

## CODE OF LABOUR PRACTICE

### FOR GOODS AND SERVICES SUPPLIED TO THE COUNTRY ROAD GROUP

The Country Road Group (“**CRG**”) conducts its business in a manner that reflects its values and commitment to protect and respect human rights. CRG is committed to ensuring that the social, environmental, and ethical implications of manufacturing in all of our sourcing locations are conducted responsibly. CRG is supportive and respectful of international human rights principles: Including the United Nations Declaration of Human Rights and the International Labour Organisation’s (“**ILO**”) Declaration on Fundamental Principles and Rights at Work. CRG actively participates in the United Nations Global Compact.

This Code of Labour Practice (“**Code**”) is deemed applicable to and mandatory for all direct and associated suppliers of products and services supplied to CRG. By example: The Code is considered equally applicable to upstream factories that provide materials and services for CRG’s direct suppliers of merchandise. It is the responsibility of the contracted supplier to CRG to ensure that their suppliers and agreed subcontractors are aware of, and adhere to, this Code.

Suppliers are expected to comply with national and other applicable local laws. Where the provisions of any applicable law and this Code address the same subject, the provision offering the greater protection shall apply.

The provisions of this Code have been developed based on the Ethical Trading Initiative (“**ETI**”) Base Code and using the ILO conventions listed below and constitute the minimum standards of operation.

ILO Conventions	ILO Code
Hours of Work	C001
Abolition of Forced Labour	C029, C105
Equal Remuneration	C100
Discrimination	C111
Worst Forms of Child Labour	C182
Minimum Age	C138
Freedom of Association and Collective Bargaining	C087, C098
Home Work	C177

#### COMPLIANCE WITH THIS CODE

To demonstrate compliance with this Code, suppliers are required to actively participate in the CRG Approved Facility Program (“**AFP**”). Provisions of the AFP include disclosing a full list of suppliers (inclusive of raw material suppliers), providing a valid third-party social compliance audit of their supplying factories at their own cost, registering on the SEDEX platform, and responding to any requests for information in a timely manner.

Suppliers must ensure compliance with this Code within their own operations and that this Code has been communicated to their supplying factories and input suppliers along their supply chain. Suppliers must also ensure that the requirements noted in this Code can be upheld contractually within their own supply chain partners.

CRG reserves the right to request a social audit be conducted on any suppliers or any supply chain partners involved in the provision of goods or services. Audits may occur with or without notice, shall be unrestricted and may include alternate methods including off-site worker interviews.

It is expected that suppliers should inform CRG immediately should any instructions given by CRG, or actions taken by CRG, directly or indirectly affect the ability of suppliers to meet their obligations set out within this Code.

#### BREACHES OF THIS CODE

Potential or suspected breaches of this Code can be reported to CRG via email [ethicalsourcing@Countryroadgroup.com.au](mailto:ethicalsourcing@Countryroadgroup.com.au). Any grievances or disputes in relation to the Code may be reported in the same manner. Reports can be made anonymously (if desired) by workers, by suppliers on behalf of workers or by any stakeholder.

CRG is committed to working with its supply chain partners to achieve continuous improvement. If CRG becomes aware of a breach of this Code, CRG reserves the right, at its sole discretion, to request information or evidence to be immediately provided and take a range of remedial actions. Remedial actions may include having a third party perform a social compliance audit (this will be at the cost of the supplier) and/or the requirement for the supplier to develop and implement a CRG-approved Corrective Action Plan (“**CAP**”).

In the event of a serious breach of the Code, or multiple & recurrent non-compliances, remedial actions may include the cancellation of orders, the termination of the business relationship and any other escalated actions CRG deems reasonable and appropriate (E.g. public disclosure of the breach and an account of proposed remedial actions).



**Raju Vuppapapati**  
Chief Executive Officer

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**Principles of the Code**

The below Principles must be adhered to by CRG suppliers and all supply chain actors involved in the provision of materials and services in the course of production.

Principles	Principles defined
<b>Employment is freely chosen</b>	<ul style="list-style-type: none"> <li>It is a worker's right to choose their employment, and under no circumstances should they be forced to work or be restricted from leaving their employment after reasonable notice. Forced labour is not acceptable in any form including bonded or prison labour</li> </ul>
<b>Freedom of association and the right to collective bargaining</b>	<ul style="list-style-type: none"> <li>Workers shall be allowed the right to associate, form and join trade unions and to bargain collectively in a peaceful manner.</li> <li>Worker representatives shall have access to carry out their representative functions and should not be discriminated against.</li> <li>Where the right to freedom of association and collective bargaining is restricted under law, the employer should facilitate, and does not hinder, the development of parallel means for independent and free association and bargaining.</li> </ul>
<b>Health and safety</b>	<ul style="list-style-type: none"> <li>A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted.</li> <li>A Health and Safety Manager or senior management representative shall be appointed, and workers shall receive regular and recorded health and safety training, which shall be repeated for new or reassigned workers.</li> <li>Access to clean drinking water, clean and appropriate sanitary washing and toilet facilities shall be available. Adequate lighting, ventilation, fire extinguishers and fire exits shall be provided. These standards should be maintained in all areas of the business.</li> </ul>
<b>Child labour</b>	<ul style="list-style-type: none"> <li>Child labour shall not be used. There shall be no exploitation of child labour at any point within the supply chain including in the cultivation of raw materials used in the supply chain.</li> <li>Manufacturers shall not employ children under the age of 15 years or persons who fall below the local legal minimum working age, whichever is the greater.</li> <li>Children and young workers under the age of 18 must not perform potentially hazardous work and there must be adequate steps to ensure that there are no adverse effects on the education and safety of the employee. Workers under the age of 18 shall not be permitted to work at night.</li> <li>Companies shall develop policies or participate in programs which provide for the transition of any child or young person found to be performing labour to enable her or him to attend and remain in quality education until no longer a child. Any financial support required for the child and the child's family will be the responsibility of the party/s directly contributing to the breach of this Code</li> </ul>
<b>Fair living wages</b>	<ul style="list-style-type: none"> <li>Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards in the country of manufacture and should be sufficient to meet basic needs and provide some discretionary income.</li> <li>All workers shall be provided with written and understandable information about employment conditions and wages before they commence employment, as well as remuneration details at each payment period. Equal pay for equal work is expected.</li> <li>Deductions from wages as a disciplinary measure shall not be permitted.</li> <li>Suppliers should undertake Living Wage assessments in their local area and should benchmark worker wages against the Global Living Wage Benchmarks using the 'Anker Methodology' and should develop plans to improve worker wages over time.</li> <li>Supplier should share worker wage components within product costings for each Country Road Group product. These wage components should identify minimum wages, actual wages and measure against Living Wage rates. These worker wage components must be 'ringfenced' and protected from negotiation below workers agreed wages.</li> </ul>
<b>Hours of work</b>	<ul style="list-style-type: none"> <li>Hours of work shall comply with applicable national laws, international standards, regulations, collective agreements, industry standards as well as the provisions in this Code, whichever affords the greater protection for workers.</li> <li>Standard working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</li> <li>Workers shall not be required to work, inclusive of overtime, in excess of 60 hours per week except for ETI-defined exceptional circumstances</li> <li>Workers shall have at least one day off per seven-day period or, where allowed by law, 2 days off in every 14-day period.</li> <li>All overtime shall be voluntary, used responsibly and not be used as a replacement for normal working hours.</li> <li>Overtime pay shall be calculated at the legally required rate or at a minimum, rate of 125% of the standard rate.</li> </ul>
<b>Discrimination</b>	<ul style="list-style-type: none"> <li>There shall be no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</li> <li>At a minimum, migrant workers must be provided the same rights as local workers including social protection benefits.</li> </ul>
<b>Employment relationship and training</b>	<ul style="list-style-type: none"> <li>Employers should endeavor to provide regular and secure employment and must be established through national law arrangements and should include all social security obligations. Appropriate training should be available for all employees, such that their day-to-day tasks can be carried out in a safe and competent manner.</li> </ul>
<b>Disciplinary practice</b>	<ul style="list-style-type: none"> <li>Corporal punishment or any other form of physical or psychological coercion or intimidation, including sexual abuse or harassment, physical discipline, or harsh discipline of all kinds, or verbal abuse, shall not be used against workers.</li> </ul>
<b>Subcontracting &amp; homework</b>	<ul style="list-style-type: none"> <li>Suppliers shall not sub-contract the manufacture and/or supply of goods or services without the prior written authorisation from the Country Road Group.</li> <li>Where Homework exists within the supply chain, it must be carried out voluntarily. The standards and provisions in this Code of Practice apply equally to Home Workers as well as other wage earners.</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>All suppliers must work to minimise any negative impact on the environment. These impacts include factory emissions and effluents, the use of natural resources including water, and impacts on the environment from the use of materials in goods produced. Suppliers should evaluate their environmental impacts and have plans to reduce these impacts over time.</li> <li>All relevant national and international environmental legislation must be adhered to in all manufacturing processes in the supply chain. All operations including dyeing, printing, and finishing operations should conform to the CRG Environmental Code of Practice.</li> </ul>
<b>Animal welfare</b>	<ul style="list-style-type: none"> <li>All suppliers must respect and protect the welfare of animals throughout all processes in the supply chain. Suppliers are required to promote animal welfare by minimising any potential harm, stress or pain to animals and adhere to relevant national and international standards for animal welfare.</li> <li>Suppliers are expected at a minimum to comply with the CRG's Animal Welfare Policy, and further to this ensure that they have traceability of any animal products used in the production of goods for CRG.</li> </ul>
<b>Traceability and transparency</b>	<ul style="list-style-type: none"> <li>Suppliers must operate in a transparent and ethical manner.</li> <li>It is expected that suppliers have visibility and traceability of the products, processes, materials, and knowledge of the organisations involved in all inputs to goods or services provided.</li> <li>Suppliers are expected to collaborate with CRG's requests for any information particularly regarding enquiries into Human Rights Due Diligence and Modern Slavery issues and should make all efforts to support greater sustainability throughout the supply chain.</li> </ul>
<b>Modern slavery and forced labour</b>	<ul style="list-style-type: none"> <li>There shall be no use of forced, bonded or prison labour, including any forms of modern slavery as defined in the Australian <i>Modern Slavery Act 2018</i> (Cth)<sup>1</sup>. This prohibition includes, but is not limited to, a prohibition on requiring a worker to lodge "deposits" including cash or their original identity papers with employers. .</li> </ul>

Raju Vuppalapati  
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<sup>1</sup> <https://www.legislation.gov.au/Details/C2018A00153>