

L.TEN CATE

SINCE 1952



**CODE OF
CONDUCT**

L.TEN CATE

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STATEMENT AND COMMITMENT

Everyone, anywhere in the world, strives for quality of life. For some, that means caring for their immediate surroundings; for others, it is about protecting our natural environment. Whatever your principles for a good life are, it is important to keep an eye on the world around you. L. ten Cate has a natural urge to strive for quality. From the earliest beginnings, Loets ten Cate – and his father before him – looked out for their community in Geesteren, for his employees and for the quality of the products. Today, we take our historical drives a few steps further: more than ever before, we consider the quality of life throughout our entire production chain. What can we do differently or better to reduce our environmental impact? How can we make sure that the people who make our clothes do so under good and fair conditions?

This Code of Conduct refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO) conventions and recommendations relevant to improve working conditions in the supply chain. Business enterprises that endorse the BSCI Code of Conduct are committed to the principles set out in this document and to meeting, within their sphere of influence, their responsibility to respect human rights.

L. ten Cate BV, believes we must not only meet the expectations of our customers and consumers, we must exceed those expectations. Our Code of Conduct is relevant to all our suppliers, sub-suppliers, agents and all other business partners. This group is mentioned through the document as 'SUPPLIERS'. At all time we expect from all our suppliers through the whole chain, vertical and horizontal, to comply with relevant national and international laws.

We, L. ten Cate BV are more than committed to support our suppliers to meet the required standards. Most important is to treat our suppliers with respect and consideration in all our dealings and communications.

Together, we take care of each other. Together, we create quality of life.

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1 General Principles

1.1 General Legal Requirements

Suppliers shall obey with all applicable national laws and regulations including (a) laws relating to employment, discrimination, the environment, safety and health, and (b) laws relating to the import of products, including country of origin labeling, product labeling, and product testing, in addition to all contractual requirements and (c) any other laws. If a supplier is of the opinion that national laws and regulations set a different standard of protection or are in conflict with one or more Principles as set out in this Code such supplier and/or factory shall discuss this with L. ten Cate prior to deviating from this Code.

The suppliers are to sign the L. ten Cate BV Code of Conduct, and by doing so agree to allow L. ten Cate BV to carry out audits with or without notice at the suppliers production premises and the production premises of the suppliers factories, at any time.

1.2 Social Compliance Systems

In order to prove social compliance, suppliers are required to provide a valid amfori BSCI audit, a valid SMETA audit, a valid SA8000 certificate, or a valid WRAP certificate. If results showing less than full compliance (which could be the case with BSCI or SMETA audits) the suppliers must take the prescribed corrective actions without delay.

1.3 Transparency

Suppliers shall inform L. ten Cate of the location of all business premises used for the production of goods for L. ten Cate. Suppliers guarantee that the manufacture of the goods is carried out exclusively at the locations indicated (see Annex 1.2). This includes own production locations, but also the production location of their suppliers upstream, sub-contractors and sub-suppliers for wet processing, materials, dyeing, ironing, printing and finishing that are used for L. ten Cate production.

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2 Human Rights and Labour Standards

All suppliers where L. ten Cate BV works with are expected to conduct their activities in respect of human rights and labour standards as mentioned in below required standards. The standards apply to all the worker categories in the factories and offices.

Important is that also we, L. ten Cate BV, are committing to supporting you as supplier to meet the required labour right standards. Reference is made to ILO Convention C29, C105, C138 and C182.

2.1 No Bonded Labour

- a. There is no exploitation, forced, bonded or involuntary labour.
- b. Suppliers shall not engage in human trafficking and shall not retain employees' government-issued identification, passports or work permits as a condition of employment.
- c. Employees have the freedom to terminate their employment at any time according to the agreed notice period, without a penalty or salary deductions;
- d. Employees have the freedom to leave the production premises when their work shifts end;

Reference is made to ILO Convention C29 and C105.

2.2 Sub-contracting

Sub-contracting is permitted only if:

- a. The sub-contracting is discussed with L. ten Cate;
- b. The sub-contracting is approved by L. ten Cate;
- c. Sub-contractor has signed the L. ten Cate Code of Conduct.

Sub-contracting is not permitted for homeworkers.

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2.3 No Discrimination

All aspects of the employment relationship shall be based on the principle:

- a. Of equal opportunities, regardless of race, age, social background, ethnic and national origin, caste, sexual orientation, marital status, pregnancy's, colour, gender, religion, political affiliation, union membership or any other legitimated organisations, nationality, social origin, disability or any other condition that could give rise to discrimination.
- b. That takes measures to ensure that all employees have the same rights and opportunities, including equal wages for equal work and equal advancement opportunities for senior and management positions.

Reference is made to ILO Convention C110 and C111.

2.4 No Child Labour

L ten Cate has a zero tolerance approach concerning child labour. Suppliers shall not employ children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the local age for completing compulsory education is lower or the local minimum age law is set at 14 years of age in accordance with developing country exception under ILO Age Convention C138 and ILO C182, this lower age may apply unless the exceptions recognised by the ILO. Suppliers shall establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way disrespectful or degrading to employees.

This principle aims to protect children from any form of exploitation. Special care is to be taken on the occasion of the dismissal of children, as they can move into more hazardous employment, such as prostitution or drug trafficking. In removing children from the workplace, suppliers should identify in a proactive manner, measures to ensure the protection of affected children. When appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family

If children are found to be working directly or indirectly for the supplier, the supplier shall seek a sensitive and satisfactory solution to terminate such child labour and support children to attend and remain in school until no longer a child, all in the best interests of the child.

For the total extended policy of L. ten Cate concerning Child Labour, see the attachment "Child labour Policy" at the end of this document. (page 15-16-17)

2.5 Special Protection for Young Workers

Suppliers observe this principle to ensure that young persons below the age of 18 but older than a child do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle.

Where young workers are employed, suppliers should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs. Suppliers shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

2.6 No Precarious Employment

Suppliers are expected to ensure, without prejudice to the specific expectations set out in this chapter, (a) that their employment relationships do not cause insecurity and social or economic vulnerability for their workers; (b) that work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

Before entering into employment, suppliers must provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Suppliers should aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in the migrants' home towns.

Suppliers shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

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2.7 The right of Freedom of Association and Collective Bargaining

Suppliers shall:

- a. Respect the right of workers to form unions in a free and democratic way;
- b. Not discriminate against workers because of trade union membership;
- c. Respect workers' right to bargain collectively;
- d. Not prevent workers' representatives from having access to workers in the workplace or from interacting with them;
- e. Respect trade union activities by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

Reference is made to ILO Convention C87 and C98.

2.8 Fair Remuneration

Suppliers observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder.

Suppliers shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours. Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

L. ten Cate will not negotiate a price that is below the costs of production. Important in this case is a transparent cost calculation between the supplier and L. ten Cate.

2.9 Decent Working Hours

Suppliers observe this principle to ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. However, the BSCI recognizes the exceptions specified by the ILO.

Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO. In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

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The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, suppliers shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

To avoid overtime and excessive working hours, L. ten Cate will place orders with workable leadtimes, which are agreed with the suppliers, and take into account the capacity planning of the factories.

2.10 Decent Working Conditions

Suppliers shall provide a safe and hygienic working environment: regular health and security training, access to potable water, clean, safe and separate accommodations and toilets for women and men.

2.11 Ethical Business Behaviour

Suppliers observe this principle when, and without prejudice to the goals and expectations set out in this chapter, they are not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive.

Suppliers are expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices.

Suppliers should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain.

Furthermore, they should collect, use and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

3 Environmental standards

The suppliers, where L. ten Cate BV works with are expected to conduct their activities in respect of environmental standards as mentioned in below required standards. The standards apply to all the worker categories in the factory.

3.1 Occupational Health and Safety

Employees in our production and supply chain should work in conditions that are healthy and safe. (Fire) safety is an important concern in manufacturing operations.

Suppliers:

- a. Observe this principle when they respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.
- b. Shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced. The active co-operation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees.
- c. Shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. They shall take effective measures to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace.
- d. Will seek improving workers protection in case of accident including through compulsory insurance schemes.
- e. Shall take all appropriate measures within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including residential facilities to workers when these are provided by the employer as well as to protect against any foreseeable emergency.
- f. Shall respect the workers' right to exit the premises from imminent danger without seeking permission.
- g. Shall ensure adequate occupational medical assistance and related facilities.
- h. Shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

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3.2 Waste Management

Suppliers must ensure that waste is stored and disposed properly as per legal regulations without any harm to employees and the environment.

3.3 Raw Materials

L. ten Cate shares per quarter the forecast for NOOS collections. Based on this information the supplier can provide a stable supplier chain and reduce the environmental impact by combining orders of raw materials. L. ten Cate will try to improve the raw materials to more environmentally friendly products.

From our suppliers we expect:

- a. An overview of the origin of the raw materials at all time.
- b. Knowledge of the environmental impact of different types of raw materials and mitigate the impact of the total collection by using more environmentally friendly raw materials to help L. ten Cate to improve.

3.4 Animal Welfare

All the materials we are using at this moment does not contain any animal origin. If for the future this will change and L. ten Cate will use animal origin materials, we will perform our due diligence on the risks of animal welfare.

3.5 Chemical Management

- a. The suppliers shall have a written procedure for the storage, handling and use of chemicals. Chemicals refer to both substances and products. The procedure shall specify who is responsible to ensure that proper procedure for handling chemicals is always followed at the suppliers.
- b. The suppliers shall ensure all containers of chemicals – including temporary containers – are properly labelled with appropriate danger symbols and chemical names to ensure the contents are known and the potential risk minimised.

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3.6 Water Pollution, use of Water and Energy

L. ten Cate is committed to significantly reduce the environmental impact caused by the use and discharge of water, energy and chemicals in the production and supply chain.

Important expectations from our suppliers and sub-suppliers:

- a. The suppliers works on the prevention of pollution and inefficient use of raw materials in the production process and treat waste water properly.
- b. Waste water is properly treated by a well maintained ETP that has enough capacity for the type and volume of effluents generated from the operations, either on the production site or by an authorised external waste water treatment facility.

3.7 Employee Information and Training

The suppliers shall ensure that employees that procure, store, handle and use chemicals have the right competence and are adequately trained. Records from training shall be kept by the supplier. Information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in production areas where the chemical is used. Information must be in a language understood by the workers.

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4 Compliance Commitment

By signing our Code of Conduct you as party (Supplier) acknowledge your responsibility to ensure that the companies, factories, employees, subcontractors and any other involved parties cooperates with this Code of Conduct.

We, (the undersigned supplier), hereby confirm:

1. That we have received and taken note of the L. ten Cate BV Code of Conduct.
2. That the L. ten Cate BV Code of Conducts will be displayed in every factory.
3. That we are aware of all relevant laws and regulations of the country or countries in which our company operates.
4. That we will inform L. ten Cate BV in case of conflict between the Code of Conduct and any applicable laws or regulations in our countries of operation.
5. That we will observe and endorse the L. ten Cate BV Code of Conducts in its entirety without amendment or abrogation.
6. That we take the full responsibility for the implementation of these standards in our company.
7. That we will inform all our employees about all the core principles of the L. ten Cate Code of Conduct.
8. That we will inform all our partners, sub-suppliers, agents about all the core principles of the L. ten Cate Code of Conduct.

Date :Company name.....

Name CEO:.....Company stamp.....

Signature of CEO

The L ten Cate Code of Conduct needs to be signed by a duly authorised representative of Supplier.

Geesteren, 11 February 2020

Coen de Bruin
CEO
L. Ten Cate

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CHILD LABOUR POLICY

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L. ten Cate's child labour policy

The standards in this policy apply to all suppliers, their subcontractors and other business partners, hereafter collectively referred to as "Business partners", who do business with L. ten Cate.

Defining Child Labour

The term "child labour" is defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:

- is mentally, physically, socially or morally dangerous and harmful to children; and
- interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

The following terms are important to understand when child work becomes child labour:

1. **Light work:** This is work that children can do as long as it does not threaten their health and safety, or hinder their education or vocational training (generally, non-hazardous work for fewer than 14 hours per week). It should only be performed by children aged 13 or over (or, provisionally, age 12 in certain developing countries) when permitted by local law.
2. **Basic minimum age:** The minimum age for work should not be below the age for finishing compulsory schooling, and in all cases not lower than 15 years of age (or, provisionally, age 14 in certain developing countries). Some countries set the minimum age at 16.
3. **Hazardous work:** One of the worst forms of child labour, this is work that is inherently dangerous, such as working with pesticides or underground, or carried out under conditions that are particularly risky for children, such as work for excessively long hours or in high temperatures. It should not be performed by people under 18. States may create limited exceptions for children over 16, in dialogue with national employers' and workers' organizations, where the health, safety and morals of the children involved are fully protected and they have received specific instruction on the relevant activity.
4. **Other worst forms of child labour:** These comprise slavery, trafficking, debt bondage and other forms of forced labour, including forced recruitment for use in armed conflict, the use of children in prostitution and pornography, and in illicit activities such as organised begging or the trafficking or sale of narcotics. Children should never be involved in such activities.

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A majority of countries have adopted legislation to prohibit or place severe restrictions on the employment and work of children, much of it stimulated and guided by standards adopted by the International Labour Organization (ILO); ILO Age Convention C138 and ILO C182.

Business partners responsibilities

- I. Business partners must monitor their supply chains and are expected to reach out to L. ten Cate immediately if they have any concern regarding child labour non-conformities at their direct or indirect suppliers
- II. Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be degrading or disrespectful to the worker.
- III. Original identification documents must be checked and if possible cross-checked with other documents to identify the accurate age of employees. This is not only important in order to prevent the exploitation of children but also to prevent illegal child trafficking;
- IV. Factories shall not engage in forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour.
- V. The kind of work assigned to young workers is not to be harmful to their health or development; their working hours must not prejudice their attendance at school, their participation in vocational orientation, or their capacity to benefit from training or instruction programs.
- VI. Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to access to effective grievance mechanisms and to Occupational Health and Safety training schemes and programs;
- VII. A file of all young workers employed at the factory must be kept, so it is clear for which employees adequate precautions are put in place for their protection;

ADDITIONAL INFORMATION

If you have any comments on the L. ten Cate Child Labour Policy can be addressed to L. ten Cate: info@lencate.com

The findings will be reported with full respect for the victims' identities and honour. Our Business partner are expected to familiarize themselves with the policy and operate accordingly.

Geesteren, 11 February 2020
Coen de Bruin
CEO
L. Ten Cate