

# Responsible Business Conduct Policy

## Dec 2022

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## INTRODUCTION

Belconfect takes pride in taking responsibility for social and environmental impact of our products. Our company aims to be accountable to consumers, buyers and other stakeholders for the labor and environmental conditions under which our products are manufactured. We want to put sustainability and responsibility central in our business operations.

Therefore, we are convinced that it is important to have a Responsible Business Conduct Policy, which gives an overview of our principles, practices and requirements in order to ensure ethic and responsible sourcing of our products.

## 1. OUR COMMITMENT TO RESPONSABLE BUSINESS

As a workwear garment manufacturer, Belconfect understands corporate responsibility as an integral part of our business model. We focus on offering sustainable products and services to our clients and are committed to respect environment, people and society in every part of the world, especially in our supply chain.

In line with Belconfect's values (customer friendly, expertise, team spirit, respect, return), our principles for responsible business and sourcing are:

- Every worker in our supply chain deserves a safe, healthy and fair workplace
- We opt for environmentally friendly production processes to minimize our impact on the environment and climate change
- Business relations are based on good governance, responsibility, integrity, respect, and maintaining high ethical standards

We have a Code of Conduct (CoC) that is applicable to all suppliers of Belconfect, their subcontractors and other business partners. Belconfect wants to ensure that working conditions in the supply chain are safe, that workers are treated with respect and dignity, and that our supply processes are environmentally sustainable.

### ***a. Social responsibility***

As a member of Fair Wear Foundation (FWF), Belconfect's management has fully adopted the FWF Code of Labour Practices (CoLP). The FWF Code of Labour Practices is a set of principles and values that reflect the beliefs of FWF members and the expectations they have towards their business partners. These principles refer to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labor Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain.

By signing this CoLP we have committed ourselves to the FWF principles and we expect that business partners that endorse this Code of Conduct comply with this FWF CoLP as well.

The 8 standards of the FWF Code of Labor Practices:



In addition to the above quoted principles of the FWF Code of Labour Practices, Belconfect commits itself to high environmental standards. We therefore want to work with our business partners to set and respect responsible sourcing policies.

#### ***b. Environmental responsibility***

Our commitment to decrease our environmental impact is a long term priority.

To manage our environmental impact, we will comply at least with all applicable laws, rules and regulations, regarding the protection and preservation of the environment, and we expect business partners to do likewise. Business partners must obtain, maintain and keep current all required environmental permits and registrations and follow the requirements of such permits. We will consider the efforts and commitment of the supplier in minimizing the environmental impact of their operations, but also on the local community and natural resources.

Furthermore, we will encourage our business partners for continuous improvement in the following areas:

##### *Hazardous substances*

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or re-use and disposal. We will and we expect business partners to comply with the European REACH regulations.



Belconfect can ask at any time to receive a list with the chemicals that are used during the production process.

#### *Water and Wastewater treatment*

Water is a scarce resource in many parts of the world and should be used as efficiently as possible. We therefore encourage our business partners to save water resources wherever possible and monitor actively their use of water. If possible, water should be re-used or recycled in production. All outgoing wastewater must meet the requirements in local legislation.

#### *Waste management*

Endeavor to reduce the waste generated from all areas in production and administration. Any waste must be taken care of in a responsible manner and in accordance with local law. We will have special attention for minimizing fabric waste, and to find ways to use fabric waste as a resource for other products, or to bring it in a recycling circuit. We will encourage suppliers to do likewise.

#### *Use of raw materials*

Belconfect strives to reduce the amount of natural resources and raw materials used within its own operations as well as the entire supply chain. We therefore encourage a careful use of resources and expect our business partners to reduce the use of natural resources and make use of more sustainable materials wherever possible.

#### *Circular solutions*

Belconfect is aware that an increased focus on circularity will result in improved resource efficiency and significant cost-saving opportunities. We focus on prolonged life cycles, ecodesign, reuse, remanufacture in order to contribute towards a circular economy, reducing the use of resources and decreasing cost of production. And above all to share these circular solutions with all stakeholders.

#### *Use of Energy*

Belconfect wants to minimize its contribution to climate change and obtain insight in the greenhouse gas emissions in its supply chain. We commit to save and monitor the entire energy consumption within our processes. Combustion generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

#### *Packaging*

Belconfect commits to focus on circular packaging and requires from its suppliers and their subcontractors to avoid excessive packaging and research into packaging alternatives.

#### *Environmental trainings*

Continuous improvement of our environmental performance is important to us. People are key to this process. We therefore encourage ourselves and our business partners to provide relevant trainings and information about environmental concerns to all employees.

## 2. POSSIBLE RISKS IN OUR SUPPLY CHAINS

### *a. Our production countries*

All the products in our assortment are designed by our styling team in Belgium. The production on the other hand is handled by our partners in Tunisia, Turkey, China, Bangladesh and India.

Our goal is to keep our supply chain as consolidated as possible. All of our brands have only small number of suppliers, giving us a good overview of our supply chain.

### *b. Possible risks linked to our production countries*

We realize that sector risks in the garment and footwear sector include, but are not limited to, the following: (according to OECD)

- child labor
- discrimination
- forced labor
- excessive hours of work
- work related safety and health
- violations of the right of workers to establish or join trade unions and representative organizations of their own choosing
- the right of workers to bargain collectively
- non-compliance with minimum wage laws and wage levels that do not meet the basic needs of workers and their families
- hazardous chemicals
- water consumption & pollution
- greenhouse gas emissions
- bribery and corruption

We have to be aware of these kind of possible risks in our production countries.

We engage ourselves to make a yearly update of our risk analysis linked to production countries and suppliers.

This means we need to have the necessary attention for an in depth due diligence process. Every time we start with a new supplier, but also with our present suppliers, we need to have a regular dialogue on compliance and possible risks.

### **3. ASSESSMENT, MITIGATION AND PREVENTION OF SUPPLY CHAIN RISKS**

#### ***a. New supplier procedure***

When our company is in search for a new supplier, we look at multiple parameters such as the quality of the workmanship, price-quality ratio, CSR engagement of the supplier and possible risks in the production countries. We ask new suppliers to sign the FWF Code of Labor Practices, to fill in the FWF questionnaire and to ask for available audit reports.

Final sourcing decisions are made by our Production & CSR Manager and the Buying Manager. They always visit a location before starting a business relationship and conduct interim visits throughout the relationship.

This in-person interaction and visits are an important cornerstone of Belconfect's strategy of responsible sourcing.

#### ***b. Long term supplier relations***

We always look for producers with whom we could develop a long-term relationship and who are open to a dialogue. We prefer to work directly with our suppliers without any intermediates, to keep close contact with our product. Only for production in Bangladesh we work with an agent.

The number of suppliers Belconfect has in South East Asia stays as much as possible the same, our goal is to have as much as possible a consolidated supplier base with suppliers with whom we build up long term business relationships, based on trust and mutual respect.

#### ***c. Production planning & production cycle***

We realize that this is important to prevent excessive overtime for workers. Therefore we have a production planning system that puts no time pressure on the production locations. We communicate always very clearly with the supplier on the needed production time, without an absolute deadline. We also work with a permanent stock. It is an advantage that our production locations do not need to work under pressure, we are convinced that this not only prevents excessive overtime, it also improves the quality of the garments.

***d. Integration of monitoring activities in sourcing decisions***

We ask all our suppliers if they can deliver us a recent social audit report. Most of our suppliers can send us a BSCI or Sedex report, that we analyse according to the FWF Audit Quality Assessment Tool. We discuss the relevant working points. If necessary, persistent negative audits would definitely affect our sourcing decisions.

Furthermore, we have developed criteria for evaluating our suppliers. These criteria are based on compliance with the COLP, price fluctuations, delivery, price-quality ratio and communication. Suppliers with a positive sustainability score will be encouraged (with extra orders were possible).

We are in a continuous dialogue with our suppliers. Social compliance is on a regular basis on the agenda of supplier meetings: the follow up of Corrective Action Plans, living wage projects, country specific issues, etc. Where possible, we also collaborate with other Fair Wear Members with who we share suppliers (f.e. on Worker Education Programmes, living wages, etc.)

***e. Gender equality and diversity***

Belconfect strongly believes in the power of gender equality and diversity. Respect for each other is a core principle, regardless of gender, religion or nationality.

Women are well represented in management positions – both in Belgium as in Tunisia. Without fixing quotas, we commit ourselves to a gender balanced management for now and in the future.

We commit to organize FWF Worker Education Programs on Gender Equality at suppliers in production countries where gender inequality and gender based violence are defined as possible risks. We include gender in our risk analysis, we will make use of the FWF gender toolkit and we will report on gender related data.

***f. Social dialogue***

We commit to promote the ILO labor standard of freedom of association and collective bargaining as fundamental rights. This standard is evaluated in a systematic way during social audits, and will be discussed with the supplier in meetings on the Corrective Action Plans after audits. We will actively stimulate and report on social dialogue at our most important suppliers.

***g. FWF grievance mechanism hotline***

Fair Wear 'grievance mechanism hotline' is hanged visible in all factories in country language. When garment workers feel that their rights are being violated, or when others see this happen, they can make a claim at Fair Wear.

Belconfect's CSR manager is designated to follow up on complaints.



#### ***h. Responsible exit strategy***

Although we go for long term business relationships, from time to time we have to change suppliers. Reasons for change can be CSR, quality, communication or price issues among others.

In case we have to end a business relation with a supplier, we follow an exit strategy:

- Analyzing the reason for ending the relationship and weigh all options for leaving versus staying with the supplier.
- Inform the supplier as soon as the decision has been made internally and at least one season ahead. The information should include a transparent explanation about the reasons for ending the business relationship.
- We will have a clear view on the possible social impact of this decision and on prevention of the possible negative impact.
- We have to answer the following question: does the exit lead to layoffs (or even closure) if nothing else would change? If so, as a Fair Wear member we have to ensure the supplier is compliant with severance laws and monitor whether the supplier is financially able to cover those costs.
- We have to inform Fair Wear of our decision and the outcome of the above steps. In case needed, we can ask Fair Wear for advice.
- In consultation with the supplier, we define a phase-out plan with a clear timeline.

#### ***i. Transparency***

Belconfect commits to be transparent on its supply chain, by publishing its supplier list through FWF and in our yearly Social Report.

We have a system in place to identify all production locations. All suppliers are obliged to always keep Belconfect informed about where each order is being produced. Any undisclosed production facility found would constitute a violation of this Responsible Business Conduct Policy.

Belconfect reserves the right to make visits to all factories producing its goods, at any time. Belconfect also reserves the right to let an independent third party of its choice make inspections, to ensure compliance with Belconfect's Code of Conduct. The suppliers and its subcontractors shall maintain on file all documentation needed to demonstrate compliance with this Code of Conduct and required laws, agrees to make these documents available for Belconfect or its designated auditor and agrees to submit to inspections with or without prior notice.

### **4. PRINCIPLES OF TRUST AND CO-OPERATION**

All employees and suppliers of Belconfect will be informed about this Brand Responsibility Conduct Policy. Belconfect trusts its own staff to take responsibility in their work and expects from its business partners that they do the same. Belconfect believes in co-operation and is willing to work with its suppliers to achieve workable solutions in each individual case.

Belconfect is willing to take into consideration cultural differences and other factors which may vary from country to country but will not compromise on its basic requirements regarding safety and human rights, nor on its basic requirements regarding environment.

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ideas, it's  
about making  
ideas happen.



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