

APG & Co Global Sourcing Principles

The APG & Co Global Sourcing Principles (Principles) provides guidance on the social and environmental core standards to the business. It is expected that all areas of the document are implemented within the business practices of all suppliers of goods and services to APG & Co. This document is to be used in conjunction with the APG & Co Code of Conduct.

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1. ABOUT APG & Co

APG & Co is a leader in the Australian Fashion Industry and designs and manages the following brands in Australia:

- Sportscraft;
- Sportscraft MAN;
- SABA;
- S/B/; and
- JAG

For over 50 years, APG & Co. has curated a collection of Australia's great fashion brands. Our purpose is to grow these brands and guide their evolution to be at the forefront of Australian fashion.

As a curator of Australian fashion labels, our role is to celebrate our heritage and to allow our brands to express themselves in contemporary, relevant and authentic ways. We are proud of our achievements to date and relentlessly strive for continual success in the future.

We have an unwavering commitment to design and quality across all aspects of our business. This commitment, when coupled with our creativity and passion allows us to bring great brands to life in engaging and surprising ways.

Our brands are known for their quality and craftsmanship, and we source the best fabrics from around the world.

Our approach to the sourcing of products and services is founded on the principles of integrity, respect, accountability, sustainability and improvement. We have strong vendor relationships throughout our supply chain and are continuously working to promote best practice in respecting human rights and the environment. We are committed to working with our suppliers in a supportive, open and transparent manner and we request our suppliers do the same.

2. ABOUT THESE PRINCIPLES

2.1 Application

These Principles apply to all suppliers and subcontractors, as well as anyone doing business with APG & Co (hereinafter referred to as '**suppliers**'). These include:

- parties that provide products that are sold under trademarks registered to APG & Co (e.g. Sportscraft, SABA, and JAG);
- parties that provide branded merchandise that is sold by APG & Co under licence or other arrangement; and
- parties that provide other services and support to APG & Co such as building maintenance, cleaning, communication, recruitment and security products and services.

We have established these Principles which set out the fundamental requirements and minimum standards that must be followed by our suppliers. These principles refer to '**workers**' which means any individual working with a supplier under a contract of employment or any other arrangement, where the individual undertakes personally to do work or supply services to the supplier.

These Principles are based on International Labour Organization (ILO) standards, the Ethical Trading Initiative (ETI) Base Code (which is founded on the conventions of the ILO), national legislative requirements and accepted best ethical and sustainable business practice.

2.2 Supplier Commitment

APG & Co takes great care in selecting the businesses who supply us directly with our products and services.

Suppliers must always apply these Principles to their dealings with APG & Co and be able to demonstrate and provide evidence to APG & Co (upon request) that they are doing so.

We recognise that different culture, legal and ethical systems may exist in the various countries in which our products may be sourced or manufactured. We will therefore continue to work with our suppliers to support any necessary improvements, but we may also cancel contracts with suppliers if they are not prepared to make appropriate changes to meet the requirements outlined in these Principles.

We require our suppliers to conduct business with honesty, integrity and respect for human rights and worker interests. Suppliers are required to maintain the standards outlined in these Principles and to enforce these in their supply chain (e.g. raw materials suppliers, processing facilities, factories and warehouses).

These principles are drafted in the English language, and where there are other versions of this document, that the English version will prevail in any case of any discrepancy.

3. APG & Co SUPPLIER CODE OF CONDUCT

These Principles are to be followed in conjunction with the *APG & Co Supplier Code of Conduct (the Code)*. The Code summarises the minimum standards of ethical and responsible behaviour that APG & Co expects from its suppliers and business partners and requires that suppliers commit in writing to comply with those fundamental principles. These principles expand on, and add context to, some of the requirements in that Code.

We require that all suppliers **read, understand and sign the Supplier Commitment attached to the Code** and take legal advice on this prior if necessary.

4. COMPLIANCE WITH THE LAW

4.1 Compliance with the law

Suppliers must comply with all relevant local and national laws and regulations, including local and national laws and codes, rules and regulations as well as (where possible) applicable treaties and voluntary industry standards.

If there is a conflict between any law or code and any supplier obligation in these Principles, the supplier must adhere to the standard that promotes the higher level of protection for workers, communities and other affected parties.

Ensure that staff working for the supplier are currently and adequately trained, to ensure their understanding of, and compliance with, these Principles and adherence to quality assurance and control processes.

5. TRANSPARENCY

5.1 Supplier transparency

Suppliers are required to be working towards full transparency in relation to any of their relevant supply chains and operations - including disclosure to APG & Co of all known sources of raw materials, manufacturing sources or other information relating to the supply of goods or services (upon request from APG & Co or its authorised representative).

APG & Co reserves the right to request the provision of audit reports, certifications, memberships and other social and environmental compliance evidence from its suppliers and to conduct unannounced audit visits by an independent officer to facilities producing APG & Co branded goods.

5.2 Supplier supply chain

APG & Co expects its suppliers to cascade the same standards outlined in these Principles when dealing with their own suppliers. Suppliers are expected to complete their own risk assessments & due diligence for the countries they source from. Suppliers are expected to have a good understanding of the stability & viability of their supply chain and its compliance with the requirements outlined in these Principles.

APG & Co may publish information about its suppliers and business partners online (i.e. this may be made publicly available). This may include information about a product or service's social, environmental and ethical attributes, and locations used in production and supply of APG & Co products and services. This will not extend to the sharing of supplier's confidential documents.

It is a condition of working with APG & Co, and a requirement of these Principles, that we can publish details of factories used by suppliers at our discretion. APG & Co will also publish an annual Modern Slavery Statement as required by the Australian *Modern Slavery Act 2018* (Cth). These statements will describe the actions we take to assess and address our modern slavery risks in our supply chains and operations.

5.3 New suppliers

APG & Co has a standard procedure for establishing a partnership with a new supplier.

We ask that all new suppliers fill in the new supplier form and read our Supplier Code of Conduct and then accept, sign and return the *APG & Co Supplier Commitment* on the last page of the Code.

APG & Co will offer our support to suppliers where possible. If you do not understand the requirements of the Code or these Principles, or are unable to comply with the requirements that they contain, please email us for further information at contactus@apgandco.com. This should be done prior to completing the new supplier form or engaging in supply of goods or service to APG & Co.

When the supplier completes the New Supplier Form and the APG & Co Supplier Commitment form, these documents should be returned as soon as possible, to ensure that new suppliers are set up in our system in a timely manner. Contracts for Orders cannot be raised until the completed new supplier form and the signed APG & Co Supplier Commitment form are received by APG & Co.

5.4 Supplier approval and audit process

APG & Co has a supplier approval process during which we will communicate the standards we expect of our suppliers as outlined in our Code and our Principles. We also take steps to make sure those standards are met during our process of supplier and factory auditing.

For facilities producing APG & Co branded goods, APG & Co requires either the submission of a third-party audit report and/or a visit by one of our dedicated auditors before commencing new business. This due diligence is a requirement for compliance matters such as factory licences, building layouts, fire drill records, health and first aid certificates, working hours, wage records, pay slips, injury records and environmental impact assessment

reports and approvals. If any issues are uncovered, we rely on a 'Corrective Action Plan' to summarise our social compliance audit findings set out any corrective action that our suppliers need to take to ensure conformity with our Code of Conduct and local laws. We work in partnership with our suppliers to facilitate ongoing improvement in order to benefit both their workers and to improve our business practices.

5.5 Outsourcing of production

Suppliers may not engage in out-sourcing of agreed production unless this has been authorised by APG & Co. Suppliers must also take steps to ensure that any business partners used for outsourcing of production or supply of raw materials retain information and documentation to allow verification of compliance with all aspects of this Code. APG & Co will not under any circumstances accept products or services from non-approved factories or sites.

Suppliers are required to ensure that any subcontractors authorised by APG & Co, are advised that they need to abide by these Principles and sign a copy of the APG & Co Code of Conduct.

5.6 Location of manufacture

APG & Co is committed to transparency in its supply chains and operations. We consider this is essential to our goal of responsible business conduct and that it works to build the trust of our employees, suppliers, consumers, labour advocates, and investors.

Suppliers are required to keep APG & Co informed (upon request) where its products are being produced, including if there is any subcontracting and homeworking involved in supply chain. Relevant documentation and evidence must be maintained for auditing purposes.

5.7 Intellectual Property

The prints, designs, patterns, garments and accessories developed by APG & Co (and its brands) are the intellectual property of APG & Co. These items are not to be passed on to or supplier to any other retailer/customer.

APG & Co owns any branding and logos of Sportscraft, SABA, and JAG and these brands and logos must not be reproduced unless this has been authorised by APG & Co.

5.8 Worker training on these Principles and the Code of Conduct

Suppliers are expected to take appropriate steps to ensure that the provisions of these Principles and the Supplier Code of Conduct are communicated to their workers. Where possible this should include the placing of a copy of these documents, in the local language and in a place readily accessible to workers at all times. If assistance with making these documents available is required, please contact APG & Co to advise that this is the case.

6. MODERN SLAVERY AND HUMAN RIGHTS

6.1 Human rights and social justice

APG & Co actively supports practices which value and comply with human rights and social justice standards. Our intent is to engage with suppliers to ensure recognised labour and human rights are respected and met. Suppliers must not engage in any practice which constitutes modern slavery.

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. This can include serious forms of exploitation such as forced labour, debt bondage and human trafficking.

6.2 Slavery or forced servitude

Suppliers must not use any forced illegal or involuntary labour. This includes any prison, indentured or bonded labour. Workers should be allowed to leave their employment freely after reasonable notice.

6.3 Trafficking in persons

Suppliers are prohibited from engaging in any form of trafficking in persons.

6.4 Labour facilitated by any form of coercion, deception or debt bondage

Suppliers are prohibited from:

- Destroying, concealing, confiscating, or otherwise denying access by an individual to the individual's identity or immigration documents, such as passports or drivers' licences;
- Using misleading or fraudulent practices during the recruitment of candidates or offering of employment/contract positions; such as failing to disclose, in a format and language accessible to the potential candidate, basic information or making material misrepresentations during the recruitment of candidates regarding the key terms and conditions, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs, any significant cost to be charged to the candidate, and, if applicable, the hazardous nature of the work;
- Forcing a worker to work to pay off a debt;
- Using recruiters that do not comply with local labour laws of the country in which the recruiting takes place; and/or
- Charging applicants or candidates recruitment fees.

6.5 Child labour

Suppliers must not employ a person under the age of 18 - or under the age of completion of compulsory education – whichever is higher.

All legal limitations regarding the employment of individuals under the age of 21 must be followed. Persons under the age of 21 years shall not be employed at night or in hazardous conditions.

6.6 Migrant workers

Suppliers must ensure that migrant workers shall have the same entitlements as local workers. Any commissions, recruitment costs or other fees relating to the employment of migrant workers must be covered by the worker's employer. The employer may require a worker to provide identification documents and keep copies of the documents on file but shall not retain those original documents. Lump sum payments by the employer and deposits by workers are not permitted.

For Australian suppliers of goods or services, any workers sourced directly from overseas countries must be hired through a recognised Labour Agreement Stream Visa, and that terms of employment, mandatory benefits and legal working rights are fulfilled in accordance with National Employment Standards.

6.7 Freedom of Association

Suppliers shall permit freedom of association, union related organisation and collective bargaining in a lawful and peaceful manner. Suppliers are expected to respect the right of workers to form or join associations or committees of their own choosing and to bargain collectively.

APG & Co will not tolerate disciplinary or discriminatory actions from suppliers against their workers who choose to peacefully and lawfully organise or join a union or similar association. Worker's representatives are to be discriminated against and shall be given access to carry out their representative functions in the workplace.

7. WORKING CONDITIONS, WORKING HOURS AND EMPLOYMENT TERMS

7.1 Safe and hygienic working environment

A safe and hygienic working environment shall be provided to workers, considering the supplier's knowledge of the industry and of any specific hazards.

Suppliers need to ensure that workers shall have unrestricted access to necessities such as clean drinking water and toilets during both work and non-work hours at the work site or in employer provided or arranged housing.

7.2 Working Hours

Suppliers are required to take steps to ensure that workers are not required to work in excess of the number of hours permitted by applicable local or national law. Where the law is silent, normal working hours shall not exceed eight hours per day and 48 hours per week, and total working hours including overtime shall not exceed 60 hours per week unless:

- this is allowed by an applicable local or national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the supplier can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Overtime work must be voluntary and compensated in accordance with applicable laws. Where this is not specified, overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay. No worker shall be made to work overtime under the threat of penalty, dismissal, or denunciation to authorities, or as a disciplinary measure.

Suppliers should ensure that workers are provided with at least one day off in every seven-day period or, where allowed by local or national law, two days off in every 14-day period.

7.3 Coercion and harassment

Disciplinary policies and procedures must be clearly defined and communicated to all workers, and shall not include any inhumane disciplinary measures, including any corporal punishment, mental or physical coercion, verbal abuse of workers, wage deductions, reductions in benefits (disciplinary deductions), or compulsory labour.

Suppliers shall treat workers with dignity and respect and shall ban any threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse from the workplace. Suppliers must ensure that their factory and facility managers and supervisors must never threaten the use of, or practice any form of, violent or unwanted physical contact with workers.

7.4 Employment terms

Suppliers must ensure that work performed for them is done on the basis of a recognised employment relationship, established in compliance with the requirements of national legislation and international labour standards.

Suppliers must ensure that all workers on their sites are provided with written and understandable information (provided in the local language) about their employment conditions, including wages, benefits, working hours, holidays, locations of the work, living conditions, housing and associated costs, work-related hazards and other working conditions before they enter into employment.

Suppliers must not use temporary labour arrangements to avoid legal obligations to workers, for example, excessive use of fixed-term or casual contracts, sub-contracting, home-working or apprenticeship schemes (where there is no real intent to impart skills or provide regular employment).

For Australian suppliers of goods and services, it is a requirement that your business has employment systems, policies and procedures in place to comply with relevant Australian labour laws.

7.5 Human resources systems and processes

Suppliers must adopt and implement human resources policies and procedures appropriate to their size and workforce, which are consistent with the requirements of the relevant local and national law and these Principles.

Suppliers must develop processes for communicating and consulting with workers and their democratically elected representatives to share information on the business and to gather feedback. Where relevant a gender committee should be considered to ensure women's health and rights are considered and their voice heard by management.

7.6 Wages and Payments

APG & Co is committed to promoting conditions that support every worker's opportunity to receive a 'living wage' (i.e. remuneration for their work that allows a decent standard of living including food, water, housing, education, healthcare, transport, clothing and other essential needs).

We require that our suppliers work to ensure that all workers are paid a fair wage for the region in which they work – which should be at least the minimum wage required by applicable laws. Suppliers must also ensure that workers are provided all legally mandated benefits.

Wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the worker. Wages should not be delayed, deferred, or withheld. Workers should also be provided with a written specification of how their wage has been calculated, which outlines the nature and amount of any deductions. Wage deductions must not be used to keep workers tied to the employer or to their jobs and supplier must not hold workers in debt bondage or force individuals to work in order to pay off a debt.

7.7 Occupational health and safety

APG & Co suppliers are required to provide a workplace for workers, which meets or exceeds requirements of all relevant occupational health and safety requirements and is designed in a way to minimise accidents or injury to workers.

Suppliers are required to have a procedure for identifying workplace hazards and assessing their risks. Potential emergency situations and events are to be identified, and their impact on workers minimised by implementing emergency plans and response procedures.

Suppliers must also adopt responsible measures to mitigate negative impacts that the workplace may have on its workers (e.g. night shifts or any hazardous work), provide their workers with protective equipment as required by applicable law and industry standards, and require that it be worn. APG & Co suppliers should also inform workers about the health and safety risks of not wearing required personal protective equipment (e.g. eye protection, hearing protection, respirator masks, face shields, gloves, aprons, foot protection, etc.).

No hazardous equipment may be used within a supplier's facility and emergency exits facility must be clearly marked, well-lit and unblocked at all times. Evacuation through emergency exits must always be possible during working hours or when workers are present in the facility. Everyone working on the premises must be regularly trained in how to act in case of fire or another emergency and first aid equipment must be available. Where this is legally required by local law, a doctor or nurse should be available for workers during working hours.

Suppliers must ensure that workers shall have unrestricted access to basic necessities such as clean drinking water and toilets at work and living arrangements. Worker's freedom of movement shall not be unreasonably restricted, and workers shall not be physically confined to the workplace or related premises, such as employer- or recruiter-operated residences. Suppliers are not permitted to use any coercive means to restrict their workers' freedom of movement or personal freedom.

APG & Co suppliers must not make mandatory residence in employer-provided or arranged facilities a condition of employment.

7.8 Non-discrimination

Suppliers must not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement. This applies to all forms of discrimination including that which is based on race,

gender, religion, age, disability, sexual orientation, nationality, pregnancy, political opinion, social groups or ethnic origin.

Suppliers must ensure that individuals working on tourist or temporary visas or migrant workers shall benefit from conditions of work no less favourable than those available to country nationals (including but not limited to wages, benefits, and accommodations).

Suppliers are expected to treat their workers with respect and dignity and ensure that no worker is subject to any physical, sexual, psychological, or verbal abuse.

7.9 Gender Equality

It is a condition of supply to APG & Co that suppliers have read and understood **APG & Co's Supplier Gender Equality Policy**, which stipulates that an inclusive workplace culture should be fostered, where women, men and gender-diverse people are treated fairly. Managers and supervisors should be trained to recognise signs of violence against women, gender discrimination and sexual exploitation.

Suppliers should actively encourage and provide resources for career development and promotion of women workers and strive to ensure women are active in decision-making processes.

Suppliers must seek to improve work-life balance and offer flexibility in work structure for parents, ensure there is no discrimination or penalisation associated with pregnancy and child-rearing, and guarantee provision of appropriate sanitary facilities.

Suppliers must ensure equal access to health insurance, including for part-time workers, and respect women and men workers' rights to time off for medical care and for counselling for themselves and their dependents.

8. BRIBERY AND CORRUPTION

It is a condition of supply to APG & Co that suppliers will not take part in any activity or dealing which would constitute bribery and corruption. Suppliers and their workers are not to offer or receive (directly or indirectly) bribes or kick-backs in any business dealing involving APG & Co.

Suppliers and their workers should not give or accept improper payments or gifts in order to conduct business on behalf of APG & Co.

Suppliers are required to declare any conflict of interest in any business dealing with APG & Co of which the supplier or contractor is aware.

Supplier may not engage in any APG & Co related business practice that:

- results in personal benefit (other than as any employee or under a contractual arrangement to provide goods and services);
- allows the receipt of discounts from contractors or suppliers (unless they are corporate agreed discounts that have been notified and made available to every employee);
- involves the carrying on of personal business (unless this has been authorised by APG & Co);
- involves fraud – which is the deliberate action by any person to create, falsify, destroy, deface or conceal any account, balance, record or document (or to allow for this action to be taken);
- places the supplier in a position of conflict of interest – where it is involved in an activity for personal gain (for the individuals or the family) which conflicts with APG & Co's interests; and/or

- involves deception or misuse of position with the intention of obtaining money, assets, services, information or any other benefit.

Suppliers must ensure that any business entertaining or hospitality with APG & Co is kept reasonable in nature and is only to be done for the purpose of maintaining good business relations. This should not be done to influence in any way how APG & Co awards future business.

9. ANIMAL WELFARE

APG & Co is committed to ensuring our products are sourced humanely and responsibly. Suppliers must, where possible, take steps to prevent their processes doing harm to animals. It is our preference that suppliers do not do any animal testing.

Suppliers must not supply any products to APG & Co that use raw materials from any species that are listed on the Convention on International Trade in Endangered Species (CITES) or the IUCN red list as Critically Endangered, Endangered or Vulnerable.

9.1 'Five freedoms' requirements in relation to treatment of animals

Suppliers must take steps to ensure all farms producing wool, hair, down or other animal sourced materials for APG & Co products must meet the 'five freedoms' requirements in relation to treatment of animals which are freedom from:

- i. hunger and thirst - by ready access to fresh water and a diet to maintain full health and vigour;
- ii. discomfort - by providing an appropriate environment including shelter and a comfortable resting area;
- iii. pain, injury or disease - by prevention through rapid diagnosis and treatment;
- iv. an inability to express normal behaviour: by providing sufficient space, proper facilities and company of the animal's own kind; and
- v. fear and distress - by ensuring conditions and treatment which avoid mental suffering.

Where possible, supplier should source raw materials or animal products that are third-party verified by a humane certification program.

9.2 Leathers and Skins

We aim to only use leathers, skins and feathers from animals that have been slaughtered for other purposes (such as meat production). We request that our suppliers of animal products are aware of and follow the *OIE (World Organisation for Animal Health) Global Standards* (which address animal welfare issues such as animal transport, the slaughter of animals, and killing for disease control purposes). We support the Leather Working Group Certification. We do not accept the use of:

- leather that was taken while the animal was alive (stunning and slaughter guidelines are outlined in the OIE Standards);
- Karakul (sheep or lamb) or any leather or skin products that are the product of unnatural abortions (e.g. Astrakhan, Broadtail, Persian Lamb, Swakara or Krimmer);
- Angora/ Shearling.

9.3 Mulesed sheep

Mulesing involves cutting crescent-shaped flaps of skin from around a lamb's breech and tail to leave an area of bare, stretched scar tissue which has no folds or wrinkles and is less likely to attract blowflies and result in flystrike.

APG & Co do not accept wool from mulesed sheep on all wool knitwear. Suppliers should ensure that wool is sourced from flystrike-resistant sheep, and either a non-mulesing declaration, wool testing report or Responsible Wool Standard certification must be provided at the time of purchasing.

APG & Co is committed to continually work towards ensuring all wool used in its supply chain is non-mulesed.

9.4 Angora Wool

Angora wool must not be used in any product produced for APG & Co. We believe this ban reflects current best practice, given the difficulty in guaranteeing the humane treatment of Angora rabbits during the process of removal of their wool. Angora wool should not be confused with mohair which comes from the Angora goat.

9.5 Fur and Faux Fur

APG & Co has adopted the definition of fur developed by the Fur Free Alliance, which notes that fur means:

'any animal skin or part thereof with hair or fur fibres attached thereto, either in its raw or processed state or the pelt of any animal killed for the animal's fur.'

This does not include: any clipped or shorn materials such as fleece, sheepskin and shearling; leather with hair attached; or any synthetic material intended to look like fur, such as faux fur.

Suppliers are prohibited from using real animal fur – This includes fibres from fox, sable, mink, chinchilla, rabbit, muskrat, racoon dog, astrakhan and karakul lamb hair.

9.6 Feathers and Down

APG & Co does not accept feather or down that was plucked from live animals. Feathers must only be purchased from licenced organisations with proper records and certifications.

9.7 Hair and Fibre

APG & Co accepts hair and fibre from living and domesticated animals such as cow, sheep, buffalo, yak, horse, goat and alpaca but these hairs and fibres must not be obtained by live plucking. Certification must be obtained for all animal derived fibre – Responsible Wool Standard, Responsible Alpaca Standard, Responsible Mohair Standard, Good Cashmere Standard, Leather Working Group, among others.

10. RESTRICTED PRODUCTS AND RAW MATERIALS

10.1 Goods or services sourced in Xinjiang, China

APG & Co does not wish to source products, services or raw materials from the Xinjiang region of China. This is due to the prevalence of forced labour and other human rights abuses in the region, involving the Uyghur people.

APG & Co is committed to working with our existing suppliers in China to better understand their relationship to any Chinese Government 're-education efforts', 'poverty alleviation', 'vocational training' and other forced labour or human rights abuses in the Xinjiang Uyghur Autonomous Region.

Any APG & Co suppliers that are providing or sourcing cotton and textile products from China are required to make sure all relevant chain of custody documents are received and kept on file in order to authenticate the origin of cotton and textile products. They must also take steps to identify any forced labour 'red flags' in their supply chain, including those specific to the Xinjiang region. Suppliers are banned from sub-contracting internally to its own factories involved in forced labour. If there are any indications that factories or other raw material suppliers involved in the APG & Co supply chain are connected with the use of forced labour (or the labour of the Uyghur people in the Xinjiang region), this must be reported to APG & Co immediately upon the supplier becoming aware of the issue, so that remediation processes can be put in place.

10.2 Other Cotton Supply Regions

We are committed to not knowingly sourcing raw cotton from Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan or Uzbekistan where it has been reported that state-sponsored child and forced labour is systematically used in the cotton industry. Suppliers must also exercise caution in sourcing from parts of Central Asia, South Asia, South America and Africa, where there have been allegations of labour abuses in cotton farming.

10.3 Potentially harmful substances

Suppliers to APG & Co must not use the following potentially harmful substances in facilities, operations or supply chains linked to the manufacture of products to be supplied to APG & Co - Chromium VI, dimethyl fumarate (DMF), phthalates, alkylphenols or dispersion dyes.

Suppliers are also required to keep full records of, and comply with all applicable restrictions, standards and requirements relating to the use of any azo dyes, chlorinated phenols or formaldehyde in the manufacture of products to be supplied to APG & Co.

Suppliers should refer to the most recent version of the [ZDHC MRL](#) for full guidance on chemical substances banned from intentional use in the processing of textile materials, leather, rubber, foam, adhesives and trims used in the textiles, apparel, and footwear industry. All suppliers must sign our **Statement of Chemical Compliance**.

11. ENVIRONMENT AND SUSTAINABLE PRACTICES

11.1 Compliance with the law

Suppliers are expected to meet all local and national regulations relating to environmental responsibility and sustainability. It is expected that suppliers conduct a risk assessment of their operations in order to understand their impact on the environment and comply with all relevant environmental laws at their facility, and in the local areas and communities in which they operate, particularly with respect to water, energy, hazardous chemicals, air quality and waste.

Suppliers are expected to take steps to protect the long-term health of ecosystems by preventing harm to the environment and by using natural resources responsibly and to incorporate environmentally responsible practices into all activities that relate to the supply of goods and services to APG & Co.

11.2 Hazardous, toxic or carcinogenic chemicals

Suppliers must not use hazardous, toxic or carcinogenic chemicals during any of the production processes used in the manufacture or supply of products and services and seek out materials, dyes and fabrics that meet third party certification standards.

Chemical containers must be properly labelled and safely stored. A material safety data sheet must be available in the local language and the instructions in it must be followed.

Suppliers should be aware that APG & Co randomly tests orders to ensure no toxic chemicals are present on our products.

11.3 Waste management

Any waste, and in particular hazardous waste, must be handled in a responsible manner and in accordance with relevant local laws and regulations.

All emissions must be managed in a proper and transparent manner and in accordance with relevant local laws and regulations.

11.4 Water Management

Water is a scarce resource in many parts of the world, and we believe it should be used as efficiently as possible.

We require that suppliers to APG & Co pay strict attention to the proper management of water resources. All outgoing wastewater from wet processes must be treated before it is discharged and in accordance with relevant local laws and regulations.

11.5 Sustainable practices

APG & Co aims to proactively reduce its use of virgin raw materials and its impact on the environment by optimising raw materials usage and where possible re-cycling and re-using materials.

Where possible source raw materials that are third-party verified to ensure more sustainable forestry and farming practices and use sustainable fibre sources, alternative natural dyes and eco-friendly processing methods.

12. CONSUMER LAW AND MANDATORY STANDARDS

12.1 Mandatory Standards

All products supplied to APG & Co must comply with the law, are safe according to what consumers are reasonably entitled to expect and conform with all applicable Mandatory Safety and Information Standards in force under the Australian Consumer Law and the New Zealand Fair Trading Act. (Note: A full list of Australia

Mandatory Standards and Bans is published at www.productsafety.gov.au and for New Zealand at www.comcom.govt.nz).

12.2 Voluntary Standards

All products supplied to APG & Co must comply with all voluntary Australian and/ or New Zealand standards or comparable overseas standards current at the time of supply, that apply to the product.

12.3 Representations made in relation to products

Suppliers must ensure that all representations and claims made in relation to any products supplied are not false or misleading and are able to be substantiated with verifiable evidence.

All products supplied to APG & Co must be accurately labelled with their country of origin.

All products supplied to APG & Co must meet the applicable consumer guarantees under the ACL including acceptable quality (e.g. safe, durable, no faults, acceptable appearance, function as expected, fit for purpose, accurately described, matches any sample or demonstration model, satisfying any express warranty and that spare parts and repair facilities available for reasonable period.

12.4 Supplier verification

Suppliers are required to conduct a pre-shipment inspection of the finished product to verify that the product meets all the applicable requirements above.

13. CONTACT WITH APG & CO

APG & Co aims to support and work proactively with our suppliers and business partners to ensure legal compliance and promote best practice within our business and supply chains. Please contact us to discuss the requirements of these Principles at any time.

If any worker, supplier, business partner or other individual believes these Principles may have been violated, or if you require more information or support regarding the requirements of these Principles, please email contactus@apgandco.com.

14. APG & Co SUPPLIER COMMITMENT

As a supplier and/or business partner to APG & Co I/we:

- understand that APG & Co is focussed on **continuously working to promote best practice within its business and supply chains**, is committed to going beyond compliance with our basic legal requirements, and aims to be an industry leader in ethics, transparency and responsible business dealings;
- confirm that we have read, understood and will adhere to the *APG & Co Global Sourcing Principles*;
- commit to complying with the **fundamental requirements** as outlined in *Sourcing Principles* and to take whatever steps are required to implement them into our supply chains and operations;

- understand that a failure to comply with the Code may result in the **termination of our agreement** to supply of goods and/or services to APG & Co; and
- recognise that the Code is drafted in the English language, and that where there are other versions of the document, that the English version will prevail in any case of discrepancy.

Agent/Supplier Signature:

Agent/Supplier Name:

Signatory Name:

Title of Signatory:

Signature and Date:

Company Stamp/ Chop

Factory Signature:

Factory Name:

Signatory Name:

Title of Signatory:

Signature and Date:

Company Stamp/ Chop