Employment is freely chosen

1.1 There are commonly three forms of forced labour:

- Prison Labour refers to the work performed by prisoners that is part of their sentence and is usually not compensated.
- Indentured Labour refers to the work performed by a worker who is bound to an employer for a certain period through a contract.
- Bonded Labour refers to an illegal practice in which employers give high-interest loans to workers who then have to work at low wages to pay off their debt.

G-Star does not tolerate the use of any form of forced labour.

1.2 Employees are not required to lodge any type of deposits or hand over government-issued identification, passports or work permits as a condition of employment. If local law requires identification, the employee may provide supplier with a copy of its passport or other identification.

1.3 Employees must be free to leave the workplace at all times and the freedom of movement of those who live in employer-controlled residences is not restricted.

2. Freedom of association and collective bargaining are respected

2.1 In order for employees to be able to voice their comments/concerns, suppliers should encourage open communication between workers and management, while respecting the right of employees to associate, organise and bargain collectively.

2.2 Suppliers must not threaten, penalize, restrict or interfere with employees' lawful efforts to join associations.

2.3 Workers representatives should not be discriminated against and should be able to carry out their representative functions in the workplace.

2.4 Where the right of freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are healthy and safe

3.1 Suppliers must provide a safe and hygienic working environment to their employees and ensure minimum conditions of light, ventilation, hygiene, the absence of nuisance violations, fire prevention and safety measures, among other things, and take necessary steps to prevent accidents and injury to health arising out of, linked with, occurring in the course of work and/or because of the operations of suppliers' facilities.

3.2 Workers may not be exposed to physical, chemical or biological hazards above occupational exposure limits.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Suppliers will also ensure that these same standards apply to any dormitory or canteen facilities.

3.5 All employees shall receive regular health and safety training, at least on an annual basis, and the supplier must keep records of provided trainings. Such training shall be repeated for new or reassigned workers.

3.6 Suppliers shall assign responsibility for health and safety to a senior management representative.

4. Child labour is not used

4.1 Suppliers must not engage in or support the use of child labour as defined in ILO Convention C138 and/or C182.

4.2 Factories must only employ workers who meet the applicable minimum legal age requirement or of at least 15 years of age, whichever is greater, or as an exception, 14 years in countries covered by article 2.4 of the ILO Convention 138. In any event, this specified age shall not be less than the age of completion of compulsory schooling.

4.3 All official documentation stating each worker's age must be available for review. In those countries where official documents are not available to confirm exact date of birth, factories must confirm age using appropriate and reliable assessment methods.

4.4 Workers under the age of 18 shall not be employed at night or in hazardous conditions.

- 4.5 Suppliers shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

5. Wages and benefits are provided to all workers

- 5.1 Suppliers must pay employees at least the minimum wage required by local law or the prevailing local industry wage (whichever is higher) based on the work performed. Wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2 Suppliers must provide to employees all legally mandated benefits inclusive of annual leave and holidays as stipulated by law.
- 5.3 All employees must be paid regularly and on time. In addition to their compensation for regular hours of work, employees must be compensated for overtime at a premium rate. Piece rate workers shall not be exempt from the right to overtime compensation.
- 5.4 All workers shall be provided with understandable information about their employment conditions in writing, including wages and benefits, before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.5 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working hours are not excessive

- 6.1 Suppliers must ensure that regular working hours or overtime do not exceed the legal maximum according to local law or industry standards, whichever affords greater protection. 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 on average.
- 6.2 While it is understood that overtime is required from time to time in the garment sector, overtime shall be voluntary and based on mutual agreement with workers. In any event, overtime shall not exceed 12 hours per week and shall not be demanded on a regular basis.
- 6.3 Suppliers must record all employees' working hours completely and accurately and time records for all workers must be available for review.

7. No discrimination is practiced

- 7.1 Factories should only employ workers based on their ability to do the job, not based on their personal characteristics or beliefs.
- 7.2 No person must be subject to any discrimination in employment, including hiring, salary, benefits, access to training, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social or ethnic origin, maternity or marital status.
- 7.3 Women and men shall receive equal remuneration for work of equal value, equal evaluation of the quality of their work and equal opportunities to fill all positions open.
- 7.4 Factories shall provide appropriate services and accommodation to female workers in connection with pregnancy, childbirth and nursing.

8. Regular employment is provided

- 8.1 To every extent possible, work performed must be based on recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under applicable labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No harassment or abuse is allowed

- 9.1 Employees must be treated with respect and dignity.
- 9.2 Factories must not engage in or permit physical acts to punish or coerce workers, nor should they engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.

10. Bribery and corruption

G-Star has a strict zero-tolerance policy against any form of bribery and corruption. This means that permitting, tolerating, or engaging, directly or indirectly, in bribery, corruption, fraud, or other unethical business practices is strictly prohibited and will not be tolerated. This article extends to affiliates, directors, officers, employees, agents and any other representative acting on behalf of the supplier. The anti-bribery and corruption policy applies in all dealings with any domestic or foreign business partners, private subjects, public officials or G-Star representatives.

Environmental standard

10. Legal compliance, permits and licenses

10.1 As a strict minimum, suppliers, their subcontractors and business partners must comply with all applicable environmental laws, regulations and standards applicable to the workplace, the products produced and the methods of manufacture in the locations where they operate. They must also have all relevant environmental permits and licenses for their operations, including but not limited to soil, water, air quality and waste management.

10.2 G-Star environmental standards

In addition to the minimum environmental requirements listed in Section 10.1, suppliers, their sub-contractors and business partners shall also meet G-Star's environmental standards for the following environmental impacts:

10.2.1 Soil, water and air pollution

- Suppliers must identify and monitor potential pollutants that might cause contamination of soil, ground water and/or air.
- Suppliers shall investigate risks associated with and opportunities to reduce soil, water and air pollution.

10.2.2 Chemicals management

- Suppliers must comply with G-Star's Restricted Substances List (RSL) and ZDHC Manufacturing Restricted Substances List (MRSL).
- Suppliers must have appropriate and operable protective safety equipment and hazard signage in all areas where chemicals are stored and used.
- A Material Safety Data Sheet (MSDS) must be available to employees for all chemicals use (in the local language) in the workshop areas.
- Suppliers shall have a chemical spill and emergency response plan that is tested and reviewed periodically.
- Training must be provided to all employees who use chemicals on chemical hazards, risk, proper handling, and what to do in case of emergency or spill.
- Hazardous substances must be clearly marked and stored in dedicated storage areas.

10.2.3 Wastewater discharge

- All outgoing wastewater must be treated before it is discharged to water bodies in compliance with applicable local laws and regulations. All outgoing water from wet processes must comply with local laws and regulations and/or the ZDHC Wastewater Guidelines, whichever is stricter.
- Wastewater testing for wet processing facilities must be conducted in accordance with the ZDHC Wastewater Guidelines at least once a year.
- Suppliers must have a back-up plan if there is an emergency situation related to wastewater.

10.2.4 Waste management

- Suppliers must ensure proper segregation, collection, transportation, treatment and disposal of waste, in accordance with all applicable laws and regulations.
- Suppliers must ensure that waste contractors have the adequate permits, licenses and qualifications, in particular for hazardous waste.

10.2.5 Raw materials

- Suppliers must comply with the G-Star RAW Materials & Animal Welfare Policy for the use of raw materials in G-Star products.
- Suppliers must supply valid certification according to the accepted standards as listed in the G-Star Sustainable Material Guidelines.

10.2.6 Energy use

- Suppliers must record energy consumption (including for electricity, gas, fuel use, and, if applicable, steam and compressed air) and monitor trends in energy usage in intensity terms against production metrics (e.g. weight and/or quantity of garments produced / material processed).

10.2.7 Water use

- Suppliers must have an overview of sources from which water is withdrawn and used (e.g. purified drinking water, municipal mains, wells, surface water, collected rainwater, recycled grey water).
- Suppliers must keep records of water consumption per source and monitor trends in water usage in intensity against production metrics (e.g. weight and/or quantity of garments produced/ materials processed).

10.2.8 Emissions to air

- Suppliers must have the necessary permits for air emissions and/or report its air emissions to the relevant authorities as required by applicable law.
- Suppliers should keep records of the volumes and types of air emissions
- Suppliers should have an action plan to control and reduce air emissions.

Monitoring and implementation

11. Code and system implementation

- 11.1 Suppliers are required to implement and maintain the necessary systems in order to ensure compliance to this Code's social and environmental minimum standards. Suppliers should appoint one contact person of the management per factory who shall be responsible for implementing this Code and communicating this Code and its implications to all the employees. Suppliers should extend the Code principles through their own supply chain. This implementation system is a necessary and integral part of this Code.
- 11.2 The implementation system at supplier and all sub-contractors should include the commitment to this Code, a management system, an internal monitoring system, worker training and education and a worker-complaints mechanism.
- 11.3 Suppliers must maintain on file all documentation needed to demonstrate compliance with this Code and applicable social and environmental laws. Suppliers shall agree to make these documents available for G-Star or designated auditors and submit to audits with or without prior notice.
- 11.4 Suppliers must not assign any work to parties other than those contracted by G-Star, unless prior written approval is given by G-Star and a written commitment to this Code has been received by G-Star from the third party.

12. Monitoring and compliance

- 12.1 As a condition of doing business with G-Star, each factory involved in manufacturing of G-Star products must comply with this Code. In order to verify this, suppliers must permit audits at any time of all the factories involved in the manufacturing of G-Star products by G-Star employees and / or accredited auditors. As part of the monitoring process, accredited auditors must be allowed to conduct interviews with workers on a confidential basis and to inspect the supplier's premises.
- 12.2 Should we find that a supplier does not comply with this Code, we may ask him to take corrective actions in a stipulated timeframe. In that case, G-Star will follow up on the implementation of the corrective actions and verify that violations are remedied in the agreed timeframe. In case of unwillingness to cooperate and/or repeated violations to this Code and/or applicable laws and regulations, G-Star may, in its sole discretion, consider terminating the business relationship with the supplier.
- 12.3 A copy of this Code, translated into all the native languages of the employees by supplier, must be notified and displayed in a prominent place accessible to all employees, within each facility where G-Star products are being manufactured.

If you have any comments on this Code or you would like to report a violation of this Code, please do not hesitate to contact:

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The G-Star RAW Supplier Code of Conduct is aligned with and references the following standards:

- United Nations Universal Declaration of Human Rights
(<http://www.un.org/Overview/rights.html>)
- International Labour Organisation Core Conventions and their relevant Recommendations
(http://www.ilo.org/dyn/natlex/natlex_browse.home?p_lang=en)
- Ethical Trading Initiative Base Code (<http://www.ethicaltrade.org>)
- OECD guideline: <https://mneguidelines.oecd.org/responsible-supply-chains-textile-garment-sector.htm>
- ISO14000:
https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/theiso14000family_2009.pdf