

ELK

SUPPLIER CODE OF CONDUCT

INTRODUCTION

ELK is committed to sourcing responsibly, with respect for people, animals, and the planet. To support this commitment, ELK's suppliers are required to provide a safe and fair workplace, treat workers with dignity and respect, ensure the welfare of animals, and implement environmentally responsible practices. ELK looks to work with suppliers that share these values and its commitment to managing social and environmental issues throughout its supply chain in a transparent and responsible manner.

This Supplier Code of Conduct (Code) outlines ELK's ethical and environmental requirements and represents the minimum terms and conditions of doing business with ELK.

All suppliers engaged to provide goods or services to ELK (Suppliers) are required to implement and adhere to this Code. ELK recognises that some suppliers may not be fully compliant with this Code and is committed to working with suppliers to achieve compliance over time.

This Code is based on internationally recognised principles, including the Ethical Trading Initiative (ETI) Base Code, the recommendations of the International Labour Organisation (ILO), and the SMETA (Sedex Members Ethical Trade Audit) social audit framework.

COMPLIANCE WITH THIS CODE

Suppliers must fully comply with all applicable local and national laws, regulations, ordinances, and other legal requirements. Where there is a conflict between the standards of this Code and local laws, whichever affords the greatest protection applies.

Suppliers must implement and maintain formal policies and systems to ensure compliance with the requirements of this Code, with responsibility assigned at a senior management level.

Requirements of this Code apply to the whole supply chain and must be clearly communicated to other supply chain partners. Suppliers must incorporate the requirements of this Code into contractual arrangements with their own supply chain partners, including upstream suppliers, sub-contractors, and other outsourced providers, and actively monitor their suppliers to ensure adherence to this Code.

SUPPLIER COMMITMENTS

NO CHILD OR FORCED LABOUR

ELK does not condone the use of child or forced labour and takes a zero-tolerance approach to any form of modern slavery. Suppliers and their vendors must not use any child or forced labour and, where there is a higher risk of modern slavery based on source country, suppliers must ensure that all reasonable efforts are employed to identify and eliminate modern slavery. Workers should not be required to pay fees or lodge deposits to gain employment and must be free to terminate their employment at any time after providing reasonable notice. ELK does not allow any child under the age of fifteen (15) to work in any factory that produces its products, and young workers (aged 15–17 years old) must not perform hazardous or night work. If ELK becomes aware of child labour, forced labour, or human trafficking in its supply chain, suppliers must develop and implement, in consultation with ELK, a remediation plan that is in the best interest of the worker(s).

EMPLOYMENT PRACTICES

Suppliers must provide a safe working environment, with all workers paid a fair wage and treated with dignity and respect. Conditions of employment must safeguard the rights of workers and provide the highest level of protection, whether under local law or the following ETI Base Code principles (as detailed in Appendix 1).

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour is not used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- No harsh or inhumane treatment is used

These standards apply equally to all workers, including permanent, part-time, temporary, salaried, casual, piece-rate, agency workers, home workers, and migrant workers.

Foreign and migrant workers must be employed in accordance with local immigration and labour laws.

WORKPLACE HEALTH AND SAFETY

Suppliers must have in place appropriate policies and procedures to ensure effective Workplace Safety and Emergency Management. Related information must be adequately communicated to all workers, and clearly displayed on the premises. Workers must be provided with regular workplace safety training.

All facilities must be suitable for their intended use, clean, hygienic and well maintained. Buildings must be structurally sound, comply with the country's building safety codes, and hold current fire safety permits. Unsafe buildings must not be used.

All equipment used in the supplier's facilities must be well maintained and fitted with appropriate safety protection. Task specific Personal Protective Equipment (PPE) must be made available free of charge to all workers. The workplace must be adequately lit and ventilated, and suppliers must provide all workers with free access to first aid kits, emergency wash facilities, clean drinking water, and clean and private sanitary facilities.

Any accommodation provided to workers must be clean, safe, provide reasonable space and adequate sleeping, living, and sanitary facilities. Where dining, food preparation and food storage facilities are provided, these must be sanitary and maintained in compliance with food safety legislation.

Facilities must be well equipped to manage emergency situations, with clearly communicated evacuation plans, emergency exits and lighting, well-maintained smoke detectors and fire alarms, fire extinguishers and/or fire hoses, and trained safety wardens. In the event of an emergency, all workers must have easy and safe access to well signed and lit emergency exits, that are free of obstruction, unlocked and outwardly opening.

LIVING WAGES

Suppliers must ensure that wages paid for a standard working week (excluding overtime) are at least the legal minimum wage or the prevailing industry wage, whichever is higher.

ELK encourages its Suppliers to pay workers a living wage, which is defined as a wage that is earned in a standard working week of not more than 48 hours, that affords a decent standard of living for the workers and their family. A living wage should meet their basic needs and allow for discretionary spending and saving.

ELK recognises that in many parts of the world there is a gap between minimum wage and a living wage and is committed to working with its suppliers and other relevant stakeholders towards closing the living wage gap over time.

ENVIRONMENT

Suppliers must comply with all required environmental regulations and ensure that they have all necessary permits. Suppliers are also expected to demonstrate environmental stewardship by adopting a proactive and progressive approach to reducing the environmental impact of their products and manufacturing operations.

This includes implementing initiatives to reduce energy use and greenhouse gas emissions, minimise waste, optimise water use and protect biodiversity. Suppliers must take reasonable steps to reduce the environmental impact of packaging and transport, including using recycled and recyclable packaging materials.

Suppliers are encouraged to set environmental performance targets and monitor and report performance annually.

WASTE MANAGEMENT

Suppliers must comply with all local laws in relation to the responsible storage, handling and disposal of hazardous and non-hazardous waste, including the treatment and disposal of solid waste, waste water and air emissions. Suppliers are expected to take a proactive approach to minimising production waste, including developing patterns to minimise off-cuts, and re-using or recycling offcuts where possible.

PRODUCT QUALITY AND SAFETY

All products supplied must comply with ELK's quality and technical specifications, and not pose a risk to worker or consumer health and safety. Products must be manufactured to meet the ELK's quality and safety standards, as updated from time to time. Products must be compliant with relevant Australian safety standards, EU REACH regulations and the US Consumer Product Safety Improvement Act (CPSIA).

RESTRICTED SUBSTANCES

Suppliers must not use any materials, dyes or chemicals in production that are harmful to human health or the environment and must adhere to the [Zero Discharge of Hazardous Chemicals \(ZDHC\) Manufacturing Restricted Substances List \(MRSL\)](#). Chemicals that must not be used in the manufacturing of ELK products include, but are not limited to: perfluorinated compounds (PFCs), banned azo dyes, skin sensitizing dyes, formaldehyde, organotin compounds, phthalates, chlorinated organic carriers, organic solvents, flame retardants, pesticides, heavy metals (including chromium VI, lead, mercury, nickel and cadmium).

All input materials and finished ELK products must conform to ELK's Restricted Substances List (RSL).

Suppliers are expected to work with their chemical suppliers to ensure formulation compliance with the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL) and must ensure that they have

received a valid Safety Data Sheet (SDS) for each chemical formulation used.

ELK's preference is to use chemical products that are included in the [bluesign® FINDER](#) positive chemicals list.

ANIMAL WELFARE

In addition to complying with all local and national laws relating to animal welfare, suppliers must adhere to the requirements of ELK's Animal Welfare Policy. Suppliers must ensure the humane treatment of any animals in their care, or the care of their suppliers. This includes being handled, transported, and slaughtered humanely to minimise distress.

ELK does not use any fur or farmed fur, angora rabbit wool, mohair, or exotic skins in any of its products.

ELK does not condone the practice of live skinning or plucking to obtain animal skins and fibres, or mulesing sheep for wool production, and suppliers must ensure that any animal derived materials used in ELK products are not produced using these practices.

Products supplied to ELK must not be derived from endangered species which appear on the IUCN Red List of Threatened Species or Convention on International Trade in Endangered Species (CITES).

Suppliers must work openly and collaboratively with ELK towards achieving full traceability to the farm level over an agreed timeframe for all animal derived materials used in ELK products.

ETHICAL BUSINESS PRACTICES

ELK does not condone bribery, corruption or fraud of any type. Suppliers must conduct their business activities in an ethical and transparent manner, including during audits.

Suppliers must have in place a code of ethical business practice that addresses issues such as confidentiality, conflicts of interest, legal compliance, and bribery (including excessive gift giving to obtain undue advantage).

Suppliers must also establish a whistleblowing procedure and provide adequate protections for whistle-blowers.

SUBCONTRACTING, HOMEWORKERS AND LABOUR BROKERS

Subcontracting of the manufacturer or provision of products and services without the prior written consent of ELK is not permitted. Any subcontractors, homeworkers or labour brokers involved in ELK production must be disclosed to ELK. Working conditions and labour practices for workers in these groups must meet the minimum requirements of this Code.

SUPPLY CHAIN TRANSPARENCY

Suppliers must provide full and accurate supply chain transparency and disclose all factories (including final stage factory, dyehouses, printers, laundries and other finishing suppliers, components suppliers and raw material suppliers). Required information includes, but is not limited to, supplier names and addresses, relevant certifications, and country of origin of materials.

Where supply chain changes are necessary, suppliers must inform ELK in writing within a reasonable timescale ahead of production commencing.

ELK may choose to publish information about our suppliers including, but not limited to, name and address of supplier and factory/s, worker and gender data, last audit date and relevant certifications or memberships.

MONITORING AND COMPLIANCE

Suppliers must maintain adequate records to demonstrate their compliance, and ELK may reasonably request this documentation to monitor conformance or if ELK becomes aware of a breach of this Code. Suppliers must respond to such requests within 48 hours.

Suppliers must provide ELK with a periodic social audit report, that demonstrates compliance with this Code. The report must be prepared in accordance with [Sedex Members Ethical Trade Audit \(SMETA\)](#), [Business Social Compliance Initiative \(BSCI\)](#), [SA 8000](#) or [Worldwide Responsible Accredited Production \(WRAP\)](#) standards, or equivalent. The audit schedule will be agreed with ELK, but not more than once per year unless serious issues are identified requiring a follow-up audit.

ELK reserves the right to conduct audits (with or without notice) of the supplier's facilities, including those of its suppliers and any subcontractors, to monitor compliance with this Code or any corrective action plan. The supplier must at all times reasonably facilitate this requirement.

BREACHES

If at any time a supplier identifies any areas of non-compliance, the supplier must notify ELK of the breach, and its proposed course of remedial action within 30 days.

If ELK becomes aware of a breach of this Code, ELK may request information and take a range of remedial actions, which may include requesting that the supplier implements a Corrective Action Plan within an agreed timeframe. In the event of a serious breach of the Code, or non-compliance over an extended period, ELK reserves the right to terminate the business relationship.

Potential breaches of this Code can be reported anonymously to ELK at: transparency@elkthelabel.com

APPENDIX 1 — ETI BASE CODE

The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.

1. EMPLOYMENT IS FREELY CHOSEN

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to 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 SAFE AND HYGIENIC

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

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

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

4. CHILD LABOUR SHALL NOT BE USED

4.1 There shall be no new recruitment of child labour.

4.2 Companies 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.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

DEFINITIONS

Child Labour: Any work undertaken by a child or young person which does not comply with the provisions of the relevant ILO standards, and any work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development.

Child (or Children): A person under the age of 15, or below the minimum local legal age for employment, or below the minimum local legal age for completing mandatory schooling, whichever is older.

Young Person: A person above the age of 15 or minimum work/school age, and below 18 years of age.

5. LIVING WAGES ARE PAID

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 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 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.*

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent,

frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any seven-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

* International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

7. NO DISCRIMINATION IS PRACTISED

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8. REGULAR EMPLOYMENT IS PROVIDED

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, 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 HARSH OR INHUMANE TREATMENT IS ALLOWED

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

SOURCE

<http://www.ethicaltrade.org/resources/eti-base-code>

DOWNLOADS

Downloads of the Base Code are available at <https://www.ethicaltrade.org/resources/eti-base-code>

[ETI Base Code \(English\)](#)

[ETI Base Code \(Hindi\)](#)

[ETI Base Code \(Chinese\)](#)

[ETI Base Code \(Turkish\)](#)

[ETI Base Code \(Vietnamese\)](#)

SUPPLIERS

Suppliers are encouraged to print and display ETI Base Code Posters in their factories. These can be downloaded here: <https://www.ethicaltrade.org/resources/eti-base-code-poster>