

Code of Conduct and Supply Chain Banned Practices

For suppliers to House of Montar





Code of Conduct For suppliers to Montar

This Code of Conduct (CoC) describes the ethical principles to follow when engaging in a business cooperation with Montar and Montar Rebel. All suppliers/vendors must sign and commit to the principles set forth in this CoC and Banned Practices. When signing this, the vendor/supplier commits to making sure all and any subcontractors involved in producing Montar products are constantly in compliance with these documents.

The requirements of this CoC extend to all Montar suppliers and all of their workers, regardless of their status or relationship with suppliers. This CoC therefore also applies to workers who are engaged informally, on short-term contracts or on a part-time basis. The suppliers must make sure that this CoC is available to all employees in the local language, so it is understandable by all.

The purpose of this CoC is to ensure an ethical and fair business for all business partners, people and animals involved. Therefore, we have committed ourselves to work towards the implementation of the 10 principles of the UN Global Compact (Appendix 1), including principle 1 & 2 on Human Rights. We expect our suppliers to make the same commitment.

We believe that with a strong focus and continuous improvement all parties will ultimately benefit from this – both economically and socially. Working to implement these principles is a long and challenging road to travel and we are aware that this will not happen overnight. However, those suppliers who manage to be working in implementing these principles within their business are those with whom we wish to build a business partnership.

It is essential for Montar that our suppliers show transparency and declare all production units to Montar upon request. In addition, this information should be updated on a regular basis, so that Montar always know our supply chain. Transparency is essential for Montar to manage the challenges faced in the supply chain.

Where there are differences between the terms of this CoC and national laws or other applicable standards, suppliers shall adhere to the higher requirements. If we detect conflicts between national law and this CoC, suppliers must inform Montar immediately.

For Montar, it is part of our company values, that we do business with a high sense of moral and ethics. It is important to us, that no people or animal be harmed during the production of our goods. Be it at the cotton field, the stitching factory or our warehouse. Therefore, we ask the suppliers working for Montar to commit to a set of Supply Chain Banned Practices which is listed in Appendix 2. By signing this document, you also commit to banning these practices in your supply chain for products delivered to Montar.

Managing the Supply Chain

We require from our suppliers to have proper management system to prevent violation of the principles of this CoC and ensure that continuous improvements are implemented. This means that all suppliers should be performing their own risk assessments and self-assessments for all production units. This assessment includes Carrying through Due Diligence that – as a minimum – includes the following elements:

- *Identification*: On a regular basis, the supplier must identify potential and actual adverse impacts on human rights including labour rights, environmental, and anti-corruption principles.
- Prevention and mitigation: When potential or actual adverse impacts are identified, suppliers must take action to prevent or mitigate such adverse impacts.
- Accounting: Actions to prevent or mitigate identified adverse impacts, must be closely tracked to ensure effectiveness. Suppliers are expected to communicate their findings, actions, and tracking to relevant stakeholders including Montar.



Human Rights and Labor Rights



Montar condemns violations of any internationally declared human rights. We require all our suppliers to assess their impact on human rights and implement policies to ensure that violation will not occur.

Disciplinary sanctions:

- Workers must be treated with dignity and respect.
- Sanctions, Fines, Penalties or Disciplinary sanctions are not allowed unless they follow national or international standards as well as following international human rights.
- Verbal, physical, phycological or sexual abuse is not allowed in any form or shape. Sexual harassment is not allowed in any form or shape.

Forced labour:

- Suppliers must not use forced, prisoned or illegal labour in any of our supplier's production units. Workers shall not have to leave any sort of deposit and/or ID/passport when hired by the factory. The worker shall always sign a contract upon beginning work at the factory. The contract shall be written in a language that the worker understands.
- The worker has the right to terminate the employment according to national law.
- Overtime should be voluntary at all times.
- Workers should have access to toilets separated according to gender, clean drinking water and a praying room at all times if/when necessary.
- Suppliers must ensure that all feasible measures are taken to prevent workers from falling into debt bondage through company loans.

Freedom of Association:

- The supplier should recognize the right of workers to join or form trade unions of their choice without fear of intimidation, reprisal or harassment;
- The supplier should engage in collective bargaining with legally recognized employee representative
- When law restricts unions, the supplier should encourage and not prevent the formation of worker committees, from which workers have the opportunity to, collectively express their grievances directly to the management.

Discrimination and harassment:

- Workers shall never be discriminated against in relation to race, colour, caste, nationality, religion, gender, age, sexual orientation or marital status.
- The supplier must ensure that policies are in place to prevent any form of physical or psychological harassment from happening in the factory between management and worker or amongst workers.

Working hours and Compensation:

- Working hours should always be kept within the limits of national law but should always be kept within 60 hours per week, including overtime hours.
- Workers should receive at least one rest day in a 7-days period.
- Workers should be free to refuse overtime without fearing contract termination or punishments.
- All national laws in regards to compensation for work should be kept.
- It is not allowed to withhold wages for any reason.
- Pay slips must always be signed and handed over to the respective worker.
- National law on social insurances must be kept at all times.
- Wages should always be sufficient to meet the basic needs of workers and their families.
- Suppliers commit to working towards reaching a living wage and Montar will ensure that the purchasing practice of Montar does not stand in the way of this.
- All workers must prior to employment be provided with written and easy understandable information about the conditions in respect of wages and afterwards at paydays an overview of the calculation of the wages for the respective pay period.

Child labor and young workers:

- No Children below the age of 15 should work in any facilities producing for Montar. If the law states a higher age, then this must be followed.
- The supplier should have sufficient management systems in place to ensure that no children under 15 years of age are working in production units producing for Montar.
- Young workers under the age of 18 may only perform light work and only within normal working hours. Suppliers must comply with all local laws concerning young workers.
- Young workers must not be exposed to working tasks that could be harmful to their morals or health, dangerous to life, or likely to hamper their normal development.
- The Montar Child Labour Policy must be followed in case any children are found working in the production units or further back in the supply chain.

Health and Safety



Management system:

- The factory producing for Montar, must always be able to show a valid business license to Montar upon request.
- The supplier should have sufficient management systems in place to ensure that health and safety of the workers are never compromised in any decisions taken.
- The supplier should conduct periodic risk assessments to ensure that all risks are managed and that there is no risk to human life or risks that can cause serious accidents.
- The working environment should be safe, healthy and clean and all working stations shall be provided with sufficient lighting.
- Relevant first aid equipment must be available and where legally required a doctor or nurse should be available during working hours.
- In case of work-related injury, the supplier shall pay for the workers medical care.

Building safety:

- All local laws regarding building safety must be followed. In addition, proof of this must be given, when required by Montar.

Fire safety:

- All local laws regarding fire safety must be kept, and all facilities producing for Montar must as a minimum install adequate warning systems, fire safety equipment and well-marked exits and escape routes.
- Fire escapes should be clear for passage and must not be locked or blocked at any time
- Fire exit doors should open outwards
- Evacuation plans should be clearly displayed in the factory.
- Fire drills must be conducted on an annual basis.

Chemical handling:

- Suppliers shall ensure that safety precautions in regards to the use, storage and handling of chemicals are taken.
- All chemicals and hazardous materials must be safely handled, transported and disposed of according to law.
- Workers should be trained in handling chemicals and should always be provided sufficient protective equipment when handling these.
- MSDS (Material Safety Data Sheet) should be provided for all chemicals on site and should be easily accessible and readable in case of emergency.

Dormitories, kitchens and dining rooms:

- Dormitories must be placed in buildings separate to the production building.
- Dormitories must have sufficient living and storage space for workers.
- Workers must have easy access to clean drinking water, food or sanitary food storage.
- It is encouraged that supplier provides at least one free daily meal at work.
- Dormitories, kitchens and dining areas must take all required health and safety as well as fire safety precautions.
- Workers must have easy access to sanitary toilet/bathing facilities separated according to gender.

Environmental protection



- Suppliers should establish processes that manage all significant impacts on the external environment and supports the principles in the Rio Declaration on Environment and Development¹
- National environmental laws and regulations must be complied with at all times.
- Governmental permits and other documentation, proving that all laws and regulations are met, must be provided to Montar upon request.
- Water should be used responsibly, and disposal of wastewater should be according to the local law.
- Suppliers should monitor all emissions, and these should be treated according to the law.
- Solid waste shall always be handled and disposed of in accordance to local law.
- Montar will to the extent possible and reasonable support the development and use of cleaner technologies and procedures upon requests from the suppliers.

Anti-corruption:

- Suppliers should establish adequate processes to avoid corrupt practices. Such processes should support and be in line with the United Nations Convention against Corruption.
- Suppliers shall work against corruption in both bribery and extortions.
- Montar must be informed in writing of any corruption and bribery activities that our suppliers might be involved in, in relation to any of our brands.

Chemicals:

- Montar have made Restricted Substances lists for all products, labeling and packing materials and set requirement for testing. This must always followed.

Animal Welfare:

- Montar requests all suppliers to sign our banned practices, including animal welfare policy upon embarking on a business relationship with us. Hereby stating that the suppliers respects animal welfare and that they have policies in place to disseminate information regarding animal welfare to their sub-suppliers, tanneries or likewise.

MONTAR

Monitoring and evaluation

Suppliers must assign responsibility to one or more management representatives with the responsibility and authority to ensure compliance with this CoC.

A questionnaire sheet or the like, may be handed out from time to time to the supplier and subcontractors and in such cases must be truthfully filled out and returned to Montar or its representatives. All production units shall be open to audits at any time upon request.

Suppliers shall maintain appropriate records to demonstrate compliance with the requirements of this CoC. Records shall be available to Montar or any third party Audit Company pointed by Montar, upon request.

Where non-compliance is detected, suppliers will be given a fixed period to remediate the findings. In the event of failure to remediate, Montar is willing to engage in a constructive dialogue with suppliers to develop and implement action plans with appropriate time scales for implementation and improvements to be achieved.

Montar does not operate with a passed/failed policy and terminating a business relationship will only be the last instance. However, we will not conduct business with a supplier if compliance with the terms of this CoC is deemed impossible and the supplier shows no willingness or ability to improve. If the supplier is willing to work with us on continuous improvements, Montar is also willing to work with the supplier.

Montar is aware that our company's actions and purchasing practices can influence suppliers' ability to comply with the requirements in this CoC. Therefore, Montar commit to working to continuously improve these practices and ensure that they do not negatively affect supplier's ability to meet the requirements set forth in this CoC. Such practices could be; Lead-time, order volume versus production capacity, product development process, pricing, order size fluctuation and consistency of orders.

Montar will periodically review the adequacy and continuing effectiveness of this CoC. If you find that our requirements cannot be met, please engage in a dialogue with us, to solve the issue.

When signing the CoC suppliers commit to honest and openly working with us to create an even better supply chain, which is safe for humans, animals and the environment.



Appendix 1:

The 10 principles of UN Global Compact



The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti- corruption enjoy universal consensus and derives from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses

LABOUR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Appendix 2:

Supply Chain Banned Practices

Banned Practices

Sandblasting:

- Since there is a great risk to human life involved in the process of sandblasting, we will not accept that our jeans be sandblasted in order to create a worn look. Montar commits to working with the supplier for alternative solutions. When you sign this document, you also accept that Montar will not accept sandblasting on any products delivered to Montar.

Sourcing cotton from Uzbekistan:

- To limit the risks, that the cotton used in our product come from areas that do not respect Human Rights and the Right of the Child, we cannot allow the sourcing of cotton from Uzbekistan. Sourcing from spinning mills with Sumangali Scheme:

MONTAR

- Suppliers will not source cotton yarn from spinning mills supporting "Sumangali schemes" and similar forms of bonded- or child labour.

Animal Welfare

In businesses where animals are used in labour and/or in the production, such animals must be fed and treated with dignity and respect and no animal must deliberately be harmed nor exposed to pain in their lifespan. Taking the lives of animals must always be conducted using the quickest and the least painful and non-traumatic method available and approved by national and acknowledged veterinarians and only conducted by trained personnel. It is important to recognize and respect that animals have a mind and body which can both be harmed due to wrong, ignorant and brutal treatment.

Montar regards the protection and respect of animals as very important. The supplier and subcontractors warrant that they adapt the same view and stance.

Fur:

- Montar does not use fur in any of our products. We will only ask for fake fur, when placing orders. Occasionally we will check to see if the fake fur is in fact fake.

Leather:

- We only accept the use of leather from animals that have been bred for the food industry.
- Montar condemns the process of live skinning and live boiling and we require our supplier to guarantee that this process is not practiced anywhere in our supply chain.

Mulesing:

- Montar condemns the practice of mulesing and we require our supplier to guarantee that this method is not practiced when sourcing Merino Wool. This practice is mostly done in Australia, so you must be cautious when sourcing from that area.

Angora:

- We do not accept Angora wool in our products due to the risk of the rabbits having their fur pulled off them alive

Endangered species:

- Montar will not use any materials derived from species that appear on the list of CITES2 and IUCN3.

Downs:

- Montar condemns the practice of live plucking and we only want to use feather or downs from birds that have been bred for the food industry, but not for the production of Fois Gras.
- Instead, we use Dupont Sorona padding as standard padding and our suppliers a committed to handover certificates to verify the use of Dupont Sorona filling on our products.

This document is updated regularly when/if we become aware of more supply chain issues that needs to be banned or where compliance should be ensured. When you sign this document, you also sign any updates we might have in the future. We will send the update to you, and if you have any disagreement or questions to the update, you are more than welcome to contact us.