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AARHUS - DENMARK

15.08.2023

CODE OF CONDUCT

Table of content

Introduction	3
Social standards	3
1. Child Labor	3
2. Forced or involuntary labour	3
3. Disciplinary Practices	3
4. Working Hours	3
5. Wages and Benefits	4
6. General Labor Practices & Freedom of Association	4
7. Discrimination	4
8. Health & Safety	4
9. Dormitories	4
10. Permits	4
Transparency	5
1. Anti-bribery and corruption	5
2. Community Involvement	5
3. Legal Requirements	5
4. Social permits	5
Environmental standards	5
1. Documentation	5
2. Hazardous Chemicals	5
Animal welfare	6
1. Garment containing down and feathers	6
2. Wool garments	6
Declaration	7

Introduction

This Code of Conduct sets forth the basic requirements all suppliers and sub-suppliers must meet to work with H2O Sportswear A/S (From now on H2O). Our Code of Conduct is based on and follows The Universal Declaration of Human Rights, key UN conventions, ILO conventions and recommendations.

H2O recognizes that different cultural, economic, legal, and political environments exist around the world. In cases where differences in standards occur H2O will always apply the higher standard.

As we aspire to partner with others who share our values and are committed to improving social and environmental practices continuously. This code only establishes minimum standards, as we welcome all new initiatives and bettering of practices that exceeds this code.

Social standards

Child Labor

Use of child labor is not permissible. Workers can be no less than 15 years of age and not younger than the compulsory age to be in school. Children (age 15-18) must not carry out activities which in its nature or under the circumstances are likely to harm the health, safety, or morals of the child.

We support the development of legitimate workplace apprenticeship programs for the educational benefit of younger people.

Forced or involuntary labour

Suppliers must not use illegal workers or any kind of forced labor including prison labor. Employees must not be required to pay a deposit or leave any form of identity papers with their employer.

Employees must be able to leave the factory site freely, and must under no circumstances be locked in, and employees must have free access to clean water, toilets, and religious facilities.

Furthermore, there must be a signed contract available for all employees, provided by the employer in a language understandable to the employee.

Disciplinary Practices

We will not do business with suppliers who use corporal punishment or other forms of mental or physical coercion.

Working Hours

Working hours must comply with applicable local laws and industry standards. However, employees must not be required to work more than 48 hours a week on a regular basis. While permitting flexibility in scheduling, we will identify local legal limits on work hours and seek business partners who do not exceed them except for appropriately compensated overtime. Overtime shall be voluntary

and must not exceed more than 12 hours a week, nor must it be demanded on a regular basis. Employees must be allowed at least one day off in seven.

Wages and Benefits

Wages and benefits paid for a standard working week must meet at least legal or industry minimum standards and must always be sufficient to meet the employees and their families' basic needs. Deductions from wages from disciplinary measures must not be permitted. Deductions must never constitute an amount that will lead the employee to receive less than minimum wage.

The employer must recognize the employees right to equal pay for equal work. No wage discrimination must happen based on gender, religion, or sexual orientation.

General Labor Practices & Freedom of Association

The supplier must recognize the right of all workers to associate freely and the right to organize and bargain without unlawful interference must be recognized. Business partners must ensure that workers who decide or participate in such organizations are not the subject to discrimination or punitive disciplinary actions. Representatives of such organizations must have access to their members, under conditions established either by local laws or mutual agreement between the employer and the worker organizations.

Discrimination

Employers must recognize all employees' rights to equal opportunities.

Employee promotion policies, recruitment, policies of employment termination, admittance to training programs, wage policy, retirement, and any other aspect of the employment relationship must be based on the principle of equal opportunities, regardless of social origin, race, sex, ethnicity, age, marital status, nationality, religion, union membership, political affiliation, deficiencies, or handicap.

Health & Safety

A healthy and safe work environment must be provided, and best practice must be used. Appropriate attention must be paid to occupational hazards, immediate action must be taken when discovered. Timely action must be taken to prevent accidents and minimize health risks effectively. Physical- and psychological abuse or threats thereof is strictly prohibited.

Dormitories

Business partners who provide residential facilities for their workers must provide safe and healthy facilities.

Permits

All business partners must have all legally required licenses, permits, test records etc. which are required to do business in the operating country. The business partner must be able to show these permits immediately upon request from H2O.

Transparency

Anti-bribery and corruption

H2O is committed to do business free of corruption, all business partners are therefor expected to do business in a transparent and honest way. This means that suppliers and their sub-suppliers must not offer or accept anything of value either directly or through a third party, to or from government officials at any level to keep or obtain business.

Community Involvement

We expect our business partners to share our commitment and passion, in working with local communities and helping to improve the standards hereof.

Legal Requirements

We expect our business partners to be law abiding and to comply with legal requirements relevant to the conduct of all their businesses.

Social permits

H2O requires all our suppliers to be approved by BSCI, WRAP, SEDEX or similar.

H2O reserves the right to carry out announced or unannounced inspections of all production sites and factories of suppliers and sub-suppliers who are in contact with H2O products. The inspections may be carried out by H2O, or by external partners authorized by H2O.

When an audit has been conducted, the report and correction/action plan must be sent to H2O, upon receiving the audit result and no later than 1 month after.

Environmental standards

At H2O we always strive to become better and more environmentally conscious, and we expect our suppliers and their sub-suppliers to do the same and work towards becoming better with us.

We require all suppliers and sub-suppliers to have a water management system in place and follow applicable legislation and regulations regarding climate and environment.

Documentation

We require all suppliers to be able to provide us with climate, environmental, energy, water, and waste documentation upon request. And to ask sub-suppliers for the same documentation if requested.

Hazardous Chemicals

We require all suppliers and sub-suppliers to follow the European REACH legislation, no matter if the manufacturing is placed within or outside of Europe. All suppliers must also sign our restricted substance list which is based on the AFIRM groups restricted substance list and the European REACH legislation. For more information read appendix 3.

Animal welfare

At H2O, we do not accept that animals under any circumstances are harmed for the manufacturing of our products.

In addition, we require that any materials derived from animals used in our products are from animals that are treated according to animal welfare laws and recommendations.

The supplier must guarantee that our products do not contain materials derived from species that appear on the CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) or IUCN (International Union for Conservation of Nature) lists of endangered species.

In our products we do not accept:

- Real fur of any type
- Leather that is not a by-product from animals that have been bred for the food industry.
- Leather obtained from live-skinning or live-boiling.
- Feather or down from birds that have not been bred and raised for the food industry.
- Feather or down from graylag geese due to the risk that they have been force fed to produce foie gras.
- Feather or down from birds that have been live-plucked.
- Wool from sheep that have been exposed to mulesing.

Garment containing down and feathers

The supplier of garments and accessories containing downs and feathers guarantees that the down and feathers used in the products sold to H2O exclusively are by products from birds bred for the food industry. Down and feathers that have been live-plucked is under no circumstances allowed in any products delivered to H2O.

Wool garments

The supplier of wool garments guarantees that wool used in products sold to H2O does not come from sheep that have been exposed to mulesing.

Also, by signing this contract, the supplier of organic and recycled garments or articles, must be expected to declare the chain of custody for sourcing organic and recycled materials. Such as Global Recycle Standard (GRS), Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Nordic Swan Ecolabel or Recycled Claim Standard (RCS) or similar systems.

Declaration

By signing this sheet, you accept the Code of Conduct put forward by H2O and the following:

We confirm we have received, read, and understood the Code of Conduct send by H2O.

We accept that H2O is entitled to modify, make additions, and change the Code of Conduct.

We know that we at any given time can contact the H2O buying team, to gain access to the Code of Conduct.

We confirm that we will inform H2O of all production sites involved in the creation of H2O products. And that H2O, a representative of H2O or an external auditor may visit the production sites where H2O products are made at any time.

We confirm that this Code of Conduct will be shared with any- and everyone who works with H2O products.

Company name: _____

Company adress: _____

Signed by: _____

Date and signature: _____