



# Vendor Code of Conduct

APRIL 2022

**ALDO**  
GROUP

PURPOSE

**A journey to create  
a world of love, confidence,  
and belonging.**

# Vendor Code of Conduct

At the ALDO Group, we are on a journey to create a world of love, confidence and belonging. It is our purpose, and it is at the core of everything we do.

Guided by this purpose, we aim to conduct our business operations with the highest levels of ethical standards. We strive for corporate integrity, responsible sourcing and for ensuring the safety and wellbeing of all workers throughout our supply chain.

We are committed to developing business partnerships based on trust and collaboration. We believe that it all starts by selecting Vendors who share our vision.

## Introduction and scope

ALDO Group is committed to respecting human rights, and is against any form of forced labor, human trafficking, and any other form of violation of human respect and dignity. We expect our business partners to participate in our efforts to eradicate any such violations.

ALDO Group's Vendor Code of Conduct ("Code of Conduct") establishes the minimum standards to do business with us. It sets our basic requirements for the fair treatment of workers, workplace health and safety, mitigation of environmental impacts and ethical business practices. This Code of Conduct is the cornerstone of our compliance program, as outlined in our Vendor Partnership Manual.

The Code of Conduct applies to all business partners, vendors, contractors, sourcing agents, subcontractors, and other suppliers (collectively, our "Vendors") that provide goods and services to ALDO Group and its affiliates. We require that our Vendors' upstream Vendors and subcontractors be made aware of and comply with our Code of Conduct.

Our Code of Conduct is based on internationally-accepted good labor practices, including the International Labor Organization (ILO) Standards, the Universal Declaration of Human Rights, the United Nations (UN) Guiding Principles for Business and Human Rights, and the OECD Diligence Guidance for Responsible Supply Chain in the Garment and Footwear sectors.

We seek long-term partnerships with our Vendors, which we select based on a shared commitment towards corporate, social and environmental responsibility, as presented in this Code of Conduct. We are continuously collaborating with our Vendors by using industry standardized measurement tools, providing training, and the implementation of improvement or corrective plans, as required.

We strive to build strong and resilient partnerships with our Vendors for a sustainable future.

### **POSTER REQUIREMENT FOR FACTORY WORKERS**

It is important that Vendors' factory workers understand the standards set forth under this Code of Conduct. All Vendors hiring factory workers directly or through authorized subcontractors are required to display a poster containing a summary of the key standards for the fair treatment of workers, workplace health and safety, mitigation of environmental impacts, which must meet, at minimum, those set forth in this Code of Conduct.

The poster should be displayed in a location that is conspicuous and accessible for the factory workers. The poster must also clearly identify the designated channels through which violations to the Code of Conduct may be reported. A translation of the poster in the native language(s) of the workforce must be displayed next to the English language version.

# Our standards

## ETHICAL PRACTICES

### > Compliance with Laws and Regulations

Vendors are expected to strictly comply with all laws and regulations of the countries where goods are made or in which workers are employed, including those at the federal, state/provincial and municipality/community levels. For greater clarity, applicable laws and regulations specifically include all applicable labor and employment laws and regulations. Vendors shall conduct their business ethically, without corrupt practices, including bribery, extortion or any other unlawful practice or abuse. Further, Vendors agree to comply with all import, export, economic sanctions, and embargo laws.

## RESPECTFUL WORKPLACES

The Zero-Tolerance Issues:

### > No Forced Labor

Employment is freely chosen. Our Vendors agree not to use, under any circumstances, compelled, involuntary, or forced labor. This includes, but is not limited to, prison, bonded, indentured labor, human trafficking, involuntary overtime, and any form of modern slavery. Vendors may not restrict reasonable movement of the workers (including any foreign workers) by retaining control of the workers' identification papers and travel documents, withholding wages or otherwise as a mean to prevent workers from leaving at will. Vendors are also committed to exercising due diligence in the selection of their own Vendors and business partners. Our Vendors are required to monitor any third-party providers which assists them in recruiting or hiring workers.

### > No Child Labor

Child labor shall not be used. Workers will be at least 15 years of age or meet the minimum age established by local law, whichever is greater. Vendors shall take additional precautions to ensure that any workers under the age of 18 years old are not performing job functions which, by their nature, may compromise their health, safety, or development, including but not limited to, working with chemicals, heavy machinery or working at night. Suppliers are required to implement and maintain reliable systems to verify the eligibility of all workers.

### > No Abuse and unfair Disciplinary Measures

Every worker must be treated with respect and dignity. Corporal punishment and other forms of coercion, abuse or harassment, whether psychological, sexual or physical, are strictly prohibited. Disciplinary practices will be fair and communicated clearly. Vendors shall ensure that workers have the right to freedom of movement without threat of any discipline, penalty, retaliation, or fines.

## FAIR TREATMENT OF WORKERS

### > No Excessive Working Hours

Vendors agree to comply with all applicable laws regarding working hours. Unless extenuating circumstances exist, hours of work shall not exceed 60 hours in any 7 consecutive day period (or the maximum allowed by the law of the country of manufacture, whichever is less).

Workers are also entitled to at least one day off per 7-day period. All overtime work must be consensual. In addition to compensation for regular working hours, workers must be compensated for overtime hours at the rate legally required under local laws.

### > Regular Employment

Clear and recognized regular employment relationships shall be established in accordance with local laws and practice. All employees shall have a written employment contract drafted in the local language and detailing their legal rights and obligations.

**> No Discrimination**

There shall be no discrimination in hiring, remuneration, access to training, promotion, termination, or retirement, on the basis of race, nationality, color, ethnic origin, religion, physical or mental disability, medical condition, gender, sexual orientation, family responsibilities, marital or maternity status, political opinion, union affiliation, age or other classification protected under applicable law. Foreign and migrant workers shall be treated as local employees and any fees or commissions shall be covered by the employer. Workers employed by labor agents or brokers are also covered by this Code of Conduct and are entitled to the same rights as other regular workers.

**> Compensation & Benefits**

Employee wages, benefits and overtime premiums shall be paid in compliance with all applicable laws in a timely manner. Wages and benefits must meet the minimum required by local laws, prevailing industry standards, or an amount sufficient to cover basic living requirements, whichever is higher. Such minimum requirements include any applicable annual leave, public holidays, maternity/parental leave, and sick leave.

Deductions from wages shall not be permitted, except those legally allowed. Workers (or their family members) shall not be required to pay recruitment fees, incur debt or make other financial guarantees as a condition to the right to work.

Vendors shall use an industry-accepted timekeeping system, and its records shall be available for review.

**> Freedom of Association**

Workers must be free to join any association of their choice. Vendors agree to respect its employees' right to freedom of association and collective bargaining without harassment, discrimination, interference, or retaliation. All Vendors must develop and fully implement effective grievance mechanisms to resolve internal industrial disputes and employee complaints.

**HEALTH & SAFETY AS A PRIORITY**

**> Safe, Healthy and Sanitary Working Conditions**

Conditions in all work facilities, dormitories, childcare centers, or other living spaces provided by Vendors to workers shall be safe, sanitary, and conform to all applicable laws and regulations regarding health and safety in the workplace, including, without limitation, fire prevention and emergency action plans. The Vendors must implement procedures, safeguards, and training to prevent accidents and injuries or workplace hazards, and protect its workers' health and safety. Facilities of Vendors must meet all applicable building codes and construction, structural, mechanical, and electrical standards. Facilities must also have adequate evacuation plans and unobstructed emergency exit routes, adequate lighting and heating, adequate ventilation and air circulation, fire safety systems and alarms, and access to potable water and clean toilet facilities. Vendors shall appoint a management representative to oversee compliance with all health and safety regulations and internal policies. Further, Vendors must have strict controls in place for the use, labelling and storage of chemicals within their facilities, and comply with all health and safety requirements. Employees are not to be exposed to physical, chemical, or biological hazards beyond occupational exposure limits.

**ENVIRONMENTALLY RESPONSIBLE**

**> Protection of the Environment**

The ALDO Group expects its Vendors to incorporate environmental safeguards in their respective operations and to act responsibly in this respect. All applicable environmental laws, regulations and treaties shall be complied with. Vendors must maintain environmental policies and standards to ensure compliance with such environmental laws and to minimize negative impacts on the environment. Vendors shall manage their environmental impacts, including but not limited to energy use, carbon footprint, air emissions, waste, chemicals, hazardous materials and water consumption & discharge. Waste of any kind, most particularly hazardous waste, must be disposed of properly and in accordance with local laws and regulations. All Vendors agree to collaborate and be monitored by the ALDO Group for environmental responsibility.

## COLLABORATIVE PARTNERS

### > Confidential and Proprietary Information

Vendors agree to take all reasonable steps to ensure the protection of confidential, sensitive, and proprietary information shared by the ALDO Group. All Vendors must respect the intellectual property of its own stakeholders and that of the ALDO Group. Vendors agree to not use or disclose any material without the permission of the appropriate party. Vendors shall take all reasonable steps not to participate, or cause the ALDO Group to participate, in any way whatsoever, in counterfeiting, intellectual property infringement or similar practices.

### > Effective Management Systems

ALDO Group expects its Vendors to be honest and transparent about their operations, procedures and records. Management systems shall be established with documented policies and procedures to evidence compliance with this Code of Conduct. Responsibility shall be clearly assigned in employee job descriptions. Vendors are to take all reasonable steps to ensure that its policies and procedures are documented and known by those involved. Similarly, the responsibilities of each employee must be defined in the job description and it is the Vendor's responsibility to ensure that employees are able to perform their duties.

### > Subcontracting

Vendors may not subcontract any operation in the manufacturing process without prior written consent from the ALDO Group, to be obtained prior to the commencement of any production, and only after the subcontractor or sub-supplier has agreed to comply with this Code of Conduct. Vendors agree to cooperate in all traceability efforts mandated by the ALDO Group in pursuit of its corporate, social and environmental responsibility goals.

### > Compliance & Grievance Mechanisms

All Vendors must review this Code of Conduct and maintain adequate documentation to demonstrate compliance with these standards. The standards set out in this Code of Conduct are audit standards that the ALDO Group may use to determine whether a Vendor is meeting its obligations. ALDO Group reserves the right to conduct announced and unannounced inspections of all facilities of Vendors. Any non-compliance issues will be reported to the Vendor and subject to a corrective or improvement action plan. All Vendors are required to cooperate and be transparent during the entire inspection process. Vendors must provide access to the ALDO Group or our third-party representatives during any audits or investigations. We reserve the right to discontinue business with any Vendor found to be in violation of Zero-Tolerance Issues, such as forced labor, child labor and physical abuse.

Any non-compliance with this Code of Conduct should be reported immediately. All information we received will be kept in strict compliance. Should you have any questions, please contact the ALDO Group's Impact & Sustainability team: [sustainability@aldogroup.com](mailto:sustainability@aldogroup.com)

## Revision history

Version: 1.0  
Date: July 2017  
Description: Initial version

Version: 2.0  
Date: April 2022  
Description: Initial version

## OUR VALUES

# Love

Showing compassion for oneself and others while having passion for what you do.

# Respect

Embodying an open-hearted attitude that embraces diversity and encourages equality.

# Integrity

Being honest and principled.