

ETHICAL SOURCING CODE

Caprice Australia is committed to ensuring socially and environmentally responsible sourcing practices across our entire supply chain. A key means of implementing this commitment is through our Ethical Sourcing Code, which includes minimum standards of conduct that all suppliers must meet as a condition of doing business with Caprice.

Set out below is a summary of the core principles of our Code. Factories supplying Caprice Australia must display this summary in a location that can be seen by all factory workers. The full version of the Caprice Australia Ethical Sourcing Code is available at www.caprice.com.au

1. Legal Compliance

Factories must fully comply with the legal requirements of the country in which they operate. All requirements in this Ethical Sourcing Code are in addition to compliance with applicable local laws.

2. Business Integrity and Anti-corruption

Factories must act with integrity and honesty. All record keeping must be accurate and transparent at all times. Bribery and corruption is prohibited in any form.

3. Child Labour

Factories must not engage in or support the use of child labour and comply with all applicable laws governing minimum working age. This applies to workers directly employed by the factory or any third party providing raw materials, components, labour or services to the factory. Furthermore, young workers (under the age of 18) must not be exposed to any conditions, inside or outside the workplace, which are hazardous or unsafe to their physical and mental health.

4. Forced Labour

Factories must not engage in or support the use of forced labour, bonded labour, indentured labour, prison labour or human trafficking. This applies to workers directly employed by the factory or any third party providing raw materials, components, labour or services to the factory. Further, factories shall respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment.

5. Wages, Benefits and Working Hours

Factories must comply with all laws regulating local wages, overtime compensation, and legally mandated benefits. In any event, wages should always be enough to meet a worker's basic needs and to provide some discretionary income. Under ordinary business circumstances, workers must not be required to work excessive working hours per week, including overtime, and have the option of adequate days off.

6. Discrimination

Factories must provide a working environment where workers are treated fairly and without discrimination. All conditions of employment must be based on an individual's ability to do the job, not on the basis of personal characteristics, such as age, race, ethnicity, colour, nationality, gender, religion, caste, marital or maternity status, sexual orientation, disability or political beliefs.

7. Harassment and Abuse

Factories must not engage in or support any form of harassment or abuse in connection with workers' employment, including physical, sexual, verbal or visual behaviour that creates an offensive, hostile, or intimidating environment.

8. Freedom of Association and Collective Bargaining

Factories must, to the extent permitted by local laws, respect the right of their workers to freedom of association and collective bargaining. This includes the right to form and join trade unions or other worker associations of their own choosing without harassment, interference or retaliation.

9. Health and Safety

Factories must ensure conditions in all production and residential facilities are safe, clean and consistent with all applicable laws and regulations and/or industry best practices, whichever is higher, in order to avoid preventable work-related accidents and injuries.

10. Hiring and Regular Employment

Factories must provide each worker with a labour contract which stipulates all legally required employment terms and conditions. In addition, factories must not use labour-only contracting arrangements, consecutive short-term contracts, excessive piece-work or false apprenticeship schemes to avoid obligations of regular employment to workers.

11. Migrant Workers

Factories must ensure that migrant workers have the same entitlement as local workers stipulated by local law and under this Ethical Sourcing Code.

12. Environment

Factories shall ensure all operations are carried out in an environmentally responsible manner and, as a minimum, will meet all relevant local and national environmental protection laws.

13. Consumer Protection

Factories must take all reasonable steps to ensure the goods they produce are safe and are not harmful to consumers.

14. Animal Welfare

Factories must ensure animals within the supply chain are treated humanely and with respect.

15. Unauthorised Subcontracting

Factories must not subcontract, outsource or use homeworkers in production of Caprice orders without prior authorisation from Caprice.

16. Compliance Management System

Factories must have in place a compliance management system to ensure (a) compliance with applicable laws and regulations; (b) conformance with this Ethical Sourcing Code; (c) identification and mitigation of compliance risks related to this Ethical Sourcing Code; and (d) continual improvement.

Reporting Violations

Any person, including factory workers, may report actual or suspected violations of the ESC to Caprice via our Compliance Team: compliance@caprice.com.au

All reports will be followed up. The identity of anyone who makes a report will be kept strictly confidential, unless requested otherwise.

