

APPENDIX V

ETHICAL TRADING REQUIREMENTS FOR VENDORS

1. INTRODUCTION

Social responsibility is an important value of our business. Our Ethical Trading Requirements (ETRs) set out our core principles that our vendors (Vendors) must comply with and are a compulsory part of the terms and conditions of trading with Holt, Renfrew & Co., Limited (Holt Renfrew). We want to ensure that products sold by Holt Renfrew are produced under humane working conditions, with respect of workers and their human rights, that animals are treated and transported humanely and that Vendors minimise their impact on the environment.

It is the Supplier's responsibility to ensure that the manufacture of all products is carried out in compliance with these ETRs which apply throughout the whole of the supply chain. Regular independent audits of production facilities throughout the whole supply chain should be carried out and any shortcomings found and acted upon. Compliance with the law and these ETRs is mandatory and we will view any failure to adhere to these requirements and the law as a potential material breach of contract.

The provisions of these requirements constitute minimum and not maximum standards and these requirements should not be used to prevent companies from exceeding these standards. Vendors are expected to comply with national and other applicable law and, where the provisions of law and these requirements address the same subject, to apply that provision which affords the greater protection.

2. EMPLOYMENT AND WORKING CONDITIONS

Employment is freely chosen

2.1 There is no forced, bonded or involuntary prison labour.

2.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Freedom of Association

2.3 The Supplier adopts an open attitude towards the activities of trade unions and their organisational activities.

2.4 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.5 Where the right to freedom of association and collective bargaining is restricted under law, the Supplier facilitates and does not hinder the development of parallel means for independent and free association and bargaining.

Working Conditions are safe and hygienic

2.6 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. 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 assessing and minimising (so far as is reasonably practicable) the causes of hazards inherent in the working environment.

2.7 Works must not be locked into their places of work and adequate means of fire escape must be provided.

2.8 Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.

2.9 Access to clean toilet facilities and to potable water and, if appropriate, sanitary facilities for food

storage shall be provided free of charge.

2.10 In geographically isolated areas of the developing world, where labour is brought in from surrounding areas to semi-permanent/permanent dwelling, the employer shall provide at least a minimum standard of support services (where possible), including schooling, medical and health facilities and recreational facilities.

2.11 Where management provides dedicated transport for the movement of the workforce within the workplace, these shall conform to the minimum standards set down in the appropriate national transport legislation. In the absence of such legislation, the management shall make every reasonable effort to minimise risk to the workforce whilst transporting them.

2.12 Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.

Child Labour shall not be used

2.13 There shall be no recruitment of child labour.

2.14 Vendors 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. The International Labour Organization (ILO) states that a child is any person younger than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply.

2.15 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

2.16 Supplier's policies and procedures shall conform to the provisions of the relevant ILO standards.

Living Wages are paid

2.17 Wages and benefits should meet national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

2.18 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

2.19 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 express permission of the worker concerned. All disciplinary measures should be recorded.

Working Hours are not excessive

2.20 Working hours must comply with applicable laws and the provisions set out at 2.22 to 2.24 below, whichever affords greater protection for workers. Working hours (excluding overtime) shall be defined by contract and shall not exceed 48 hours per week*. (*International standards as well as the Employment Standards Act (Ontario) recommend the maximum normal hours of work (when appropriate) to 40 hours per week).

2.21 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all of the following: the extent, frequency and hours worked by individual workers and the work force as a whole. It shall not be used to replace regular employment.

2.22 Overtime shall always be compensated at a premium rate in accordance with local law.

2.23 The total hours worked in any 7 day period shall not exceed 48 hours, except in circumstances covered by 2.25 below.

2.24 Working hours may exceed 48 hours in any 7 day period only in exceptional circumstances where all of the following are met:

- 2.24.1 It is permitted by local law;
- 2.24.2 It is permitted by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- 2.24.3 Appropriate safeguards are taken to protect the workers' health and safety; and
- 2.24.4 The employer can demonstrate that exceptional circumstances such as unexpected production peaks, accidents or emergencies.
- 2.25 Workers shall be provided with at least 24 consecutive hours off work in each work week or 48 consecutive hours off work in every period of two consecutive work weeks.

No Discrimination is practiced

2.26 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, national origin, religion, caste, age, disability, marital status, political affiliation, sexual orientation, sex, pregnancy, gender identity, family status or receipt of public assistance.

Regular Employment is provided

2.27 To every extent possible, work performed must be on the basis of a recognised employment relationship established through national law and practice.

2.28 Obligations to employees under labour or social security laws and regulations arising from the regular environment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

No Harsh or Inhumane Treatment is allowed

2.29 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

3. NO BRIBERY OR CORRUPTION

3.1 The offering, paying, soliciting or accepting of bribes including facilitation payments is strictly prohibited.

3.2 A bribe may involve giving or offering any form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit.

3.3 Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary.

3.4 Some example of prohibited activity are as follows, please note that this list is not exhaustive:

3.4.1 Gifts with a value above a reasonable level, or travel expenses;

3.4.2 The uncompensated use of company services, facilities or property;

3.4.3 Cash payments, loans, loan guarantees or other credit;

3.4.4 The provision of a benefit, such as an educational scholarship or healthcare, to a member of the family of a potential customer/public or government official;

3.4.5 Providing a contract to a third party connected to someone involved or personally related to the party awarding or negotiating the contract; and/or

3.4.6 Engaging a local company owned by a member of the family of a potential customer/public or government official.

3.5 Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provisions of a visa or customs clearance). Such payments are strictly prohibited.

- 3.6 Vendors and their employees must comply with all applicable anti-bribery and corruption laws.
- 3.7 Vendors must have in place anti-corruption and bribery procedures to prevent employees or persons associated with its business from committing offences of bribery or corruption.
- 3.8 Vendors and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

4. ANIMAL WELFARE AND TRANSPORTATION

- 4.1 Where animals are used as beasts of burden, ploughing etc., they shall be treated humanely, and allowed to live free of hunger, thirst, fear, distress, pain, injury or disease
- 4.2 Animals must not be transported for longer than 8 hours and should be sourced locally wherever possible, to avoid long journeys to abattoirs.
- 4.3 Animals must go directly from farm to slaughter and not via livestock markets.
- 4.4 Vendors must ensure that staff are skilled and competent in animal husbandry and welfare and have a good working knowledge of the animals in their care.
- 4.5 Vendors must comply with applicable legislation applicable to animal welfare, transportation and slaughter.

5. ENVIRONMENT

- 5.1 Vendors shall seek to:
 - 5.1.1 Make continuous improvements in their environmental performance and will identify, monitor and minimise the environmental impacts of their operations ideally by using an externally accredited management process.
 - 5.1.2 As a minimum, comply with the requirements of local and international laws and regulations.
 - 5.1.3 Demonstrate improved environmental performance over time, doing what they can to minimise their CO2 emissions.
 - 5.1.4 Minimise their use of raw materials, continually looking for more efficient processes and maximize their use of recycled materials.
 - 5.1.5 Continually strive to recycle as much of their waste as possible. Waste shall be disposed of in an efficient, safe and environmentally responsible way and in full compliance with national laws.
 - 5.1.6 Avoid contamination of the local environment and ensure that air, noise and odour pollution is within nationally defined limits.
 - 5.1.7 Innovate to find sustainable alternatives to using fossil fuel-based and non-renewable resources.
 - 5.1.8 Minimise chemical use and abide by international, national and sector specific laws and any nationally recognised codes of practice for the use of pesticides.