



SOURCING CODE OF CONDUCT

FOR GOODS AND SERVICES SUPPLIED TO THE COUNTRY ROAD GROUP

This Sourcing Code of Conduct (“Code”) sets out Country Road Group’s sourcing principles and reflects our commitment to ensuring responsible business practices within our operations and throughout our value chain.

Purpose

The purpose of this document is to support our suppliers’ understanding of the expectations of Country Road Group (**CRG**) regarding human and labour rights, ethical trade, health and safety, animal rights and environmental impact.

We believe that all workers in our value chain should be provided a safe and fair workplace, with their rights protected and respected and are committed to upholding internationally recognised human rights and labour rights principles, including those outlined in the UN Guiding Principles on Business and Human Rights and the International Labour Organisation’s (**ILO**) Declaration on Fundamental Principles and Rights at Work.

We recognise the important role our supply chain partners play in helping us achieve these commitments, and we will actively seek to work with suppliers that are aligned with these commitments and values.

This Code reflects our commitment to understanding and managing social, and environmental issues in our supply chain, and respecting human rights and labour rights, and draws on recognised international standards, including:

- Universal Declaration of Human Rights,
- United Nations Global Compact Ten Principles
- ILO Declaration on Fundamental Principles and Rights at Work
- Ethical Trade Initiative (**ETI**) Base Code

Scope

This Code applies to all direct and indirect suppliers (“Suppliers”) of products and services supplied to CRG throughout our trade (merchandise) and non-trade supply chains and represents the minimum requirements for doing business with CRG. For trade Suppliers, this includes vendors, agents, production factories, subcontractors, laundries, printers, dyehouses and finishing facilities, as well as tier 2 input suppliers such as mills, tanneries, trims producers and tier 3 and beyond raw material producers and converters. This Code applies even where CRG does not trade directly with or nominate these suppliers, in which case the requirements of the Code must be cascaded by our direct suppliers.

We require our Suppliers to align their business practices to the requirements outlined in this Code, and to ensure that their suppliers and agreed supply chain partners are aware of and adhere to

these principles.

Our Commitments

CRG is committed to fostering transparent and respectful relationships with our supplier partners, and to working collaboratively with them to understand and improve working conditions and social and environmental impact in our supply chains. To support this, we commit to the following:

- **Partnership approach:** We will engage in open and respectful sourcing dialogue, pursue situations that benefit both parties, and recognise that we have a shared responsibility to improve working conditions and reduce social and environmental impact.
- **Collaborative planning:** We will work collaboratively with our suppliers to develop our critical path and production planning, provide timely inputs and feedback, and where forecasts are provided, we work to improve forecast accuracy over time.
- **Capacity building:** We will provide support and guidance to our supplier partners to help them understand our requirements and expectations and will provide training on relevant topics as required. Our approach is to build a shared culture of continuous improvement which goes beyond basic legal compliance.
- **Responsible purchasing practices:** We will agree on fair and transparent pricing and payment terms and will continue to review our buying practices and ensure that they support our supplier partners in complying with our principles.

Supplier Commitments

Compliance with applicable laws

Suppliers are expected to comply with local laws related to labour practices and the environment relevant to the country in which the Supplier carries out business. Where the provisions of any applicable law and this Code address the same subject, the provision offering the greater protection shall apply.

Suppliers must obtain all necessary permits, licenses and registrations for operation.

Labour and Human Rights

Conditions of Employment

Suppliers must adopt conditions of employment that will protect their employees' safety and human rights. This also applies to any foreign or migrant labour or homeworkers employed by Suppliers and agreed supply chain partners, and all references to 'worker/workers' in the Code apply equally to any foreign or migrant labour or homeworkers, and workers hired through labour brokers.

The principles outlined below are based on the ETI Base Code and relevant ILO conventions.

Employment is Freely Chosen

There is no forced, bonded or involuntary prison labour.

Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Where dormitories or hostels are in use, employees must have reasonable freedom of movement during their off-work hours.

Freedom of Association and the Right to Collective Bargaining

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The Supplier must adopt an open attitude towards the activities of trade unions and their organisational activities.

Workers' representatives must not be discriminated against and must have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the Supplier should facilitate, and must not hinder, the development of parallel means for independent and free association and bargaining.

Health and Safety

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

Suppliers must:

- Implement a Health and Safety Management System that assigns responsibility for health and safety to a senior management representative who must carry out regular risk assessments. The Management System must be endorsed at Supplier CEO or equivalent level and related policies must be displayed at the Supplier's site(s).
- Take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising the causes of hazards inherent in the working environment.
- Provide all workers, including new or reassigned, with regular and recorded health and safety training.
- Have an effective fire safety management system in place, with adequate fire extinguishers and fire escapes with easy access provided on site; fire prevention and emergency action plans clearly displayed; and regular evacuation drills.
- Provide appropriate and effective personal protective equipment as may be needed; protect employees from hazardous work or conditions (such as working with or near hazardous chemicals or dangerous machinery) and provide employees with access to adequate medical assistance and facilities as needed as a result of sustaining injuries in the workplace.
- Provide employees with fresh drinking water, clean toilet facilities which respect employees' dignity and adequate lighting, heating and ventilation. If appropriate, sanitary facilities for food storage shall be provided.

Buildings must be fit for purpose, structurally sound and comply with local building laws.

The same workplace standards described above apply to any residential or dining facilities provided to employees. In addition, residential accommodation must be clean and safe and comprise sufficient space for sleeping, cooking and toilet purposes with adequate space to enable segregation by gender or family group. A sleeping mat or bed and personal storage area must be available for each employee.

Child Labour is Not Used

Child labour must not be used under any circumstances. There shall be no exploitation of child labour at any point within the supply chain, including in the cultivation of raw materials.

Suppliers 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.

Children and young workers under the age of 18 must not perform potentially hazardous work (such as working with or near hazardous chemicals or dangerous machinery) and there must be adequate steps to ensure that there are no adverse effects on the education, health and safety of the employee. Workers under the age of 18 shall not be permitted to work at night.

There shall be no new recruitment of child labour, and Suppliers must establish appropriate hiring systems and practices (such as but not limited to taking reasonable measures to ensure that proof of age documents are accurate and complete) to ensure that no under-age persons are employed.

Suppliers shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child 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.

Living Wages

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs of workers and their families and to provide some discretionary income.

All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Equal pay for equal work is expected.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Suppliers and factories must be on the journey towards payment of living wages over time, where workers receive enough to meet the basic needs for themselves and their families, as well as providing some discretionary income.

Suppliers must share worker wage components within any requested open product costings for CRG products. Where provided, these worker wage components must be 'ringfenced' and protected from negotiation below workers agreed wages.

Working Hours are Not Excessive

Working hours must comply with national laws, collective agreements, international labour standards and the provisions of this Code, whichever affords the greater protection for workers. Standard working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

All overtime shall be voluntary, used responsibly (taking into account the extent, frequency and hours worked by individual workers

and the workforce as a whole) and not be used as a replacement for regular employment. Overtime pay shall be calculated at the legally required rate or at a minimum, rate of 125% of the standard rate.

Workers shall not be required to work, inclusive of overtime, in excess of 60 hours per week except where covered by the exceptional circumstances outlined in ETI Base Code clause 6.5. Workers shall have at least one day off per seven-day period or, where allowed by national or local law, two days off in every 14-day period.

No Discrimination is Practiced

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.

At a minimum, migrant workers must be provided the same rights as local workers including social insurance benefits.

Regular Employment

Suppliers should endeavour to provide regular and secure employment, on the basis of a recognised employment relationship established through local law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be

avoided through the excessive use of fixed-term contracts of employment.

Disciplinary Practice

Physical abuse or discipline, the threat of physical abuse, or any other form of physical or psychological coercion or intimidation, including sexual or other harassment and verbal abuse, shall not be used against workers.

Suppliers must have mechanisms in place to ensure that all employees are protected from harassment and abuse.

Migrant Labour and Homeworkers

Suppliers must ensure that foreign and migrant workers are engaged in compliance with immigration and labour laws in the country of employment.

Recruitment agents must not charge any fees for migrant workers to secure employment, and workers must retain control of their travel documents and must have full freedom of movement. All workers must be informed, in a language they understand, of the basic terms & conditions of their employment before leaving their country of origin.

Where homework exists within the supply chain, it must be carried out voluntarily and the conditions of such homework must comply with the terms of this Code. Any homework must be pre-approved in writing by CRG.

Modern Slavery

There shall be no use of any forms of modern slavery as defined in the Australian Modern Slavery Act 2018 (Cth). Suppliers and their supplying factories are required to ensure that all reasonable efforts are employed to eliminate modern slavery, including child labour, forced labour, the exploitation of workers and/or deceptive practices in the recruitment of workers.

Where CRG becomes aware of child or forced labour, or human trafficking in the supply chain, the Supplier must implement a Remediation Plan, which is in the best interest of the worker(s) concerned. This Plan must be developed in consultation with the CRG Ethical Sourcing team, who will also oversee implementation, but the Supplier will be responsible for any costs associated with its implementation.

Grievance Mechanisms

Suppliers must implement effective in-factory mechanisms to facilitate open communication between the appropriate level of management and employees and enable all employees to report grievances without fear of retaliation.

Grievance procedures must be clearly communicated to all employees and their representatives, and all employees must have equal access. Details of grievance procedures and whistleblower mechanisms must be clearly displayed in languages for all workers, including migrant workers, to understand.

The grievance system should include multi-channels of mechanisms to allow workers to raise anonymous grievances that are kept confidentially and handled impartially within reasonable timelines. Concerns raised through this mechanism must be dealt with through an understandable and transparent process, with detailed records maintained of grievances reported, including procedures to track the number, types, timing and resolution of grievances.

The grievance system should include multi-channels of mechanisms to allow workers to raise anonymous grievances that remain confidential and are handled impartially within reasonable timelines. Concerns raised through this mechanism must be dealt with through an understandable and transparent process.

Responsible Business Practices

Anti-Bribery and Corruption

Suppliers must comply with all local, national and international anti-bribery and corruption laws, and must actively work against corruption in all its forms including bribery and extortion, avoid conflicts

of interest, and not participate in measures designed to stifle competition.

Suppliers acknowledge and understand that CRG has a **zero-tolerance policy** for any forms of bribery and corruption. Suppliers are expected to collaborate with CRG's requests for any information regarding enquiries into corruption and should have in place plans to evaluate and reduce any risks of bribery and corruption in their operations.

Suppliers must not offer or give to, or receive from, CRG employees, agents or contractors working on our behalf, any gift, service or other benefit (including without limitation cash or equivalent, entertainment, accommodation, product discounts) that could be considered a bribe or facilitation payment to secure contracts or win favour with CRG.

Traceability and Transparency

It is expected that Suppliers have knowledge of and make available to CRG information about materials and supply chain business partners used by the Supplier to fulfil goods and services for CRG, including but not limited to company name/s, address, good/services procured, country of origin and relevant third-party certifications in relation to environmental and social sustainability.

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 transparency throughout the supply chain.

Suppliers are expected to measure and provide when requested supporting data or evidence regarding key environmental indicators, such as emissions, energy and electricity use, water and wastewater, hazardous and solid waste.

Subcontracting

Suppliers shall not sub-contract the manufacture and/or supply of goods or services without the prior written authorisation from CRG's Chief Sourcing & Supply Chain Officer.

Where subcontracting or outsourced work is permitted, the Supplier is responsible for obtaining a signed copy of this Code from subcontracted vendor, as well as a copy of the subcontracting factory's most recent social compliance audit. All approved subcontracting and homeworker facilities are required to actively participate in the CRG Approved Facility Program (**AFP**).

Product Quality and Safety

Suppliers must ensure that their goods and services meet all necessary safety standards and regulations. The goods must be free from defects that could pose a risk to health or safety, and they must be designed, manufactured, labelled, and packaged in a manner that minimises potential hazards.

Supplier must ensure that Good Manufacturing Process (GMP) is in place and adhered to. Quality measures for both production and quality control must be in place by way of a Quality Management System (QMS), defining general measures to ensure that processes necessary for production and testing are clearly defined, validated, reviewed, and documented, and that personnel, premises and materials are suitable for production of all Country Road Group products.

Environment and Nature

Environmental Management

Suppliers must put in a place an Environmental Management System (EMS), appropriate to their business' size and circumstance, to identify, measure, assess and mitigate adverse environmental or biodiversity impacts. Suppliers should aim to align any EMS with recognised standards such as ISO 14001 *Environmental Management Systems* or the European Union *Eco-Management and Audit Scheme* (EMAS).

An EMS helps support continuous improvement, and we expect suppliers to use it to identify opportunities to improve the monitoring, management, and utilisation of environmental resources across their processes and operations.

Resource Use and Waste Minimisation

CRG is committed to using resources responsibly, reducing waste and pollution to support reduced climate impacts and promote the transition to a circular industry.

Suppliers must work to reduce the environmental impact of their operations by:

- Identifying, reducing and responsibly disposing of or recycling hazardous waste and/or non-hazardous waste materials, including chemicals and textile waste;
- Optimising the energy and water efficiency of their operations, through investment in more efficient equipment and on-site practices;
- Exploring opportunities to cease onsite use of coal and transition to more renewable energy sources where possible;
- Ensuring chemical use is properly managed, including in the dyeing, printing, and finishing operations, and meets the requirements of the CRG Environmental Code of Practice;
- Ensuring all air and wastewater discharges are appropriately treated to minimize pollution, and that they meet the requirements set in local legislation; and
- Identifying, measuring and reducing GHG emissions resulting from their operations and product manufacturing and monitoring the effectiveness of their control systems against set targets. GHG emissions should be calculated in line with the GHG Protocol Standards.

Suppliers must provide CRG with data related to the environmental impact of their operations and supplied products/services when requested, including energy and water consumption, waste production and disposal, emissions generation, and chemical usage.

Animal Welfare

Suppliers are expected to apply all reasonable efforts to ensure that animals under their care (or the care of their subcontractors and other supply chain partners) are treated in a humane manner by minimising any potential harm, stress or pain to animals and adhering to relevant national and international standards for animal welfare.

Suppliers must comply with the [CRG's Animal Welfare Policy](#), and ensure that they have traceability of any animal products used in the production of goods for CRG.

Compliance with this Code

Suppliers must ensure compliance with this Code within their own operations and that this Code has been adequately communicated to their direct supplying factories and approved subcontractors and is cascaded to suppliers along their supply chain. Suppliers must monitor their suppliers for adherence to this Code and ensure that the requirements in this Code can be upheld contractually with their own supply chain partners.

Management Systems

Suppliers must have in place appropriate policies and management systems that align and comply with the applicable laws and regulations and the requirements of this Code.

Suppliers should have efficient systems in place to ensure that these policies are effectively implemented throughout the organisation and effectively monitored. Training must be provided to relevant staff to ensure they have the necessary skills to perform work in compliance with this Code. Suppliers must keep documents and accurate records to enable CRG or independent third parties to monitor compliance with this Code.

Monitoring Compliance

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. In the event that CRG requests information or evidence to demonstrate compliance, Suppliers must respond within 48 hours of such requests and provide the requested information or evidence promptly.

To further demonstrate compliance with this Code:

- **Trade Suppliers** (providing goods for sale by CRG) are required to actively participate in the CRG 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, and registering on the SEDEX platform.
- **Non-Trade Procurement Suppliers** (if requested) are required to register on SEDEX, complete the SEDEX self-assessment questionnaire and/or provide a social or ethical audit measured against this Code.

Suppliers agree that CRG may publish, either in print or online, and may share with shareholders and related entities, information about the Supplier and its factories. CRG reserves the right to share information regarding our Suppliers and their associated suppliers with third parties for the purpose of supply chain risk assessments and ensuring compliance with the AFP. This includes, but is not limited to, the Supplier and factory names and addresses, product category, worker profile data and copies of social audit reports and corrective action plans.

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. 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 recognises that suppliers may not be able to deliver on all of the requirements of our Code of Conduct upfront, and we are committed to working with our supply chain partners to achieve continuous improvement over time.

In the event that 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 and 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 to protect CRG’s business interests and goodwill (E.g. public disclosure of the breach and an account of proposed remedial actions).

Steven Cook



Chief Executive Officer

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