



SUPPLIER CODE OF CONDUCT – AUSTRALIAN BRANDS ALLIANCE

Background

Australian Brands Alliance is committed to ethical, sustainable and socially responsible procurement and we expect the same high standards from our Suppliers. We view our Suppliers as partners and we care about the way they do business when providing goods or services to our Company.

The Supplier Code of Conduct (Code) describes the minimum expectations in the areas of: integrity, ethics and conduct; conflict of interest, gifts, benefits and hospitality; corporate governance; labour and human rights; health and safety; animal welfare and environmental management.

Suppliers to Australian Brands Alliance are advised to review the Code and ensure that relevant areas of their business and supply chain meet these standards.

Australian Brands Alliance is committed to maintaining the highest ethical standards in the conduct of its business activities. The Company's standards will comply with the letter as well as the spirit of the relevant laws and regulations and internationally recognized standards, in all the jurisdictions within which we conduct business, as well as embracing the Company values and vision, which are vital for the Company's success.

Australian Brands Alliance requires its suppliers to comply with the principles contained in this Code of Conduct to ensure that the Company meets its commitments as set out above.

Purpose

The Code of Conduct clearly outlines the standards of behavior, responsibility and ethical conduct expected by all officers, employees and directors of the Company, as well as, where relevant and to the extent possible, contractors, business partners and suppliers of the company. The Code is not an exhaustive set of rules but rather a set of principles providing direction regarding the Company's approach to business conduct.

Principle 1: Ethical Business

Business Ethics

Australian Brands Alliance is committed to applying the highest standards of ethical conduct in every aspect of its business operations. Australian Brands Alliance requires all SUPPLIERS to conform with the spirit of this code and to conduct themselves in accordance with the Company's values of diversity, teamwork, equal

opportunity, safety, respect, human rights, ethics and responsible green business practices.

Promote a Safe and Healthy Workplace

All Australian Brands Alliance SUPPLIERS are expected to commit to the provision and maintenance of a safe working environment to ensure the health and safety of everyone who interacts with their business. Australian Brands Alliance Suppliers should seek to provide a safe workplace where there are no injuries and where they take care of themselves and others.

Comply with the Law

Australian Brands Alliance Suppliers operate within a framework of laws and regulations governing the fashion industry – both here in Australia and in factories in China. Suppliers must be committed to comply with the laws and regulations in each country in which they operate their business. In order to achieve this objective, all suppliers are required to:

- Be familiar with the relevant legislation, policies and procedures relating to their area of work;
- Comply with both the letter and the spirit of all relevant laws and regulations;
- Not be involved in improper tendering or price fixing or controlling.
- Attend all training and information sessions.

Act Honestly and with Integrity

Our ethics are our point of difference. Therefore, it is extremely important for Australian Brands Alliance to maintain our reputation as an honest and fair corporate citizen that acts with integrity and for our suppliers to have the same focus on ethical behaviour. In order to achieve this objective, Suppliers are required to:

- Display respectful behaviour towards customers, fellow employees, managers and the general public. This includes treating all persons equally and with dignity and not discriminating on the basis of age, sex, race, political opinion or other personal characteristics;
- Not engage in misleading or deceptive conduct or falsify or wrongly withhold information;
- Not risk compromising their and our long-term reputation by seeking to make inappropriate short-term gains;
- Not deliberately falsify, conceal or destruct documentation that is intended for use for a normal business purpose; and
- Not use company assets or your relationship with Australian Brands Alliance to seek personal gain, or to obtain a dishonest advantage over others.

Avoid real or apparent conflicts of interest

In maintaining our reputation as an honest and fair corporate citizen Australian Brands Alliance requires all Suppliers to actively avoid any real or perceived conflicts of interest. In order for this objective to be achieved, you are required to:

- Put Australian Brands Alliance's interests first when it comes to work and work related matters and not give preference to personal interests, or the

interests of any other person, where to do so would be in conflict with the Company's interests;

- Not have a material or controlling interest in any competitor, customer, contractor or supplier;
- Obtain written approval prior to commencing any secondary employment or any voluntary work that may conflict with or otherwise impact on your ability to have a working relationship as a supplier to Australian Brands Alliance's; and
- Disclose any potential real or apparent conflicts of interest to the Managing Director and not act in such circumstances until the matter has been appropriately investigated and resolved.

Avoid inappropriate business dealings and notify receipt of gifts

Australian Brands Alliance is committed to conducting its business dealings with the highest commercial standards. In order for this objective to be achieved, suppliers are required to observe the following protocols:

- Suppliers, from time to time, may entertain or be entertained and give or receive gifts in the course of conducting their business in the Australian Brands Alliance supply chain. Suppliers are encouraged to apply the protocols as documented here:
- If offered, you may accept gifts, hospitality or services from business contacts with a value of less than A\$250. Anything in excess of that value must be registered with the Managing Director and approval must be sought prior to accepting. Under no circumstances should you accept any gifts, hospitality or favours from any firm or person for either yourself or your family and friends from anyone we do business with that could be construed as potentially influencing a business outcome or give rise to the perception that a business outcome may be influenced by the gift;
- Exercise care in giving business related gifts and ensure gifts and hospitality are not given where they may be construed as potentially influencing the conduct of the recipient;
- Suppliers involved in a tendering process, contract negotiation, contract renewal or extension must refrain from actions that may give rise to an expectation of some favoured treatment from or by any tendering party. In these circumstances, no gifts, hospitality or services may be accepted from a tendering party or party with whom negotiations are being conducted;
- Ensure that any Australian Brands Alliance supplier is not perceived as a Company that accepts or receives or in any way condones the giving or receiving of bribes or 'facilitation payments' – this includes payments to domestic and international government officials to obtain routine services to which Australian Brands Alliance is otherwise legally entitled;
- Not accept, make or approve any irregular payment or gift to win business or influence a business decision in your favour – this includes rebates, bribes, kick backs, secret commissions and like payments. Bribes and other corrupt payments are not only a contravention of this Code of Conduct, but making or accepting them is a criminal offence;
- Not contribute funds to any political party or candidate for an election or sponsor any organisations (other than in a purely personal capacity) without seeking and obtaining prior approval from the Managing Director.

Maintain and protect private and confidential information

Australian Brands Alliance seeks to comply with Privacy Laws and to protect personal and confidential information, including customer, supplier, business partner and employee information. In order for us to achieve this objective, suppliers are required to:

- Comply with all legal requirements that apply to the collection, use and retention of personal information. Only collect, use and retain personal information that is necessary for legitimate activities and functions;
- Take care to ensure confidential information is kept secure and ensure you comply with Australian Brands Alliance's Privacy policy;
- Respect the confidentiality of Company, customer, supplier and or employee information acquired in the course of business and not disclose such information without the written consent of the Managing Director, unless the disclosure is required by law;
- Not use confidential information for personal gain or other improper purposes; and

Be accountable and comply with Australian Brands Alliance Policies and Procedures

Suppliers must comply with the following standards as part of their business operations:

- Suppliers must not engage in corruption, bribery, extortion, embezzlement, or any other type of fraudulent or unethical behaviour. Suppliers must abide by all applicable anti-corruption laws.
- Any conflict of interest that the supplier becomes aware of between the supplier and Australian Brands Alliance, must be notified to Australian Brands Alliance immediately.
- Suppliers must accurately record information in relation to its business activities, labour, structure, health and safety and environmental practices. This information must be disclosed to Australian Brands Alliance upon request.
- Suppliers must respect intellectual property rights.
- Suppliers must comply with any applicable privacy legislation in relation to the personal information it collects and holds.

Principle 2 - Environmental Practices

Australian Brands Alliance is committed to reducing the direct environmental impact of its business operations.

Suppliers must develop, implement and maintain policies to ensure they manage the environmental impact of their operations including at a minimum ensuring that the supplier:

- complies with all relevant local and national laws and regulations;
- prohibits the use of hazardous or harmful materials in its business operations;
- maximises the efficient use of natural resources, energy and water;
- minimises greenhouse gas pollution and waste;

- maximises the use of materials in its business operations that are recycled or recyclable; and
- complies with any policies notified to the supplier by Australian Brands Alliance in relation to labelling and packaging of products supplied to Australian Brands Alliance

Principle 3 – Labour Policies and Human Rights

Australian Brands Alliance is committed to ensuring that workers have a fair and ethical workplace and are treated with dignity and respect.

Suppliers must, in relation to all workers, comply with the internationally recognised standards contained in the ETI (Ethical Trading Initiative) Base Code, which are founded on the conventions of the International Labour Organisation, as set out in Schedule 1 to this Code of Conduct (“**ETI Standards**”).

In addition to the ETI Standards, suppliers must:

- comply with all relevant local and national laws and regulations, including, but not limited to, applicable immigration and labour laws relating to foreign and migrant workers;
- take reasonable steps to eliminate exploitation of workers, deceptive practices, child labour or forced labour in its business operations and in the business operations of its supply chain participants;
- ensure that any buildings or facilities provided for workers are safe;
- Australian Brands Alliance may request a supplier to provide Australian Brands Alliance with details (such as name and position description) of any workers employed by the supplier, including subcontractors.

Principle 4 – Welfare of animals

Australian Brands Alliance is committed to ensuring that animals are treated in a humane manner to the degree that they are involved in Australian Brands Alliance business operations.

Suppliers must treat any animal they are in contact with as part of their business operations in a humane manner and in accordance with all applicable local and national laws. More specifically, we require that:

- Animals are slaughtered humanely to ensure minimum distress;
- Animal products are by-products of other industries;
- Animal skins are not obtained by live skinning or plucking or to be a product of unnatural abortions;

Administration

Management’s responsibilities

- Suppliers Managers must take all reasonable steps to ensure all their staff and contractors are aware of and comply with Australian Brands Alliance’s

Supplier Code of Conduct. This includes ensuring all your staff and contractors have received and continue to receive appropriate training.

- Suppliers Managers must ensure they lead by example and strictly comply with the Australian Brands Alliance Supplier Code of Conduct.
- Managers must ensure they create an open and receptive environment in which employees feel comfortable enough to raise issues of concern. Upon becoming aware of such issues, managers and supervisors must promptly take action to address and escalate the issues as appropriate.

Consequence of Non-Compliance

Australian Brands Alliance expects all suppliers to comply with the standards set out in this document.

- Suppliers must have in place appropriate policies and systems to ensure compliance with the principles contained in this Supplier Code of Conduct.
- Australian Brands Alliance expects suppliers to ensure that any of the supplier's supply chain participants are required to adopt similar principles to those outlined in this Supplier Code of Conduct and must not outsource any aspect of the supply chain to facilities that do not also comply with the Australian Brands Alliance Supplier Code of Conduct.
- Australian Brands Alliance may request to see such policies and any other evidence it deems necessary to demonstrate that the supplier is in compliance with this Supplier Code of Conduct.
- If a supplier becomes aware of a breach, or suspected breach, of this Supplier Code of Conduct, it must notify Australian Brands Alliance immediately. If a supplier breaches this Supplier Code of Conduct, Australian Brands Alliance may take any action it deems appropriate, including working with the supplier to correct the breach, cancelling orders with the supplier or terminating the supply contract.

Policy documents

All Australian Brands Alliance company policies are available on request from the Managing Director and will be provided to suppliers as required.

SCHEDULE 1

The ETI Base Code (Ethical Trade Initiative)

1. Employment is freely chosen
 - 1.1. There is no forced, bonded or involuntary prison labour.
 - 1.2. Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.
2. Freedom of association and the right to collective bargaining are respected
 - 2.1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
 - 2.2. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
 - 2.3. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
 - 2.4. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.
3. Working conditions are safe and hygienic
 - 3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
 - 3.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
 - 3.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
 - 3.4. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
 - 3.5. The company observing the code shall assign responsibility for health and safety to a senior management representative.
4. Child labour shall not be used
 - 4.1. There shall be no new recruitment of child labour.
 - 4.2. Companies 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.
 - 4.3. Children and young persons under 18 shall not be employed at night or in hazardous conditions.
 - 4.4. These policies and procedures shall conform to the provisions of the relevant ILO standards.

5. Living wages are paid

- 5.1. 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 and to provide some discretionary income.
- 5.2. 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.
- 5.3. 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.

6. Working hours are not excessive

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5 Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:
 - 6.5.1 this is allowed by national law;
 - 6.5.2 this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
 - 6.5.3 appropriate safeguards are taken to protect the workers' health and safety; and
 - 6.5.4 the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
 - 6.5.5 Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

7 No discrimination is practised

- 7.1 There is 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.

8 Regular employment is provided

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 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 home-working 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.

9 No harsh or inhumane treatment is allowed

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

10 Interpretation

In this Code the following definitions apply:

“Child” means any person less than fifteen (15) years of age, unless a local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age will apply.

“Child labour” means any work by a child or young person which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child’s or young person’s education, or to be harmful to the child’s or young person’s health or physical, mental, spiritual, moral or social development.

“Young person” means any person over the age of a child, but under the age of eighteen (18) years.

SCHEDULE 2

Australian Brands Alliance Supplier Code of Conduct Endorsement

On behalf of the Supplier, and as an Authorised Representative, I agree that the Supplier will comply with the Australian Brands Alliance Code of Conduct and will only outsource to facilities that are also compliant with the Australian Brands Alliance Code of Conduct.

Furthermore, I agree that the Supplier will work with Australian Brands Alliance over a reasonable period of time to ensure our supply chain meets obligations under this Code of Conduct.

Furthermore, I agree that this Code of Conduct will form part of the Terms and Conditions previously agreed to between Australian Brands Alliance and the Supplier.