

SUPPLIER CODE OF CONDUCT

Modström

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MODSTRÖM THE POWER OF JOY

INTRODUCTION

At Modström we find it very important to secure proper working conditions, environmental responsibility and an in general decent animal and human rights in all aspects of our work chain.

Therefore we focus to ensure that we ourselves as well as our suppliers act according to the requirements of our Code of Conduct and together aim to follow the internationally regulations for a more responsible future.



WORK MUST BE VOLUNTARY

- Modström does not accept any form of involuntary labour. The supplier must not use any illegal workers, nor any kind of forced, bonded, or prisoned labour. The use of forced labour is forbidden, and employees shall not be kept in locked premises nor shall their freedom be restricted in any other way.
- Bonded labour in form of financial debts, loans or deposits is not allowed. No compulsory deposits of money or identity cards etc. shall be demanded from employees as security against work, and they shall be free to resign their employment within a reasonable term.
- Workers are free to leave the work premises when their work shift ends.

(ILO Conventions 29 and 105)

RIGHT OF ASSOCIATION AND COLLECTIVE BARGAINING SHALL BE ASSURED

- Employees shall have the right to join legal trade unions and to form them, and bargain collectively for their working conditions and terms. If national legislation restricts the forming of unions or if they do not exist for some other reason, the employer shall enable the use of a company-wise negotiation mechanism.
- Employees shall not be prevented from associating freely.

(ILO Conventions 89 and 98, United Nation’s Universal Declaration of Human Rights)

SAFE AND HYGIENIC WORKING CONDITIONS

- Employees shall be provided with a safe and healthy working environment. Health and safety risks and accidents shall be prevented both in the short and long terms. Employees

shall be given work health and safety training on a regular basis.

- The working space shall be sufficient according to the numbers of workers and the employees should always be protected against any risks involved in performing their work.
- Employees shall have access to potable water, clean sanitary facilities and when necessary a storage place meeting health regulation for their own food. Employees shall also have access to toilet facilities. Sanitary conditions shall be satisfactory and kept clean. The indoor area shall be fitted with windows that can be opened and the area shall be circulated adequately with air. Depending on the local climate the area must have adequate air condition and /or radiators.
- Employees must always be protected against noise, air pollution and other factors that represent any damage to their health. The supplier shall provide protective equipment against damages to hearing, sight, respiratory passages etc. The employees must wear gloves and safety boots in the relevant areas in the production unit.

- The supplier must ensure that the handling of dangerous and/or toxic substances is made at no risk for the employee. The storage of dangerous and/or toxic substances must be stored safely and separately in locations with adequate ventilation.

SAFE AND HYGIENIC LODGINGS

- The lodgings arranged for employees shall be clean and safe and they must meet the basic needs of male and female employees. They shall be based in a building separated from the factory building and shall meet the minimum legal requirements of space per employee.
- The lodgings must have a sufficient number of toilettes and showers, have access to drinking water and shall be sufficiently ventilated and fitted with a fire alarm and a sufficient

number of fire extinguishers.

PREVENTION OF CHILD LABOUR

- Modström in no way accepts any form of child labour. The minimum age shall not be lower than the age of completing compulsory school attendance and not lower than 15 years (14 years in certain economically less developed countries).
- If children younger than this are currently employed, they shall be protected against all forms of abuse, and a transition plan shall be prepared for them to ensure their educational end financial safety until they are adults.

- Children and young employees (under 18 years of age) shall not be kept at work, which is hazardous to health or otherwise hazardous, nor work at night. The supplier shall at the moment of contracting the employee verify the age and the supplier shall therefore at any time be able to verify the age of an employee.

(ILO Conventions 138 and 182, the UN convention on the Rights of the Child)

WAGES SHALL BE SUFFICIENT TO MEET BASIC NEEDS

- Employees shall be paid at least the minimum legal wage or a wage that is specified in a collective labour agreement that is binding on the employer, whichever is greater. The wage shall always be sufficient to meet the basic needs.
- Wages shall be paid directly to the employees, and the wage calculation shall be comprehensible for the employees. Wage garnishment shall not be used as a disciplinary method and withholding wages is not allowed under any condition.
- The supplier shall comply with current law concerning wages, compensation for overtime and payment procedures.

(ILO Conventions 95 and 131 on wages)

REASONABLE WORKING HOURS

- The regular working hours shall not exceed 48 hours and overtime 12 hours per week, unless lower limits have been specified in national legislation. Overtime is voluntary and temporary, and higher wage rates shall be applied to it.

- Modström stipulates a maximum of 8 working hours per day and 48 working hours per week.

- Employees should have the right to paid annual leave and 24 hours of consecutive rest per week

(ILO Conventions 14 and 106 on weekly working hours and ILO Convention 132 on paid leaves)

FIXED EMPLOYMENT

- When work is of continuous nature, it shall be based on a fixed contract. Employees shall not evade their legal social security and other obligations related to the employment contract by, for instance, having employees work at home on inferior terms, or using apprenticeship training contrary to the regulations. A signed working contract must be available for all employees.

NO DISCRIMINATION

- Employees shall not be discriminated because of their race, origin, skin colour, sex, religion, political opinion, marital status, trade union activity or the like. This includes recruiting, compensation, access to training, promotion, termination or retirement. All of which shall be based only on the employee's ability to do their job. Modström stipulates that each employee shall be treated with dignity and respect.

(ILO Conventions 100 and 111)

NO EXTORTION AND BRIBERY

- All forms of corruption, facilitation payments, extortion and embezzlement will not be accepted in any form. If such activities take place, it will result in immediate termination of the business relationship. We expect the highest standards of integrity in all business interactions.

NO HARRASMENT AND ABUSE

- No physical, mental or sexual harassment or abuse shall be permitted. Any offensive act, comment or display that humiliates, insults or causes embarrassment, or any act of intimidation or threat shall not be tolerated at any given time or reason.

NO ANIMAL CRUELTY

- If animal materials are used, animals must be treated with respect and if taking their lives, it must be conducted by trained personnel using the least painful method available. It is important to recognise and respect that animals have a mind and body, which can be harmed due to wrong, ignorant and brutal treatment.

- Production, breeding and keeping of animals shall be conducted professionally securing the animals the right and sufficient food and water including in circumstances involving transportation of the animals. Wild living animals shall never be captured and used.

- Any use of endangered animal species is strictly prohibited, and the relevant authorities will immediately be contacted in such regard.

- Modström regards the protection and respect of animals as very important. The supplier and subcontractors warrant that they adopt the same view and stance. The supplier and subcontractors must submit documentation in writing with photographs and/or video footage of the daily handling of

animals involved as labour or production in the full production line.

- Situations in which the animals are at risk of being in pain (due, for instance, to attacks from insects and diseases, or when their life is being taken) must be submitted to Modström in writing with a thorough description of the used method, available method, business standards and why the chosen method is used, and which efforts are considered to reduce pain to the animals.

- Taking the lives of animals must always be conducted by trained personnel using the quickest and least painful method available, approved by acknowledged veterinarians, and must never be visible to other animals.

THINK OF THE ENVIRONMENT

Modström encourages suppliers and subcontractors to think of the environment and the impact of our business of fast fashion.

- Unnecessary use of chemicals must be avoided and we expect all suppliers to live up to the newest set of REACH regulations. We reserve the right to randomly test to see if the garments will pass these regulations. REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. We require all suppliers to fulfill the newest REACH regulations during production.

Compliance with applicable laws and regulations relating to environmental protection including environmental classification, reporting, and inspections by authorities must be ensured.

