

CODE OF CONDUCT

APRIL 2018

We at HNST are passionate about creating a positive impact in how jeans are being produced, used and recycled. The basis for this is strong supplier relationships that are built on integrity, respect, transparency and being honest. Together we need to take responsibilities for our actions and set the right baseline to reach the highest positive impact possible.

We at HNST have a strong vision on how we would want our jeans to be produced and select our suppliers to resonate with this vision and our business conduct. To that end we have defined our position on areas such as human rights, labour, environment and corruption.

This supplier code of conduct is based on internationally accepted principles such as the Global Impact Investing Rating System, Fair Labor Organisation's Principles of Fair Labor and Responsible Sourcing, Ethical Trading Initiative's Base Code, International Labor Organization's International Labor Standards, Fair Wear Foundation Standards and United Nations Global Compact.¹

HNST will always comply with the law wherever we are doing business. Should any of our requirements be in violation of the local law, the law shall take precedence and HNST shall be informed. It must be noted that our requirements may not be limited to the local laws.

HUMAN RIGHTS

The supplier shall:

- Support and respect the protection of internationally proclaimed human rights
- Make sure that they are not complicit in human rights abuses either directly or non-directly

LABOUR

The supplier will ensure:

- The elimination of all forms of forced and compulsory labour
Forced, bonded (including debt bondage) or indentured labour or involuntary prison labour: slavery or trafficking of persons shall not be used. This includes transporting, harbouring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purposes of exploitation. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment. Workers must not be required to surrender any government-issued identification, passports or work permits as a

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- http://www.bcorporation.net/sites/default/files/documents/bestpractices/EM_Creating_a_Supplier_Code_of_Conduct.pdf
- http://www.fairlabor.org/sites/default/files/fla_complete_code_and_benchmarks.pdf
- http://www.fairlabor.org/sites/default/files/fla_code_of_conduct.pdf
- <http://www.fairwear.org/labour-standards/>
- <https://www.unglobalcompact.org/what-is-gc/mission/principles>

condition of employment. Excessive fees are unacceptable and all fees charged to workers must be disclosed.

- The effective abolition of child labour
Underage labour is not to be used in any stage of manufacturing. The term “underage” refers to any person employed under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.
- Working hours are not excessive
There should not be excessive working hours; the working hours must follow the law. In any event, workers must not be required to work more than 48 hours per week on a regular basis and must have at least one day off for every seven-day period. Overtime should be voluntary, and working hours including overtime should not exceed 60 hours per week. Overtime should not be demanded on a regular basis and must always be paid at a premium rate, in accordance with the law. All employees shall be entitled to contractual holidays and sick leave with no negative repercussions. All employees shall be entitled to parental leave without negative repercussions. Pregnancy may not under any circumstances be considered grounds for termination.
- Working conditions are safe and hygienic, training is given on safe working practices and if living accommodation is provided, that this is safe and hygienic
Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers’ facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.
- Discrimination of any kind is not practised
No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.
- Wages reflect the work performance and comply with any minimum wage legislation
We should strive to pay a living wage but wages must at least meet the legal minimum wage if there is one. Wages for a standard working week should always be sufficient to meet the basic needs of workers and their families and to allow for some savings. Deductions from wages, which are not provided for by national law, are not permitted. Workers should be informed about how their wages are made up, including wage rates, pay periods and deductions from pay. Workers should receive a pay slip, which gives this information. Wages shall be paid out

regularly and be reasonable in relation to the amount of work. The workers should also be entitled of all legal social benefits, like pension and health benefits, these benefits must be clearly marked on the payment slip.

- Harsh or inhumane treatment of any kind is not practised
Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.
- The freedom of association is allowed and the right to collective bargaining is recognised
The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Conventions 87 and 98). The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).
- Legally binding employment relationship
Obligations to employees under labour or social security laws and regulations arising from the regular employment.

ENVIRONMENT

The supplier will:

- Comply with all environmental legislation and consider appropriate strategies to deal with forthcoming legislation
- Minimise the generation of waste and maximise the conservation of resources and recycle wherever possible
- Reduce energy consumption whilst maintaining levels of production and quality
- Implement a periodic review of the processes with a view to continuous improvement
- Provide adequate training and information to all employees on environmental matters
- Encourage the development and diffusion of environmentally friendly technologies
- Support a precautionary approach to environmental challenges

ANTI-CORRUPTION

The supplier will:

- Work against corruption in all its forms, including extortion and bribery

INSPECTIONS

HNST reserves the right to, at any time, send representatives or external auditors to inspect the suppliers and sub-suppliers who produce for us.

Undersigned hereby confirms:

- to be a legal representative of the supplier
- to have read the HNST code of conduct and to accept the terms required of us as supplier and

our sub-suppliers

- to accept that HNST, a representative of HNST or an external auditor, may visit the facilities where goods for HNST are being produced, processed or stored
- to accept that if the code of conduct is not followed without having informed HNST about this beforehand, this may result in our contracts being declared void.

The requirements in this code of conduct represent minimum requirements. Many of our suppliers have higher demands themselves. We wish to always be supportive of reaching higher ambitions and encourage our suppliers to share these with us.

On behalf of supplier (company name and stamp):

Name:

Position:

Signature:

Date:

On behalf of HNST (Circular Textiles BVBA)



Tom Duhoux
Founder