



SMCP

sandro • maje • claudie pierlot • de fursac

SUPPLIER *CODE OF CONDUCT*

March 2021

Introduction

The SMCP Group and its brands Sandro, Maje, Claudie Pierlot and De Fursac (hereinafter “SMCP” or the “Group”) have always sought to build long-term relationships with their suppliers. These relationships must be based on mutual respect and common values.

SMCP therefore expects its suppliers to be fully in line with the Group's fundamental values in terms of ethics, social or societal responsibility and environmental protection. These values are formalised in this code of conduct addressed to all its suppliers (hereinafter the “Code of Conduct”). The rules contained in this Code of Conduct are in addition to the provisions of any contracts or legal agreements (including the “SMCP General Conditions of Purchase”) between suppliers and SMCP or its brands, and do not replace them.

As a responsible and good corporate citizen Group, SMCP is committed to developing its businesses with respect for the planet, reducing its environmental footprint, and for people, and is constantly seeking the right balance between the creation of values and attention to its social and environmental impact. To achieve this objective, SMCP has developed the following three priority strategic axes:

- *SMCProduct*: Creating and designing our collections using eco-responsible sourcing, favouring high-quality raw materials and manufacturing processes (recycled wool, organic cotton, hydroless jeans, etc.), strengthening suppliers audits to guarantee ethical and quality procurement and encourage initiatives in favour of the circular economy;
- *SMCPlanet*: Reducing the Group’s carbon impact by reflecting on the transport of our goods, developing “green stores” and limiting single-use products;
- *SMCPeople*: Inspiring, developing and engaging our employees around the Group's values and these eco-responsible commitments. Encourage them to act with elegance and respect for diversity and inclusion, through a work environment that is respectful and meaningful.

SMCP suppliers must support it in this continuous voluntary process and undertake to comply without restriction with all applicable national laws and regulations and international treaties which relate in particular to:

- Human, labour, and social rights
- Business ethics practices, including the fight against corruption, compliance with competition law and international trade rules
- Resource protection, including information and data
- Respect for the environment

When the applicable regulations and this Code of Conduct cover the same subject, the highest standards or the most restrictive provisions apply.

SMCP encourages its suppliers to set up social, ethical and environmental certification procedures (SA8000, BSCI, ISO14001, BLUESIGN, LWG GOLD, etc...).

In the event of non-signature or non-compliance with this Code of Conduct by one of its suppliers or their suppliers/subcontractors, SMCP may terminate the business relationship if adequate corrective measures are not implemented.

1. Human, labour, and social rights

SMCP requires its suppliers to behave in an exemplary manner in terms of respect for human rights and social responsibility.

- **Child labour:** in accordance with the United Nations Convention, the Universal Declaration of Human Rights, IOL guidelines and its own ethical principles, SMCP asks its suppliers to contribute to the effective abolition of child labour. Employment of children under the age of 15 is therefore strictly prohibited. In countries where local legislation provides for a higher minimum age for work, or extends compulsory schooling beyond the age of 15, the highest age shall apply. SMCP requires suppliers to use an effective age checking system for their employees. If a person under 18 is recruited, he/she must not be assigned to dangerous or arduous tasks and must not work nights or overtime. Finally, workers under the age of 18 must have at least 12 consecutive hours of rest between shifts.
- **Forced labour:** SMCP asks its suppliers not to resort to and to contribute to the systematic elimination of all forms of forced and compulsory labour, including slavery, servitude, or human trafficking. The supplier undertakes not to withhold any part of the wages, benefits in kind or documents (identity papers, work permit, security deposit, etc.) from its staff or use any duress to force them to continue working in its company. Every worker has the right to accept or leave a job freely.
- **Illegal, clandestine, or undeclared work and hidden subcontracting:** suppliers agree not to use concealed work and to comply with their reporting obligations to the administrative, social and tax authorities as provided for in the relevant countries. Any employment relationship must be evidenced by a letter of employment or an employment contract specifying the worker's rights, obligations, and conditions of employment. The contract is concluded due to the competence and specific expertise of the supplier. Hidden subcontracting is forbidden, except with prior written agreement, the supplier may not entrust to a third party the completion and/or the performance of all or part of the services which are ordered by SMCP.
- **Working time:** SMCP suppliers must comply with national laws and applicable industry standards regarding working time and public holidays. In no case may they exceed the maximums set by internationally recognised standards (notably the ILO). Our suppliers may not impose excessive overtime. The total number of hours worked per week, including overtime, may not exceed the legal limits. Workers are entitled to at least one day off per week, as well as all other days off provided for by applicable local law.
- **Working conditions guaranteeing compliance with health and safety rules:** SMCP suppliers must provide a safe and healthy working environment and take all necessary precautions to avoid accidents and injuries. Suppliers must establish procedures and training to detect, avoid and mitigate, as much as possible, any danger that may pose a risk to the health, hygiene, and safety of staff. They must comply with all applicable local and international regulations and laws in this regard. The same principles apply to accommodation made available to employees by suppliers. Suppliers must provide their employees with access to drinking water, food, and emergency medical care in the event of accident or incident occurring in the workplace of said employees.
- **Harassment, abusive or inhumane treatment:** SMCP suppliers are committed to treating their workers with respect and dignity. SMCP will not tolerate any behaviour, word, deed, gesture or writing which may harm the personality, dignity or physical or psychological integrity of a person.

- **Discrimination:** SMCP asks its suppliers to contribute to the elimination of all forms of discrimination in matters of employment and occupation (especially in terms of wages, hiring, access to training, promotion, treatment of maternity and redundancy) with regard to sex, age, religion, race or ethnic or national origin, birth, disability, sexual orientation, political affiliation and membership of workers' organisations including unions. Suppliers must treat all employees equally and fairly.
- **Fair wages and employee benefits:** SMCP asks its suppliers to pay their employees a regular monthly salary which meets or even exceeds the minimum wage required by the local legislation in force. They must also pay overtime at the statutory rate and comply with all legal requirements relating to employee benefits. If there is no statutory minimum wage or overtime pay rate in the country concerned, the supplier must ensure that wages are at least equal to the average minimum in the relevant industry, and that the overtime pay is at least equal to the usual hourly pay. SMCP expects its suppliers to guarantee all workers the benefits provided for in any collective agreement, company agreement and any other applicable individual or collective agreement.
- **Freedom of association and trade unions:** Employees of SMCP suppliers must be free to join the trade unions of their choice. Suppliers must also respect the right of employees to collective bargaining.

SMCP asks its suppliers to commit to ensuring that these rights are respected by all players in their supply chains, and to set up audits to this end. SMCP may ask its suppliers for the results of these audits

2. Professional ethics practices

SMCP requires its suppliers to demonstrate exemplary ethical behaviour in the conduct of their activities.

- **Fight against corruption:** SMCP, which has set up a policy on the prevention of corruption for its employees, strictly prohibits its employees from granting, offering or giving undue benefits, in whatever form (including sums of money or valuables), directly or through an intermediary, to a private person, an employee or a representative of a government entity of any country for the purpose of obtaining preferential treatment or an advantage in the conduct of business, or to influence the outcome of a negotiation in which SMCP is involved. Furthermore, no SMCP employee may offer or accept any form of payment or remuneration to or from a supplier. Only gifts, invitations or benefits granted to or received from suppliers who have no other purpose than to strengthen their brand image and maintain good business relationships may be accepted. Their value must remain symbolic and in accordance with commercial usage and must not violate the laws or regulations of the country.

SMCP expects its suppliers to comply with all applicable laws on corruption and to take appropriate measures to prevent, detect and punish any action relating, directly or indirectly, to corruption or influence peddling in the scope of their activities. They are therefore required to immediately inform SMCP of any event contrary to the foregoing (in particular any request for remuneration, commission, benefit in kind or other gratuity from an SMCP employee or a third party). Suppliers authorise SMCP to conduct research audits on them at any time without notice.

- **Fight against conflicts of interest:** SMCP suppliers are required to avoid any situation that may involve a conflict of interest. SMCP requires them to comply with applicable conflict of interest law, and to strive to prevent the occurrence of conflict of interest situations in the course of their work with SMCP.

- **Fight against money laundering:** SMCP expects its suppliers to agree to take all appropriate measures to prevent action being taken to conceal the true origin of sums or assets linked to criminal activities. The financing of terrorist activities involves techniques similar to money laundering.
- **International trade restrictions and sanctions:** SMCP requires its suppliers to comply with international trade restrictions and sanctions, taking their developments into account, as well as laws and regulations relating to export control.
- **Respect for competition:** the supplier undertakes to exercise fair and healthy competition in its market. It is prohibited from participating in any form of collusion, restrictive practice, abuse of a dominant position and more generally, it undertakes to strictly comply with all the competition provisions applicable to it.
- **Compliance with customs regulations:** SMCP requires its suppliers to comply with applicable customs and export control regulations.
- **Reduction of economic dependence:** suppliers must diversify their customer base in order to avoid any economic dependence on SMCP. They must inform SMCP as soon as possible of any risk of economic dependence in order to put in place the necessary corrective measures, which may go as far as a significant reduction in commercial relations with SMCP.
- **Prevention of insider trading:** SMCP SA is listed on the Paris Stock Exchange. Suppliers must comply with the regulations in force on insider trading and in particular refrain from selling or buying, directly or indirectly, SMCP securities or financial instruments when they have inside information.

3. Resource protection

- **Confidentiality:** SMCP suppliers guarantee SMCP the confidentiality of all non-public information communicated within the framework of their business relationship and all trade secrets.
- **Protection of personal data:** SMCP pays great attention to protecting the personal data of its employees, customers, and business partners. SMCP has appointed a data protection officer (DPO), who is responsible for ensuring compliance with the regulations governing data protection. The Group requires its suppliers to strictly comply with the laws and regulations applicable to the protection of personal data and, in particular when they are data controller, that they only process personal data for specific, lawful, and legitimate purposes, for a limited period of time, and respect the rights of data subjects.
- **Protection of intellectual property:** SMCP asks its suppliers to respect the national laws and international treaties in force concerning intellectual property, and to respect the intellectual property rights of the Group (in particular by ensuring them a rigorous protection in order to avoid any situation likely to generate an infringement of the designs of its brands) and of third parties.
- **Public statements:** SMCP wants its suppliers to remain extremely vigilant with regard to their public statements. SMCP suppliers must ensure that their public statements are not in any way attributed to SMCP.
- **Transparency of information:** product traceability is essential for SMCP. The Group requests its suppliers to provide precise information, particularly as regards the methods used and the resources deployed. SMCP also asks its suppliers to maintain sufficient archiving to prove compliance with this Code of Conduct.

4. Respect for the environment

The supplier recognises that SMCP is committed to building a sustainable CSR approach, which in particular aims to ensure:

- Responsible sourcing by ensuring product traceability and transparency and by ensuring continuous monitoring of its suppliers
- Respect for the environment by minimising any form of negative externalities on biodiversity

The supplier thus honours SMCP's commitment to respecting a clean and safe environment.

The Group asks its suppliers to develop initiatives to reduce environmental impacts, in particular by using environmentally friendly technologies. The supplier therefore undertakes not only to comply with the local and international environmental regulations and standards in force and to obtain the required environmental authorisations and permits, particularly those related, where appropriate, to the use of natural resources, the treatment of waste, the emission of discharges and the management of hazardous products, but also to exceed these regulations and standards as soon as it is possible to reduce its impact. In particular, the supplier undertakes to:

- Continually improve the environmental performance of:
 - Its products, by including the environmental impact in their design and favouring responsible raw materials
 - Its sites, particularly its production sites, by minimising or avoiding any hazardous releases in to the air, energy consumption and greenhouse gas emissions throughout the production cycle
- Ensure the traceability of its products and the compliance of the raw materials and chemicals used, including the REACH regulations
- Promote transparency in its supply chain
- Reduce the volume of waste as much as possible and treat its waste properly
- Use rail and sea transport whenever possible, as they are more environmentally friendly than air transport
- Respect animal welfare and subscribe to SMCP's commitment to exclude animal fur from the manufacture of its products.

5. Compliance with the Code of Conduct by SMCP suppliers and Audit

Suppliers shall self-report to SMCP any violations of this Code of Conduct. Suppliers shall not retaliate or take disciplinary action against any worker who has, in good faith, reported violations or questionable behaviour, or who has sought advice regarding this Code of Conduct.

SMCP and/or its brands or an external partner mandated by SMCP may audit compliance by its suppliers with the commitments contained in this Code of Conduct. SMCP asks its suppliers to provide complete and exact information and archives, and to facilitate access to any administrative document and to any person on its premises.

SMCP therefore reserves the right to carry out one or more evaluations, audits, or tests in premises where products and services are designed and/or developed and/or sized and/or manufactured and/or repaired and/or the associated services are performed. An audit report will be drawn up by the auditors and communicated to the supplier, which will then have two working days from receipt thereof to make any comments.

In the event of non-compliance with this Code of Conduct, SMCP will determine what corrective measures must be put in place to allow, if necessary, the continuation of business relationships. The supplier undertakes to implement, as soon as possible and at its expense, any measures necessary to put an end to said breach, without prejudice to the right of SMCP to terminate the business relationship with the supplier immediately. In general, SMCP will ensure that it provides support and advice to any supplier to improve its practices in order to meet the objectives referred to in this Code of Conduct.

The supplier undertakes to ensure that its subcontractors, suppliers or third parties who have contributed to the creation of its products and/or services comply with the requirements of this Code of Conduct and intervention by SMCP on their premises, in particular through audits, as they would on the supplier's premises. The practical arrangements for such procedures will be defined jointly between the Group or its brands and the supplier.

The supplier agrees to regularly participate in meetings with SMCP to take stock of compliance with the provisions of this Code of Conduct (particularly but not exclusively on environmental and health and safety matters) and define an action plan if necessary.

Supplier's commitment

Supplier's name _____

Place _____, Date _____,

Name of the supplier's representative _____,

Title _____

Supplier's signature _____

Company stamp _____