

Dune
L O N D O N

ETHICAL TRADING CODE OF CONDUCT

INTRODUCTION

At The Dune Group we believe that we must be committed to ethical business practices in all of our operations worldwide. We know our customers expect us to work to the highest legal, ethical and environmental standards and we believe in working with our supply chain partners to deliver that. This Code of Conduct sets out the standards for all our supply chain partners and applies to all stages of activity that relate to the production of our products. This Code forms part of the governance framework established by the Board of Directors of Dune Group Limited who set the strategic goals for the business.

We are proud of the fact that many of our supplier relationships stretch back many years and the team at The Dune Group and our suppliers' teams work alongside each other in a spirit of collaboration. We require all our suppliers to operate according to the standards set out in this Ethical Trading Code of Conduct.

We recognise that footwear and fashion are complicated businesses which can be impactful on the environment, our communities and in particular on the lives of the people who work in our supply chain. In support of these beliefs, we continue to map and review our supply chain to give us transparency and visibility to all stages of our production processes. We review and update our policies from time to time as law and industry norms evolve

This Code states the minimum standards that The Dune Group expects of all its supply chain partners with regard to social issues including the working conditions of all workers, sourcing (including raw material guidelines) and environmental guidelines. However, we encourage our partners to work with us and, wherever possible, do more than the legal minimum and to push towards continuous improvement in their operations in the key areas of ethical trading, environmental protection and business ethics.

ETHICAL TRADING CODE OF CONDUCT FOR SUPPLIERS AND FACTORIES

Labour governance standards are based on the Ethical Trade Initiative Base Code, which is widely recognised and used as the minimum standard across most industries, and are supplemented to include current best practice. In addition, these standards are consistent with the United Nations Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organisation (ILO).

LABOUR GOVERNANCE

1. Employment is freely chosen

1.1 There is no forced, bonded or involuntary prison labour, and any form of modern slavery is prohibited within The Dune Group and within any part of our business activities.

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. Emergency exits must be unlocked and unblocked at all times and emergency evacuation procedures must be adequate and practised.

Building strength and integrity including electrical, structural and fire safety standards must meet with prevailing local laws and regulations. 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,

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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 supplier observing the code shall assign responsibility for health and safety to a senior management representative.

3.6 Workers must be allowed reasonable freedom of movement in the workplace, outside of the workplace after working hours and in and around the dormitory or accommodation, where provided.

3.7 In geographically isolated areas where labour is brought in and provided with accommodation, the employer shall provide support services such as medical and health facilities and recreational facilities. Where dedicated transport is provided this shall conform to national transport safety legislation.

4. Child labour shall not be used

4.1 There shall be no new recruitment of child labour.

4.2 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

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. In accordance with ILO standards on Child Labour the minimum age for admission to employment or work is 15 years unless minimum age for work or mandatory schooling is higher, in which case the higher age shall apply.

Note: The 1973 ILO convention allows for "in limited circumstances in less developed countries" the minimum age of 14 years. However, the higher age of 15 is the standard we expect.

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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, and should include all other legally mandated benefits. 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 as regards wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Wages must be paid regularly and on time according to their employment contract.

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:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiation with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected

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production peaks, accidents or emergencies.

6.6 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. Workers shall not be required or asked to take work home or off premises unless under previously contracted home-working arrangements.

** International standards recommend the progressive reduction of normal working hours of work, when appropriate, to 40 hours per week without any reduction in workers' wages as hours are reduced.*

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, subcontracting 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 or flexible hour 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 or psychological abuse or other forms of intimidation shall be prohibited.

9.2 Suppliers must have both a written disciplinary procedure and a written grievance procedure that are understandable to workers and which include documented records of individual disciplinary hearings and are operated in a fair and transparent manner.

10. Right to Work

10.1 Suppliers must be able to show that all workers have a legal right to work in the country of operation. The suppliers must do this by reviewing and validating their documents and must return the documents to the individual worker.

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10.2 Employment agencies must only supply workers who are registered with them and suppliers must validate, by reviewing original documents and then returning them to workers, that agency workers have legal right to work in their country of operation.

11. Agency workers, homeworking

11.1 Suppliers must have processes that ensure agency and homeworkers have equal rights and/or rights according to the local labour law relating to agency and homeworking. Homeworking should be notified to The Dune Group in advance and is not authorised without prior written consent.

Subcontracting:

Finished goods suppliers may not subcontract any operation in the manufacturing of finished goods process without prior written consent from The Dune Group. Any approved subcontractor must implement and adhere to the standards set out in this Code. It is the supplier's responsibility to ensure that The Dune Group have accurate visibility of manufacturing facilities involved in the assembly of all finished goods. Any changes that are found to be necessary during or before the production process must be immediately communicated to The Dune Group for their prior approval. We reserve the right to refuse to accept goods which have been produced in manufacturing sites that have not been agreed in advance. In addition, any approved subcontractor may not subcontract any part of their business without the prior written consent of The Dune Group.

Modern Slavery:

The term modern slavery covers all offences covered by the UK Modern Slavery Act 2015 which includes slavery, servitude, forced or compulsory labour and human trafficking. Modern slavery is a crime and a violation of fundamental human rights. Suppliers must ensure that they are constantly vigilant about the risks of forced, bonded and trafficked labour in their own business and in any part of their supply chain.

Suppliers are expected to maintain high levels of awareness and governance in situations where risks can be high such as foreign contract workers and migrant labour populations. This should include measures such as suppliers must ensure they do not: (i) withhold identification documents, (ii) have a system of recruitment fees or (iii) prevent workers from leaving employment or repatriating at the time of their choosing. Suppliers must facilitate the unhindered freedom of movement of their workers.

Suppliers should be aware that factory visits and worker interviews will look for signs of the risk of modern slavery and also that The Dune Group employees are expected to report any concerns they may have about such risks.

SOURCING OF RAW MATERIALS AND ENVIRONMENTAL

1. Endangered Species

The Dune Group will not use materials that come from species that are endangered or that appear on the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) database or on the IUCN (International Union for Nature Conservation) red list.

2. Animal Welfare

It is the responsibility of the supplier to ensure they work with responsible suppliers of raw materials who can assure the animal welfare within their supply chains. This should include as a minimum:

- compliance with any legislation in the country of origin concerning animal welfare.
- humane treatment of animals during their lifetime and in transit and at time of slaughter.
- no live skinning or plucking or other inhumane methods of obtaining materials during the lifetime of the animal.
- animal based raw materials must at all times be a by-product of the food industry.

All suppliers should be able to provide details of the source, supplier, country of origin and species of all and any animal products (such as leather, suede and shearling) that are used on Dune products. From time to time we may issue restrictions of material types that cannot be used or instructions about approved suppliers.

3. Fur and Faux fur and other non-standard materials

Fur means any animal skin with hair or fur fibres attached, for example rabbit fur and hair calf also known as pony skin (which is cow or calf skin with hair still attached). Fake fur is non real fur made from synthetic fibres.

Dune products must not use certain animal based materials and it is the supplier's responsibility to ensure that they do not supply such materials. Dune does not use real fur i.e. no rabbit, fox, mink or Asiatic raccoon may be used, Angora rabbit fibres, real horse or pony skin products, karakul (also known as broadtail and astrakhan) or any products derived from aborted animals. Where synthetic furs are specified, the supplier must be able to supply optical microscopy test results if requested to prove that faux fur has been used. Feathers may be used which are a by-product of the food industry only and come from geese, chickens and ducks.

Leather must not be sourced from the Amazon Biome where cattle ranching is known to be impacting on deforestation. Suppliers are encouraged to work with tanneries and suppliers operating under best practice and sustainable principles such as the Leather Working Group.

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Leather may only be sourced from the following animal origins: cow, buffalo, pig, sheep and goat. Wool may only be used when it is the by-product of the food industry or has been responsibly shorn. Suppliers must ensure that wool based materials come from a non-mulesing origin.

4. Environmental

Suppliers must follow the laws and regulations that apply in their country and comply with best practice and norms across the industry. However, these are seen as minimum standards and suppliers are encouraged to engage in an environmental management system programme that will drive continuous improvement and result in the reduction of the use of potentially harmful chemicals in their supply chain.

Suppliers must ensure they limit as far as possible the impact of their operations on the local environment or community where they operate, this includes issues such as water and air emissions, noise and waste disposal. Every effort should be made to actively reduce impacts and the use of resources over time.

All of our products must comply with REACH. REACH is a European Union regulation concerning the registration, evaluation, authorisation and restriction of chemicals and was adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals. The Supplier Manual contains further information on product compliance.

BRIBERY AND CORRUPTION

It is the intention of The Dune Group to conduct all of its business in a transparent, honest and legal manner. We take a zero-tolerance approach to bribery and corruption.

A bribe is a financial or other advantage offered, promised or given to induce someone to perform a relevant function or activity improperly or to reward that person for doing so. A bribe includes gifts, hospitality, entertainment, political or charitable donations, sponsorship and publicity. The bribe could be offered to the person themselves or to someone else on their behalf. Bribery can also take place where the bribe is made by or through a third party. Individuals can be liable even if the bribe is not actually given.

Suppliers must comply with all applicable anti-bribery and corruption laws. We also expect suppliers to have in place an anti-bribery and corruption policy to which they, their employees and their representatives must strictly adhere. Such a policy must include the putting in place of

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procedures to prevent employees and representatives of suppliers from committing offences of bribery or corruption.

Suppliers should be aware that The Dune Group has in place an Anti-Bribery Policy to which all employees and those acting on its behalf must comply. The offering, paying, soliciting or accepting of bribes including facilitation payments is strictly prohibited by any employee of The Dune Group or any one acting on its behalf. In particular, suppliers must be aware that employees of The Dune Group must not accept or offer any gift, entertainment or service that could be construed as a bribe. Employees are expected to report any gifts or hospitality that are deemed disproportionate to normal business relations. In addition, employees must report any bribery, corruption or facilitation payments that they are aware of.

REMEDIATION

If a supplier becomes aware of a breach of the Ethical Trading Code in any part of the supply chain, the supplier must immediately notify The Dune Group's compliance team at compliance@thedunegroup.com and disclose any details that are deemed necessary in order for us to accurately assess the problem. The supplier must co-operate with The Dune Group and implement all measures necessary in order to resolve the issue at their own expense.

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