



# SUPPLY CHAIN STANDARDS

2021





Hylo Supply Chain Standards (The Standards) outlines our requirements for all our suppliers and manufacturers (herein referred to as business partners). It highlights our values and what we consider to be fair and appropriate business practices. It cements our mutual recognition of our respective responsibility to uphold and support internationally recognised standards, including the core labour conventions of the International Labour Organisation (ILO), the OECD Guidelines, the 10 UN Guiding Principles on Business and Human Rights.

Hylo has set standards for the way we work and we expect our business partners to align with, and implement them. We recognise the importance of collaboration to implement real-life solutions that work for everyone involved. This will allow us to continue doing what we do best in the best way possible - without compromising. The foundation of these standards was created using the ETI Base Code of Labour Practices.







INTRODUCTION

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#### GENERAL PRINCIPLE

All business partners must comply with all relevant national and international legal requirements and implement and follow practices which safeguard human rights, workers employment rights, workers physical and mental health and safety as well as practice environmental stewardship.

#### SCOPE

The Code applies to all business partners who wish to enter into a business agreement with Hylo - as well as their subcontractors (this includes sub-suppliers).

#### THE STANDARDS

The following Standards outline the requirements for our suppliers and other business partners. It highlights our values and what we consider to be appropriate and fair business practices. It cements our mutual respect and support for internationally recognised standards, including the core labour conventions of the International Labour Organisation (ILO), the OECD Guidelines, the 10 UN Guiding Principles on Business and Human Rights and is based on the ETI Base Code of Labour Practices. This code is aligned with Hylo's guiding principles which are outlined in the Hylo for Planet document. Hylo for Planet creates the impact framework upon which the brand is built and acts as a guideline to all employees and business partners by setting a direction, goals and providing tools for product design, development and manufacturing.



# OUR GUIDING PRINCIPLES

## EDUCATE

The only way to create lasting change

## OWN OUR NUMBERS

Quantify our impact, and always aim for better

## EMBRACE THE JOURNEY

It will not happen overnight. We will invest in a better tomorrow, be patient and trust the process



## EDUCATE

Use materials that reduce our impact  
Invest in innovation to drive best in class materials

## CIRCULARITY

100% products designed with circular principles  
Innovation solutions that enable Hylo Afterlife



## RESPONSIBLE PROTECTION

Ensure safe and fair labour across the supply chain

## PRODUCTION IMPACT

Drive best-in-class manufacturing processes



## CLIMATE PROTECTION

100% carbon negative  
Mitigate our impact to climate change  
Low carbon freight & near shore production

## PHILANTHROPY

Give back to People and Planet

BE HONEST, ALWAYS: educate on what we are doing and why, and be transparent in everything that we do



Together with our business partners we continuously work to ensure safe & fair labour conditions across every stage of the supply chain; upholding human rights and protecting worker wellbeing. Further we will ensure all Hylo production utilises the best-in-class manufacturing techniques and processes that minimise energy, water, waste and chemical impacts.





PEOPLE



PEOPLE

#### CHILD LABOUR

The employment and/or exploitation of child labour is strictly prohibited. Necessary measures shall be taken to prevent the employment of anyone under the legal age of recruitment.

All national and international legal limitations for the employment for persons below the age of 18 must be adhered to. Employees under the age of 18 shall not be employed at night or involved in hazardous work or work that could, in any way, hamper their development and/or impose any physical or mental harm.

#### MINIMUM AGE OF EMPLOYMENT

The minimum age for employment or work shall be 16. Work done by children and/or people under the minimum age that is carried out as an integral part of a course, program of education and/or training must comply with national laws or regulations and should not impede their attendance at school.

#### FORCED LABOUR

Business partners will not make use of forced, bonded, servitude or slave labor and conditions akin to slavery (including, without limitation, prison labor, bonded labor, indentured labor). All forms of human trafficking are strictly prohibited.

No employee should be directly or indirectly compelled to work through the use of force and/or intimidation. Employees shall not be required to lodge “deposits” or their identity papers and are free to leave their employment after reasonable notice.



#### **RIGHTS OF ASSOCIATION AND COLLECTIVE BARGAINING**

All employees, without exception, shall have the right to set up and/or join associations or organisations of their choosing for the purpose of upholding, promoting and protecting the interest of all employees. No previous authorisation shall be required. The supplier shall recognise and respect the right of employees to freedom of association and collective bargaining.

Where the rights to Freedom of Association and Collective Bargaining are restricted by the law, appropriate channels which ensure appropriate and independent exercise of such rights must be implemented.

#### **DISCRIMINATION**

Any active or passive discrimination in hiring, compensation, access to training, promotion, termination or retirement on the basis of race, caste, national or social origin, religion, age, disability, gender, marital status, sexual orientation, physical or mental disability, union membership, political affiliation or other personal characteristics is strictly prohibited. Business partners shall have a grievance mechanism in place enabling employees to put forward complaints without risk of retaliation.

#### **SAFE AND HYGIENIC WORKING CONDITIONS**

Business partners shall ensure that a safe and hygienic working environment is 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.

Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Business partners shall provide adequate policies and systems to ensure the health and safety of all employees and prevent injury. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers. The company observing the code shall assign responsibility for health and safety to a senior management representative.

#### **SAFEGUARDING EMPLOYEES AND CREATING A POSITIVE WORK ENVIRONMENT**

All employees shall be treated equitably and with dignity and respect. No employee shall be subject to any form of abuse or coercion, harassment, including verbal, mental, physical, psychological, sexual and/or bodily force at their workplace.

#### **FAIR WAGES**

The wages, overtime and benefits paid, at a minimum, are equal to or exceed, national legal level, industry level, or collective bargaining agreement, whichever is higher in compliance with all legal requirements on wages, and shall provide any fringe benefits required by law and/or contract. Conditional payments, the withholding of payment and/or disciplinary deductions are not permitted.

Business partners shall ensure that wages and any other allowances or benefits are paid on time and are rendered in full compliance with all applicable laws and specifically, that payments are made in the manner that are prompt, easily understood and best suits the employees.

#### **WORKING HOURS**

The business partners and its subcontractors shall comply with industry standards and laws governing working hours. Working hours must comply with the strictest requirements in force at any given time under current law and regulations. The regular working week shall not exceed 48 hours or 60 hours if overtime is included, or the maximum allowed by the law, whichever is less.

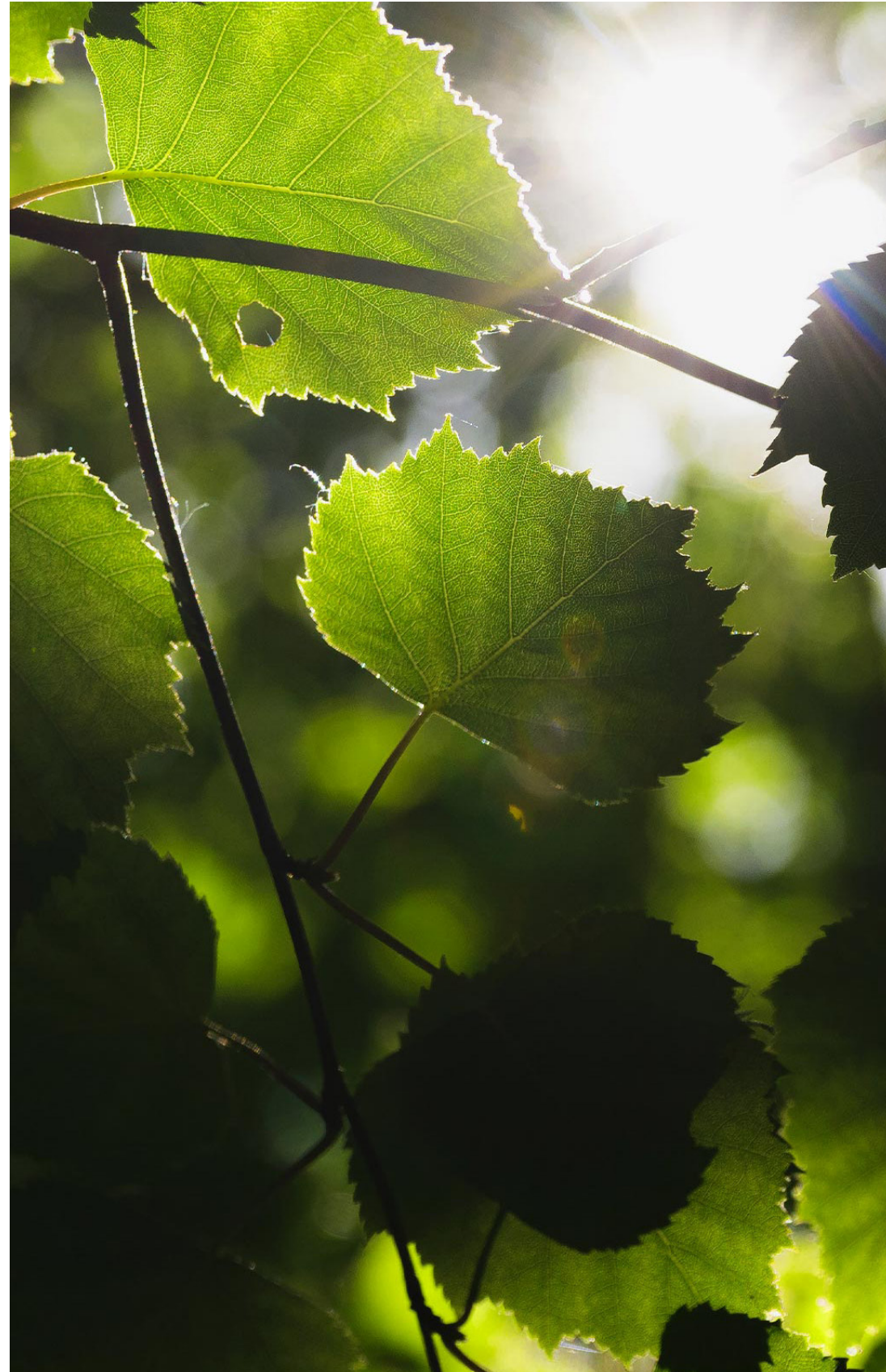
Business partners shall allow employees at least 24 consecutive hours of rest in every seven-day period. All overtime work must be consensual and shall not be requested on a regular basis. Any overtime shall be remunerated in accordance with domestic standards and shall be compensated at a premium.

#### **DOCUMENTATION OF EMPLOYMENT**

All work performed must be on the basis of a recognized employment relationship established through national law and practice. All employees shall be provided with the conditions of their employment in their respective language. This includes but is not limited to the commencement and end of the employment relationship, working hours and overtime, salary and bonuses.

The name, date and place of birth and, if possible, the home address of the employee shall be recorded.





PLANET

PLANET

## ENVIRONMENTAL IMPACT

Business partners must comply with all applicable environmental laws and regulations. This includes laws and regulations related to air quality, air emissions, water conservation, water quality, water use, water reuse, water contamination, recycling, waste management, chemical use and energy efficiency.

Business partners are expected to engage in continuous efforts to prevent, reduce and mitigate negative environmental impacts, in alignment with Hylo's impact strategy. Hylo will seek out business partners who are proactive and demonstrate leadership and are open to collaboration in reducing their negative impact. At a minimum business partners shall actively work on minimising their impact on the following areas:

**Greenhouse Gas (GHG) emissions and Impacts on the Climate.** Business partners must adhere to all legal requirements and Hylo-accepted industry standards for atmospheric emissions and environmental and energy systems management. Periodic performance monitoring of all emissions generating processes and equipment is compulsory. The supplier will strive to minimize emissions through efficiency improvements and the use of renewable energy sources.

**Waste.** Business partners appropriately separate, manage, transport and dispose of any waste streams that cannot be eliminated in compliance with local laws and regulations and applicable industry standards.

**Chemicals.** Business partners manage all chemicals in accordance with local laws and regulations as well as in adherence with the latest ZDHC guidelines. Any risk to workers, the environment, and customers is identified and mitigated effectively by properly handling, storage, use, and disposal of chemicals.





Factories shall frequently monitor and disclose the following environmental data to Hylo:

IMPACT CATEGORY	DEFINITION
GHG emissions (measured in CO2 eq)	Measuring the release of carbon dioxide and other GHG emissions into the atmosphere.
Energy Usage	Tracking all energy and fuel sources and reporting quantity used in the last calendar year.
Water Usage (measured in litres)	Measuring the use of water in the production processes.
Wastewater generated	Track the amount of wastewater generated from industrial or domestic operations.
Chemicals used and toxicity	Track all chemicals (and their quantities) used in the production process.
Usage of non-renewable resources	Track the use of any non-renewable resource within the production process.
Amount of waste produced and recycled (including hazardous waste)	Waste is any material or substance that is discarded from a factory site, which can pollute and contaminate the environment and surrounding communities.
Any additional requirements governed by law.	Report on any additional metrics as required by local law.

All business partners will be asked to undergo environmental audits.

### USE OF CHEMICALS AND HAZARDOUS MATERIALS AND SUBSTANCES

All operations shall be conducted in compliance with all applicable laws and regulations regarding the use and disposal of chemicals. This includes maintaining valid permits. The storage, handling, use and disposal of all chemicals used must adhere to the Safety Data Sheet (SDS) of each chemical product.

Business partners should ensure that all Hylo products are conforming to the latest AFFIRM Restricted Substances List (RSL) found [here](#).

Business partners are expected to work towards Zero Discharge of Hazardous Chemicals and monitor their input chemistry against the latest ZDHC Manufacturing Restricted Substances List (MRSL) found [here](#).

### IMPLEMENTATION OF CODE OF CONDUCT

Business partners shall implement and integrate the standards into their operations and ensure compliance from their subcontractors. This code shall be made available and accessible in the local language to all employees.

### MONITORING OF THE CODE

Business partners are responsible for ensuring compliance with the outlined Standards and reporting any compliance failure to Hylo. If required, the business partners are obligated to conduct social and environmental audits of the production sites.

Hylo or authorised third parties shall be entitled to make announced and unannounced visits to the production facilities of the Business partners. Business partners will also give Hylo or authorized third parties unrestricted access to all their production sites and plants.

### SANCTIONS AND MEASURES

If non-compliances with the Standards are detected, the business partners are obliged to take immediate, appropriate remedial actions.

If measures are not implemented, or non-compliance is still detected after its report, Hylo has the right to terminate the business relationships with the business partners.

### SUBCONTRACTING

Subcontracting without Hylo's previous written approval is not permitted. All production orders (including samples) must, without exception, be produced within facilities which have previously been approved by Hylo.

Subcontractors must continuously be monitored for social and environmental performance using standards that meet or exceed the Standards set out in this document.

### TRANSPARENCY AND TRACEABILITY

Transparency, traceability - as well as open and honest communication - are integral parts in working towards a more sustainable and equitable reality for our industry. Hylo and our partners are responsible for the integrity of our supply chain as well as the accuracy of our product content claims throughout. As part of Hylo's transparency efforts, we reserve the right to publicly communicate non-commercial details about our business partners and their subcontractors.



LEGAL COMPLIANCE

We expect all our partners to respect and uphold all applicable national and international laws and regulations, industry standards.

If there is a difference between our Code and national laws and/or other applicable regulations or standards, the most protective of these shall apply.

In order for us to jointly decide on the best course of action, partners shall address any conflict between the Standards and applicable laws and regulations.

\_\_\_\_\_ hereby acknowledges having received and read Hylø's Supply Chain Standards. We confirm that we understand the content and will work to implement, and actively work on ensuring, the Standards and any additional requirements set out in the Manufacturing Agreement are at a minimum met within our facilities.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name & Signature

\_\_\_\_\_  
Place