

# Novo Shoes Group Pty Ltd (NSG) Supplier Code of Conduct

## Child Labour Policy

The purpose of this policy is to ensure the expectations required of suppliers in relation to our code of conduct are met and define the responses and actions resulting from any identified instance of child labour within our supply chain.

### Regions

This policy applies to all countries and regions including external suppliers to Novo Shoes Group Pty Ltd (NSG). We require suppliers to ensure the expectations of the policy are also adhered to in all subcontractors' factories or facilities used in the manufacture of any stage of production for NSG products.

### Definitions

We define Child Labour in accordance with the following International Labour Organisation (ILO) conventions:

- C138 - Minimum Age Convention, 1973 (No. 138)
- C182 - Worst Forms of Child Labour Convention, 1999 (No. 182)

### Policy

We are committed to the elimination of all forms of child labour as defined by the ILO Conventions. To support this objective, Novo Shoes Group Pty Ltd (NSG):

- Will always operate legally.
- We have a child labour policy and remediation process to support our expectations.
- Ensure all stakeholders involved in the manufacturing process, including our internal team members are aware of our commitment.
- Conduct regular risk assessments to identify where the risk of child labour is most prevalent in our supply chain and to reduce and/or eliminate sourcing from countries where the risk of child labour is high.
- Ensure our suppliers always adhere to the provisions of local labour law or in the absence of local law, international labour standards.
- Require that no person can be employed under the age of 16 or younger than the legal working age for the region, whichever is higher.

We also have expectations on our suppliers, subcontractors, and third-party facilities to ensure they support our commitment to eliminate all forms of child labour including to:

- Comply with NSG expectations and all laws and regulations in the country of manufacture not to use or engage in any form of child labour.
- Implement mechanisms to identify a workers age at the time of employment such as seeking a copy of identification.
- Immediately remove from work and support any child worker (under the legal working age) if they are found to be working in the factory.
- Undertake any remediation plan as directed by NSG in the event child labour is identified in the factory.

We also recognise young workers aged 16-18 years may seek employment in a factory and we believe suppliers and subcontractors should not have a blanket policy against hiring workers in this age bracket. Any workers employed in this age group must adhere to the strict guidelines which govern the employment duties of workers in this age range.

## Procedure

NSG has a zero tolerance to all forms of child labour. Where a case of child labour is identified, NSG will work with the supplier to resolve the issue with the supplier or factory, ensuring the child is primary concern. NSG will require a supplier or factory to undertake the following steps to address the issue:

- Immediately advise NSG of any potential child labour issue in the supply chain.
- Remove the child from work within the factory.
- Determine why the child is working (family background, death of parent, poverty etc);
- Seek alternatives to provide support and services to the child and their family.
- Seek education opportunities for the child.

NSG appreciates that immediately removing a child could in fact cause greater distress and harm to the child such as forcing them into prostitution, slavery or seek unlawful labour elsewhere so will work with the supplier, and child to seek alternatives.

## Inspection

We inspect our factories both through external auditors, inspections and with our team members and reserve our right to inspect any factory or facilities where our products are being manufactured to ensure these locations are compliant with our supplier code of conduct. This includes any supplier that manufactures NSG products as listed on the traceability form. This will occur as and when NSG deems this as necessary.

If during an inspection, we identify the factory is involved in breach of this policy or the supplier code of conduct NSG will undergo a remediation process and improve systems to ensure this is not a repeat offence. The safety of all workers is NSG's utmost priority and remediation steps will be undergone prior to the cancellation of purchase orders in such an event. If suppliers do not show progress after a breach has been identified this may result in NSG removing the supplier as a preferred supplier and ceasing the partnership.

All suppliers and subcontractors that conduct business with or on behalf of NSG must ensure that all business is conducted in line with the Novo Shoes Group Pty Ltd (NSG) code of conduct and all applicable laws and regulations in the country of business.

## Modern Slavery & Forced Labour Policy

The purpose of this policy is to ensure our expectations regarding modern slavery including forced labour in our entire supply chain is understood by suppliers, subcontractors, and third-party facilities. This also defines any actions which may result from any identified instance of modern slavery or forced and compulsory labour within our supply chain.

### Regions

This policy applies to all Countries and regions including external suppliers to NSG. We require Suppliers to ensure the expectations of the policy are also adhered to in all subcontractors' factories and third-party facilities used in the manufacture of any stage of production for NSG products.

### Definitions

At NSG, we define modern slavery as any practice where freedom is taken from a worker through threats, violence, coercion, abuse of power or deception.

Forced and compulsory labour is defined as any work that is exacted on a worker under the menace of a penalty and for which that person has not offered himself or herself voluntarily. This includes any form of human trafficking whereby a worker is forced into work against their will.

### Policy

NSG is committed to prevent all forms of modern slavery and forced labour from our supply chain. To support this expectation, we have implemented a number of initiatives such as a modern slavery risk assessment to help us identify, assess, remediate, and mitigate the risk of any form of modern slavery in our end-to-end supply chain.

We have submitted to the Australian Government a Modern Slavery Statement expressing these actions and our zero-tolerance policy for any form of modern slavery, forced labour or human trafficking activity.

We also conduct internal training sessions on responsible purchasing to assist the internal NSG team in identifying forced labour through communications to ensure all stakeholders are following this policy.

There are a number of expectations we place on all suppliers, subcontractors and third-party facilities who wish to work with NSG including:

- Allowing workers, the right to freedom of association (union membership).
- Not requiring workers to handover identity documents to be kept at their workplace for any reason (copies for employee records is permitted).
- Workers must not be required to pay recruitment fees to gain employment.
- Suppliers and subcontractors shall provide all factory workers with:
  - a written contract in local language with all employment terms included.
  - provide pay slips to workers in line with the payroll frequency.
  - ensure workers are paid according to the local labour law payment cycle.

- Workers will not be forced to work compulsory overtime.
- Workers will not be required to perform unsafe work practices.
- Not use any form of prison labour for any reason.
- Implement a grievance mechanism within the factory.

## **Procedure**

Where we become aware of a potential issue regarding modern slavery or forced labour, we require suppliers, subcontractors, and third-party facilities to implement the following requirements:

- Advise NSG of the circumstances surrounding the breach immediately.
- Undertake an immediate independent investigation into the suspected case.
- Engage with reputable civil society group or organisation to assist with the placement of the affected worker as required.
- Remove the worker from factory or location.
- Ensure the worker is not penalised (financially) through loss of income during the investigation.

To assist with the placement of the worker in another factory, the supplier and NSG will:

- Discuss with a different supplier in the same location about employing the worker.
- Introduce the worker to the factory for an interview with the new supplier.
- If the worker is happy, they begin employment.

We will always assist the worker to resolve the issue to their satisfaction. At times, a worker's decision may not align to our expectations however we aim to always listen to and resolve the issue to the satisfaction of the worker involved.

## **Inspection**

We inspect our factories both through external auditors, inspections and with our team members and reserve our right to inspect any factory or facilities where our products are being manufactured to ensure these locations are compliant with our supplier code of conduct. This includes any supplier that manufactures NSG products as listed on the traceability form. This will occur as and when NSG deems this as necessary.

If during an inspection, we identify the factory is involved in breach of this policy or the supplier code of conduct NSG will undergo a remediation process and improve systems to ensure this is not a repeat offence. The safety of all workers is NSG's utmost priority and remediation steps will be undergone prior to the cancellation of POs in such an event. If suppliers do not show progress after a breach has been identified this may result in NSG removing the supplier as a preferred supplier and ceasing the partnership.

All suppliers and subcontractors that conduct business with or on behalf of NSG must ensure that all business is conducted in line with the NSG code of conduct and all applicable laws and regulations in the country of business.

## **Responsible Fibre & Animal Welfare Policy**

The purpose of this policy is to ensure the suppliers understand our expectations regarding the responsible sourcing of fibres & animal welfare standards and list the actions that will result from any identified use within our supply chain.

### **Regions**

This policy applies to all countries and regions including external suppliers to NSG. We require suppliers to ensure the expectations of the policy are also adhered to in all subcontractors' factories or facilities used in the manufacture of any-stage of production for NSG products.

### **Animal Fibres & Skins**

All suppliers, subcontractors & third-party facilities are to ensure that no animals' welfare is to be compromised in making any form of NSG product.

The use of the below banned processes are prohibited to follow in the making of any NSG product:

- Inhumane confinement of any animal
- Any form of animal testing
- Live skinning or plucking of any animals.
- Mulesing

Due to the inhumane process-in acquiring these materials; NSG requires all suppliers, subcontractors, and third-party facilities to ensure all NSG products are free of the below:

- Mohair
- Angora
- Other animal hair/fur (including but not limited to calf/cow, rabbit, fox, dog, cat, pony)
- Animal feathers/down (including but not limited to geese, ducks)
- Reptile Skins (including but not limited to snake, alligator, crocodile, lizard)
  - Leather is to be sourced honoring the "Five Freedoms" ensuring minimal damage to the environment and biodiversity.
- Any other materials from endangered species as listed in the International Union for the Conservation of Nature and Convention of International Trade in Endangered Species not listed above.

Where NSG approved animal material is used these are to follow the Farm Animal Welfare Councils (FAWC) "Five Freedoms" listed below:

- Freedom from hunger and thirst, ensuring adequate access to clear drinking water and diet
- Freedom from day-to-day discomfort through appropriate environment and shelter
- Freedom from pain, disease, or injury
- Freedom to show normal behavioural patterns.
- Freedom from excessive fear and distress

All facilities must implement measures to ensure this is maintained throughout the manufacturing of NSG products. This includes not suggesting or sourcing fabric for NSG with these sources listed or fibre blends that may include them.

To ensure this policy is followed, we require our suppliers, subcontractors and third-party facilities to provide material contents, source of fabrics and facilities used prior to sampling. We also request that suppliers maintain records to prove material content and source of fabrics and submit facilities used.

NSG may request proof of these documents at any time through external audits and/or inspections if it is suspected that this requirement is not being adhered to

### **Banned Regions**

No fibre is to be sourced from the below regions as the practices used here are in breach of this policy and NSG supplier code of conduct. NSG requires all suppliers, subcontractors, and third-party facilities to ensure all NSG products are free of the below:

- Uzbekistan Cotton
- Xinjiang Cotton

We also require our suppliers and subcontractors to ensure they maintain records to prove the country of origin and region where fibres have been sourced. Suppliers also must show complete transparency of all mills, spinners and weavers that were used to provide any fibres used in our products.

### **Inspection**

We inspect our factories both through external auditors, inspections and with our team members and reserve our right to inspect any factory or facilities where our products are being manufactured to ensure these locations are compliant with our supplier code of conduct. This includes any supplier that manufactures NSG products as listed on the traceability form. This will occur as and when NSG deems this as necessary.

If during an inspection, we identify the factory is involved in breach of this policy or the supplier code of conduct NSG will undergo a remediation process and improve systems to ensure this is not a repeat offence. The safety of animals is a priority to NSG and remediation steps will be undergone prior to the cancellation of purchase orders in such an event. If suppliers do not show progress after a breach has been identified this may result in NSG removing the supplier as a preferred supplier and ceasing the partnership.

All suppliers and subcontractors that conduct business with or on behalf of NSG must ensure that all business is conducted in line with the NSG code of conduct and all applicable laws and regulations in the country of business.

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## EthicalSourcingPolicy

The purpose of this policy is to ensure all suppliers, subcontractors & third-party facilities understand NSG's requirements in relation to ethical sourcing.

For the purposes of this policy a supplier is the addressee of the purchase orders, this may be an agent, wholesaler or direct with the factory.

### **Regions**

This policy applies to all countries and regions including external suppliers to NSG. We also require suppliers to ensure the expectations of the Policy are also adhered to in all subcontractors' factories or facilities used in the manufacture of any stage of production for NSG products.

### Policy

NSG is committed to transparency within our supply chain and as such requires each of our suppliers to share an up-to-date factory list of all facilities used to manufacture goods purchased by NSG. We classify factories into the following 4 Tiers.

We require all suppliers to share locations of Tier 1 & 2 at minimum. Where we have sourced a preferred fibre, we also require Tier 3 along with the relevant certificates.

Please note we have removed trim & accessory suppliers from our tracing requirements for now, these items have their own supply chains and are more complex to trace.

Tier	Stage	Practice involved	Action
1	End stage manufacturing	Where products come together	Cut/ Make / Trim factories
2	Processing	Any activity that goes into the finished product	Dyeing, printing, washing, cutting, stitching, pasting, lasting, making
3	Fabrics	Any activity involved in making fabrics	Spinning, weaving, fabric mills
4	Raw materials	Fibres, Hides, Yarns & Raw inputs	Farms. Raw materials factories

We understand this can be sensitive information and as such do not request contact information for these additional locations, we require the name & addresses of each for the purposes of validating the audit received.



For each factory location contributing to the production of goods purchased by NSG we require the following:

- Current valid Audit, Preferably of SMETA standard
- Any CAP (Corrective Action Plan) documentation or additional images provided with the document.
- Signed copy of NSG Code of Conduct (must be signed by the factory location)

#### Renewal timelines

- NSG expects all Audits to be kept valid, generally this is annual.
- NSG expects to be notified of any changes or additions to the factory list as these changes occur. This includes but is not limited to change of address, change to % of NSG goods manufactured, additional factory or discontinued factory.
- NSG will re-issue the Code of conduct & supporting policies every 2 years for review & resigning.

#### Inspection

We inspect our factories both through external auditors, inspections and with our team members and reserve our right to inspect any factory or facilities where our products are being manufactured to ensure these locations are compliant with our supplier code of conduct. This includes any supplier that manufactures NSG products as listed on the traceability form. This will occur as and when NSG deems this as necessary.

If during an inspection, we identify the factory is involved in breach of this policy or the supplier code of conduct NSG will undergo a remediation process and improve systems to ensure this is not a repeat offence. If suppliers do not show progress after a breach has been identified this may result in NSG removing the supplier as a preferred supplier and ceasing the partnership.

All suppliers and subcontractors that conduct business with or on behalf of NSG must ensure that all business is conducted in line with the NSG Code of Conduct and all applicable laws and regulations in the country of business.

#### Supplier Code of Conduct

We will be collaborating with our suppliers, subcontractors and third-party facilities to ensure that we are working together to adhere to this code of conduct. We strive for progress over perfection, the benchmark is ever-changing, and we want to ensure that our partners are on board to work together with us on this for the long term.

Our Code of Conduct covers all aspects of our supply chain and is our responsibility to ensure that at each touchpoint of the process, the rights of the workers involved, and the environmental impacts are considered. We have a responsibility to our customers to ensure that we know where our goods are produced, who by and under what conditions.

#### Legal Requirements

We expect our suppliers will follow local and national laws in the countries in which they operate which also includes holding all required business licenses and permits to manufacture our products. To support this all employees are to receive a written employment contract, in the local language, stipulating the employment terms and conditions prior to commencing their employment.



## **Ethical Sourcing Policy**

NSG is committed to ensuring a safe & ethical supply chain in which our goods are purchased as outlined in our Ethical Sourcing Policy. We require our suppliers to be transparent about the locations in which goods are produced and to hold their factory partners to the standards outlined in the policy.

### **No Child Labour**

Suppliers must not employ any person below the local legal age of employment in any facility used throughout our supply chain. Our Child Labour policy outlines the steps to be taken if an instance of Child labour is found.

### **No Forced Labour & Modern Slavery**

Suppliers must ensure that all work is voluntary & compensated and must not support any form of forced labour at any facility in the supply chain. Our Forced labour policy outlines the steps to be taken if an instance of forced labour is found.

### **Wages & Working Hours**

We expect all workers will be paid in accordance with the applicable legal requirements of the State or Country of manufacture. All overtime work must be voluntary and compensated in accordance with the law at premium rates.

In addition, we actively promote our suppliers to provide workers the opportunity to earn wages higher than the legal minimum wages through additional initiatives and opportunities to improve their education and experience.

A regular working week shall not exceed **48** hours per week. All overtime required must be voluntary from workers and must not exceed 12 hours per week in total within a 7-day period. Overtime is to always be compensated at a premium rate.

An adequate rest time of a minimum of **24** hours in a 7-day period is also required.

### **Diversity, Inclusion & Fair Treatment**

At NSG, we embrace diversity and inclusion among all workers. No worker can be subjected to any form of discrimination or harassment in their employment based on gender, race, religion, age, disability, sexual orientation, occupation, nationality, political opinion, social group, language, union membership, employment type, cultural beliefs, or ethnic origin.

All workers are to be treated with respect and dignity. No instances of harassment and or abuse will be tolerated. No punishment or coercive practice of any kind relating to physical, sexual, mental, verbal or emotional abuse will be tolerated at any facility.

### **Freedom of Association**

All workers should have the right to freedom of association to bargain collectively. They are to receive adequate worker representation in the workplace and in circumstances where the rights to any or all of the above are restricted under local laws, appropriate channels to ensure reasonable and independent exercise of these rights must be designated. Workers have the right to leave their place of employment at any time, willingly and voluntarily and no personal items are to be withheld which restricts this freedom.

## **No Bribery & Corruption**

NSG has a zero-tolerance for any form of bribery and corruption at any point through our supply chain. Bribery includes an offer, payment, gift, or provision of a benefit to someone to influence the performance of a person's duty and/or to encourage misuse of his or her authority.

## **Safe Working Conditions**

Suppliers must ensure all operations are safe, clean and consistent with all applicable laws and regulations including building & fire safety standards. Adequate training and personal protective equipment is to be provided to any worker working with or in close proximity to hazardous materials or tools with the ability to cause harm. Where accommodation is present this is to be safe, clean and meet all basic living requirements to ensure adequate worker health and safety.

## **Environmental Responsibility**

We require that all those involved at any stage of the manufacture of our products will undertake initiatives to promote greater environmental responsibility and ensure there is no negative impact on human health. We encourage our suppliers to reduce their impact on the environment while utilizing technology to reduce emissions, hazardous materials and the risk of environmental disasters. All suppliers are to adhere to local environmental law & reporting requirements.

## **Responsible Fibre & Animal Welfare**

As stated in the **Responsible Fibre & Animal Welfare** Policy we expect all suppliers, subcontractors, and third-party facilities to responsibly source all fibres used in the making of any form of NSG product.

We strive to avoid animal material in our products, where an approved animal product is used it must meet the FAWC "Five Freedoms of Animal welfare". In addition to this, no supplier is to source or conduct any form of animal testing on our products.

## **SUPPLIER AGREEMENT TO CODE OF CONDUCT**

By signing this document, the supplier understands the supplier's business relationship with NSG is based upon the supplier being in full compliance with the expectations, terms and conditions set out in this supplier code of conduct.

The supplier understands that if found to be in breach of this code of conduct, NSG will undergo a remediation process and improve systems to ensure this is not a repeat offense. The safety of all workers is NSG's utmost priority and remediation steps will be undergone prior to the cancellation of purchase orders in such an event. If suppliers do not show progress after a breach has been identified this may result in NSG removing the supplier as a preferred supplier and ceasing the partnership.

## **SUPPLIER DETAILS**

<b>SUPPLIER BUSINESS NAME (TRADING AS)</b>	
<b>SUPPLIER NAME</b>	
<b>PHYSICAL ADDRESS</b>	
<b>EMAIL</b>	
<b>BUSINESS PHONE/MOBILE</b>	

By signing this code of conduct, the supplier (stated above) agrees to ensure all expectations, terms and conditions imposed by NSG on the supplier are adhered to and that these same expectations, terms and conditions are also adhered to in all subcontractors and third party facilities used in the manufacture of NSG product at all times.

Signature: .....

Name: .....

Title: .....

**PLEASE SIGN AND RETURN THIS PAGE ONLY TO NSG**

Reviewed/updated 7 Mar 2024

