

# Code of Conduct

Commercial  
Business Partners

# 1. Introduction

## 1.1 Aim of this document

Moeder en Kind B.V. (hereafter “Prénatal”) contributes to a more sustainable world for present and future generations. We strive to conduct Business in compliance with all applicable laws and regulations on human rights and environmental protection and conform to the OECD Guidelines for Multinational Enterprises<sup>1</sup>. The Prénatal Code of Conduct for Commercial Business Partners (hereafter: ‘Code’) sets the framework on environmental, social and governance aspects (ESG) that guide the Business relationships of Prénatal. The Code forms an integral part of our sourcing strategy, hence Business partners’ compliance with the Code plays an essential role in the establishment of, and the continuance of, a good Business relationship with each Business partner.

## 1.2 Scope

In this document, Business Partner refers to any commercial entity (such as: importers, agents, suppliers or producers) in a commercial relationship with Prénatal. Business partners are responsible for cascading this Code’s compliance throughout its supply chain, including but not limited to the supply of raw materials, components and/or (semi-)finished goods and services (hereafter “Supply Chain Partners”). Therefore, all principles in this Code apply to Business partners as well as Supply chain partners.

The Code is based on international standards including the UN Guiding Principles for Business and Human Rights (UNGPs), OECD Guidelines for Multinational Enterprises and the International Labour Organization (ILO) conventions and recommendations. These standards are relevant for the interpretation and implementation of this Code.

This Code of Conduct for Commercial Business Partners comes into effect on June 1st 2024.

# 2. General principles

## 2.1 Social compliance

Business partners are required to provide a valid third-party social compliance audit report to Prénatal prior to entering in a Business relationship. This includes, but is not limited to, amfori BSCI, SMETA and SA8000. In case the (Tier 1) Business partner fails to schedule a social audit within the acceptable timeframe, Prénatal reserves the right to request the audit at the appropriate auditing scheme in accordance with this Code. If non-compliance occurs in a social compliance audit, we expect our Business partners to take corrective action and resolve the non-compliance as soon as possible but within the boundaries of proportionality and with a maximum of 12 months. Prénatal may sporadically check the progress of corrective action whenever it deems necessary. Prénatal could assist Business partners in developing a corrective action plan.

## **2.2 Transparency**

Business partners are required to be transparent about their production locations up to the raw material producer and comply with transparency requirements. Tier 1 production locations should be communicated in writing and approved by Prénatal before production takes place. Sub-contracting is not permitted unless discussed and approved by Prénatal in writing. Business partners are encouraged to map their supply chain through Tier 4, the raw material producer.

The Business partner ensures that free access to all production locations involved in the production of Prénatal label and private brand articles will be given to Prénatal, independent auditing companies and civil society organisations, designated by Prénatal at all time, and also to be permitted to have confidential talks with workers.

Furthermore, Prénatal reserves the right to publish public data of the partners within the scope of Tier 1 (textile) producers on public platforms (including the Open Supply Hub) in order to increase the level of transparency and comply with (inter)national legislation and (inter)national agreements.

## **2.3 International Accord**

Prénatal is a signatory of the International Accord for Health and Safety in the Textile and Garment Industry. Therefore, Business partners that fall within the scope of the textile and garment industry and are located in Bangladesh or Pakistan shall cooperate with the requirements of the Accord, such as participating in training programs and facilitate and cooperate in factory inspections on construction, fire and electrical safety. Textile Business partners in Bangladesh or Pakistan that fail to meet the Accord requirements, unsubscribe Accord membership or are escalated by the RMG Sustainability Council can't produce for Prénatal. In this case, a responsible exit strategy will be started as soon as possible.

## **2.4 Grievance mechanism**

Business partners shall allow workers and stakeholders to express complaints using an effective grievance mechanism. These grievances will be evaluated by the Business partner and acted upon accordingly. Business partners shall ensure the provision of a well-functioning operational-level anonymous grievance or complaints mechanism and related handling and communication procedures for workers and communities who may be adversely impacted, in such a way that users of the mechanism do not have to fear any form of retaliation.

Prénatal reserves the right to sporadically request the status of grievances at the production facility. Business partners shall provide the contact information of Prénatal to workers to facilitate an extra grievance mechanism. Prénatal will treat the complaints with utmost confidentiality and guarantee the anonymity of the complainant.

For information on possible violations of the aforementioned principles or other potentially illegal conduct, please contact our Regulatory Compliance Office via the following link: <https://moederenkind.integrityline.com/>

## **2.5 Prénatal commitments**

Prénatal requires a lot of its Business partners and therefore they can expect a responsible and fair Business relationship in return. The buying department will sporadically assess the negative impacts caused by its Business operations. Internal capacity building will be done continuously to improve buying practices including, but not limited to, pricing, planning and forecasting, volumes, capacities and materials. Prénatal aims for long-term stable relationships with Business partners.

Business partner evaluation on compliance with this Code and other sustainability indicators will be done continuously and could result in re-evaluating the Business relationship. Termination of relationship with Business partners is not desirable and will only be done with a reasonable explanation. Non-compliance with the Code is one of the reasons why a Business relationship could be terminated. Prénatal will always seek to enter dialogue and pursue improvements before starting a responsible exit strategy.

# **3. Environmental Principles**

## **3.1 Compliance with environmental laws**

Business partners are required to comply with all applicable environmental laws, regulations and standards in the countries of their operation. They should also consider international agreements related to environmental protection, public health and safety.

## **3.2 Product quality**

Business partners should ensure to uphold product quality by implementing appropriate management systems for documentation and continuous improvement. These systems should be designed to ensure that the product meets all the relevant environmental and safety requirements. The detailed specification for the product quality of Prénatal Private Label are outlined in the Prénatal Quality Manual.

## **3.3 Sustainable materials**

Business partners shall ethically source (raw) materials without violating the principles outlined in this Code. Extra attention should be given to the due diligence of materials with environmental- or animal welfare risks, as well as raw materials originating from geographical areas with a high risk of human rights and worker violations. Business partners commit to exclude all animal-derived materials for Private Label and Private Brands.

Prénatal reserves the right to request information from Supply chain partners on material sourcing and production processes to ensure Code compliance. Safe and environmentally compatible development, manufacture, transport, and disposal of products are integral aspects of this commitment. When supplying certified sustainable materials (e.g. GOTS-cotton, BCI-cotton, GRS-polyester, FSC-wood), they must be accompanied by necessary verification documents required by the sustainability standard. Non-compliance with document verification may result in non-recognition, and these materials will be treated as conventional. Additional costs for unverified sustainable materials can be reconciled later.

Business partners should not supply products containing conflict minerals that directly or indirectly finance or support armed groups and cause human rights abuses, as described in Annex II of the OECD Due Diligence Guidelines for Promoting Responsible Supply

Chains of Minerals from Conflict and High-Risk Areas (OECD DDG). We expect you to conduct your due diligence on minerals supply chains in accordance with the OECD DDG recommendations.

### 3.4 Protection of the environment

Business partners must implement a process- and risk-based environmental due diligence management system to assess the significant environmental impact of their operation and establish effective policies and procedures that reflect their environmental responsibility. They should implement measures to prevent and minimize effects on surrounding communities, natural resources, and the environment. Deforestation is strictly prohibited, and the Business partner must comply with the Regulations on Deforestation-free products (EUDR) if applicable.

Business partners are encouraged to track their CO2 emissions, water and energy use, waste disposal and recycling, chemical use and nuisances at various production stages. Prénatal reserves the right to request this data for monitoring purposes. Preservation of natural resources, biodiversity, and avoidance of environmental degradation resulting from Business operations are expected.

Business partners are also expected to ensure the safety of workers, the immediate environment, and the public is paramount, requiring Businesses to identify and mitigate potential hazards associated with their products and processes. Therefore, Business partners must keep records of the amount and type of hazardous chemicals used on site with a Material Safety Data Sheet (MSDS). Hazardous chemicals must be safely stored, handled and disposed of in accordance with local and national laws and regulations. They should strive to performing an annual chemical risk assessment about potential risks for the health of employees and the environment.

### 3.5 Resource efficiency

Business partners shall set targets on reducing resources and prioritize resource-saving production practices, by using raw materials, energy and water efficiently. The adoption of environmentally friendly technologies is encouraged to minimize the ecological footprint associated with the products. This includes reducing water volumes and other emissions throughout the production process.

## 4. Social Principles

### 4.1 The rights of freedom of association and collective bargaining

Business partners must: (a) respect the right of workers to form unions democratically; (b) retain from discrimination against workers based on union membership; and (c) respect workers' right to bargain collectively.

Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

In regions where trade union activity is prohibited or not democratically allowed, Business partners must respect this by allowing workers to freely elect their representatives with whom the company can enter into dialogue about workplace matters.

### 4.2 No discrimination

Business partners shall not discriminate based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organizations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that

could give rise to discrimination. In particular, workers should not face harassment or discipline on any of these grounds.

#### 4.3 Fair remuneration and working hours

Business partners are required to adhere, at a minimum, to wages set by government wage laws or industry-approved standards based on collective bargaining, choosing the higher of the two. They must respect the rights of the workers to receive fair remuneration for a standard working week, sufficient for a decent living, covering essential needs such as food, water, housing, healthcare, education, transport, clothing and discretionary income, along with legally mandated social benefits. Wages should be paid in legal tender and on time. Partial payment in the form of allowance “in kind” is accepted in line with ILO specifications. The wage level should align with workers’ skills and educations and be proportional to regular working hours.

To ensure the well-being of the worker, Business partners should limit regular working hours to 48 per week, with overtime use being exceptional, voluntary and compensated at a premium rate of not less than 125% of the regular rate. Overtime should not significantly increase the likelihood of occupational hazards. Workers are entitled to resting breaks and at least one day every seven days, except when collective agreements define exceptions.

Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

#### 4.4 Occupational health and safety

Business partners shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced. Business partners shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. They shall take effective measures to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace. This includes but is not limited to free pathways, clearly indicated emergency exits, regularly participating in emergency drills, safety equipment for operating machinery, safe storage of hazardous chemicals and the availability of medical assistance. Business partners shall always provide effective and tailored Personal Protective Equipment (PPE) to all workers free of charge. The use of denim sandblasting and PVC print ink is prohibited of production involved in Prénatal label and private brand articles due to high associated risks.

Business partners which provide housing facilities to their workers shall ensure that these are separated from the workplace and have a separate entrance. Workers have the right to freely access and leave the housing facilities at all times. It is the responsibility of the Business partner to ensure that these housing facilities are safe and do not cause any threats to the health and safety of their occupants.

Prénatal will continue its business relationship with the Business partner and provide them with support as long as the Business partner is willing to collaborate on developing responsible and sustainable solutions that are in the best interest of the employees. In line with the Code, Prénatal reserves the right to discontinue the Business relationship when the Business partner refuses to cooperate or when severe health and safety irregularities are identified a second time. In this case, Prénatal will evaluate if and to what extent it would take over the responsibilities of the Business partner.

#### 4.5 No child labour

Business partners shall not employ children below the minimum age of completion of compulsory schooling, as defined by law, which shall not be less than 15 years, unless recognized exceptions by the ILO apply. The recruitment process, including age verification, must be respectful and non-degrading to protect children from exploitation. Special care is required during the dismissal of children to prevent their involvement in hazardous activities. In removing children from the workplace, Business partners should

proactively identify measures to protect affected children, and when possible provide decent work for adult household members of the affected children's families.

#### 4.6 Special protection for young workers

Business partners shall ensure that young workers – being employed of at least the minimum working age but younger than 18 years – do not work at night and that they are protected against conditions of work that are prejudicial to their health, safety, morals and development. This commitment does not negate the specific exceptions outlined in this principle. When employing young workers, Business partners should ensure that (a) the nature of the work is not likely to be harmful to their health or development, and (b) their working hours do not prejudice their attendance at school, participation in approved vocational orientation, or the ability to benefit from training or instructional programs.

#### 4.7 No precarious employment

Business partners shall ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers; and work is performed based on a recognized and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection. Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labour-only contracting.

#### 4.8 No forced labour

Business partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour, ensuring compliance with responsible recruitment principles. Special diligence is required when engaging migrant workers. Retention of identity documents is prohibited. Workers have the right to freedom of movement and can terminate employment with reasonable notice. All disciplinary procedures must be established in writing, and are to be explained verbally to workers in clear and understandable terms.

Business partners are expected to monitor their Supply chain partners, identify potential risks of forced labour and immediately reach out to Prénatal (mail to: [MVO@prenatal.nl](mailto:MVO@prenatal.nl)) or go to <https://moederenkind.integrityline.com/>) if they have concerns regarding forced labour.

Prénatal will continue its business relationship with the Business partner and provide them with support as long as the Business partner is willing to collaborate on developing responsible and sustainable solutions that are in the best interest of the employee. In line with the Code, Prénatal reserves the right to discontinue the business relationship when the Business partner refuses to cooperate or when forced labour is identified a second time. In this case, Prénatal will evaluate if and to what extent it would take over the responsibilities of the Business partner.

#### 4.9 Animal welfare

Business partners shall ensure that no harm or cruelty is caused to animals at any stage of the production process. When sourcing animal-derived materials, the preference is for them to be obtained only as products of slaughter. Natural or synthetic alternatives should be considered first. In cases where materials of animal origin are sourced, it must be done sustainably concerning animal welfare and species conservation.



## **5. Governance Principles**

### **5.1 Compliance with laws and regulations**

Business partners commit to complying with all local applicable national and international trade laws and regulations. This includes but is not limited to antitrust laws, export controls, sanctions regulations, data protection laws, and intellectual property laws. To ensure compliance, the business partner should implement and maintain an effective compliance management system to ensure conformity with applicable laws, rules and standards.

In situations where laws conflict with or set a different standard of protection than outlined in this Code, the Business partner should seek ways to adhere to principles that prioritize the well-being of workers and the environment. Any deviations from this Code should be communicated to Prénatal for thorough consultation. Business partners also recognize and commit to meeting all disclosure requirements dictated by applicable commercial and registry laws.

### **5.2 International management systems**

Business partners shall implement and maintain an effective internal management system that helps to achieve full compliance with the requirements of this Code. The management should be aware of the content of this Code and should make it available to employees at any time upon request. Furthermore, Business partners are expected to manage their Business relations in a responsible manner, and continuously monitor compliance with this Code. The Business partner should have an effective policy in place to reach compliance and for continuous improvement on the core principles.

### **5.3 Ethical Business practices**

Business partners must ensure that neither their company nor its management or owners are listed on the sanctions or embargo list, preventing any legal restrictions on business operations. Simultaneously, they must confirm that neither their company nor its management or owners are currently facing charges or media mentions related to criminal offenses, particularly in the area of white-collar crime, nor have been convicted or punished for any administrative penalty in the last five years. Additionally, Business partners must be transparent and are required to disclose any affiliation with government-owned or government-controlled entities within their company's structure (such as parent companies, subsidiaries, joint ventures or other affiliates) before establishing a business relationship.

In addition to the outlined requirements, Business partners are prohibited from participating in corruption, extortion, embezzlement, bribery and money laundering, including any improper incentives. Commitment to proactive prevention efforts is mandatory. This includes a prohibition on the exchange of gifts to private or public officials that are intended to influence decisions or otherwise encourage recipients to violate their respective obligations are strictly forbidden. All records should be maintained and accurate to avoid falsification or misrepresentation in the supply chain.

### **5.4 Privacy and confidentiality**

Business partners shall respect the privacy and confidential information of all your workers and business partners. Personal information should be handled with care and in compliance with relevant privacy regulations. This extends to safeguarding confidential information and ensuring the protection of data and intellectual property from misuse. The Business partner is required to establish measures, such as encryption and access controls to secure sensitive information against unauthorized access and protect information against data breaches.

## 6. Signing

Prénatal highly values its Business partners to be transparent, to act responsibly, and to (collaboratively) work towards a sustainable solution in case any non-compliance inherent to the Code principles has been suspected and/or identified throughout its supply chain.

Non-compliance with the Code is not without consequences. Any (consistent) refusal on the part of the Business partner to be transparent, to accept or to put into effect the required corrective action will result in a reconsideration of the Business relationship in which Prénatal has the right to ultimately cease orders or as a last resort terminate the Business relationship. Moreover, Prénatal – and consequently its Business partners and Supply chain partners – may as signatory to a (multi-stakeholder) agreement – such as the International Accord or Bangladesh Accord – be obligated to respect and follow the procedures stipulated by the agreement, which may include escalation and/or termination protocols.

If you have any comments on the contents of this Code, please contact the CSR department of Prénatal ([MVO@prenatal.nl](mailto:MVO@prenatal.nl)).

If you would like to report any non-compliance with this code, please contact our Regulatory Compliance Office via the following link: <https://moederenkind.integrityline.com/>

This Code needs to be signed by a duly authorized representative of the Business partner within two weeks after receipt of this Code, and guarantees your commitment, understanding and adherence to all applicable contents of this Code, throughout your supply chain.

Moeder en Kind B.V.

Name: R.W.M. Turk

Title: CEO

Signature:

Name:

Title:

Signature:

