

T O M T A I L O R GROUP

MAIN PROCEDURES SOCIAL
COMPLIANCE

CONTENTS

<u>Introduction</u>	1
<u>Scope</u>	1
<u>Overview System</u>	3
<u>General Rules</u>	3
<u>1. Code of Conduct</u>	3
<u>2. Internal Reporting</u>	3
<u>3 External Communication</u>	3
<u>4. Supplier Qualification</u>	4
<u>3. Database Entry</u>	4
<u>Procedures</u>	4
<u>1. New Suppliers and Factories</u>	4
<u>2. amfori BSCI Audit</u>	6
<u>3. Follow up by Tom Tailor</u>	8
<u>5. Sanction 1: No cooperation</u>	10
<u>6. Sanction 2: No improvement</u>	12
<u>7. Urgent cases or Zero Tolerance Protocol</u>	13
<u>8. Child Labour</u>	15
<u>9. Subcontractors of Suppliers</u>	16
<u>10. Importers/ Licencees</u>	17

INTRODUCTION

The TOM TAILOR GROUP is a fast-growing fashion group with an increasing international presence. Its approach to business includes a well- balanced human resources policy and maintaining relationships with business partners along the entire value chain based on a foundation of trust. TOM TAILOR places great emphasis on decent, safe and fair working conditions at its supplier's operations, on reducing its environmental footprint in the production and procurement process and in its stores as well as on high product quality.

The principle of sustainable governance is a core component of the business policy of the TOM TAILOR GROUP.

Social compliance is there for a mandatory requirement for the business relationship with TOM TAILOR GROUP.

TOM TAILOR GROUP is an active member of [amfori](#). The Group is committed to the amfori BSCI Code of Conduct (CoC) and Terms of Implementation (ToI) to drive the improvement of working conditions in the global supply chain.

SCOPE

The TOM TAILOR GROUP wants to ensure compliance in the supply chain with the regulations of working conditions, as set out in the amfori BSCI Code of Conduct. Below procedures therefore apply to all suppliers of products sold to the TOM TAILOR GROUP, irrespective of their method of sourcing.

This includes suppliers and subcontractors of:

- Garments
- Accessories
- Shoes
- Bags
- Jewellery

Handled by:

- Own Sourcing Offices (TTS), Direct Suppliers
- Licensees/ Importers

Supplying to:

- TOM TAILOR GROUP

In general, all following rules and procedures are valid for suppliers, which will become/ are the business partners of the TOM TAILOR GROUP.

The actual monitoring activities for new and existing suppliers (e.g. the Initial Factory Assessment (IFA), the amfori BSCI Audits, Regular Factory Visits, and Health & Safety Checks) are done at the level of the production sites. (In some cases, the supplier and the production site are the same, but in other cases the supplier is using different production sites.)

Basic rules and expectations:

- Continuous improvement on Social Compliance performance is expected from business partners and production facilities, who should strive for “A” in the amfori BSCI audits through avoiding recurrence of any issues and building more robust social compliance management system in line with the amfori BSCI Code of Conduct and Terms of Implementation. In driving the Social Compliance performance of TOM TAILOR supply chain, amfori BSCI audit result “C” will be considered as conditional approval only on a case by case basis.
- Before a business relation with TOM TAILOR GROUP could start,
 - Business partners should commit to the amfori BSCI Code of Conduct, familiarise themselves with the amfori BSCI procedures, and the amfori BSCI System Manual,
 - Business partners should sign the “Terms of Implementation for Business Partners”, while production facilities are requested to sign the “Terms of Implementation for Business Partners to be involved in the amfori BSCI monitoring process (Producer)”,
 - Copies of amfori BSCI audit reports should be presented to TOM TAILOR CSR Management as part of the document submission in the approval procedure.
- All active production sites and subcontractors (producing for TOM TAILOR GROUP) of a supplier need to be audited per amfori BSCI protocol by accredited auditing companies.
- All active Business partners and production facilities should be open to visits by TOM TAILOR CSR global team which will be with/without prior notice.
- The Business partner should nominate a responsible person for ensuring proper and effective implementation of the amfori BSCI Code of Conduct and Terms of Implementation at the production sites and at the subcontractors producing for TOM TAILOR GROUP, including on- time audit scheduling, drafting and submitting remediation plan, and attending capacity building workshops by amfori Academy.

All amfori BSCI audits should be “Semi-announced” (i.e. audit date(s) is unknown but with audit window (minimum four weeks agreed and disclosed)).

OVERVIEW SYSTEM

The TOM TAILOR GROUP is committed to implement the principles of amfori BSCI into its supply chain. Amfori BSCI is not a certification scheme. It offers a step-by-step approach that helps our suppliers to implement the Code of Conduct gradually.

This manual is developed to give all participants a clear guidance on how the amfori BSCI Code of Conduct can be implemented into the supply chain processes and which rules should be followed.

GENERAL RULES

1. CODE OF CONDUCT

- Every supplier and its production sites have to sign the amfori BSCI Terms of Implementation of the Code of Conduct prior to starting a business relationship with TOM TAILOR GROUP.
- The Code of Conduct will be included in the general framework agreement (General Instructions) for suppliers and will be collected and filed by the Senior Specialist CSR.

2. INTERNAL REPORTING

- amfori BSCI audit reports of suppliers will be received by CSR Management of TOM TAILOR Group, for review and further actions onto Social Compliance Officers and the respective suppliers.
- Alerts and/ or necessary actions will be sent and/ or highlighted by CSR Manager to Social Compliance Officers, Director Global Sourcing, respective country managers, and Global Sourcing Managers.
- Senior Specialist CSR will send an aggregated report of the Social Compliance status of suppliers' monthly to the following persons:
 - CSR Manager
 - Director Sourcing
 - Head of Sourcing

3 EXTERNAL COMMUNICATION

- All media requests, or information of media or NGO research concerning the topic on Supply Chain Social Compliance have to be forwarded to CSR Management, claudia.landgraf@tom-tailor.com, for further actions.
- Communication with supplier on Social Compliance topic will be done via Social Compliance Officers of respective countries, the Senior Specialist CSR, and CSR Manager Asia.

4. SUPPLIER QUALIFICATION

Suppliers to TOM TAILOR GROUP, who do not yet achieve the requested Social Compliance performance (amfori BSCI audit “A”), have the possibility to apply for a special qualification programme by external consultants. The requests should be sent to the CSR Manager Asia for Asian suppliers, and for all other countries to CSR Manager.

3. DATABASE ENTRY

- All necessary information about the Social Compliance performance of suppliers will be integrated in the TOM TAILOR GROUP PLM and Supplier Scorecard, as well as reflected on the amfori BSCI database.
- The following documentation should be sent to the CSR Manager, tilky.wang@tom-tailor.com.hk :

	Who sends it?	When?	Database
<i>Supplier general data</i>	TTS Office/ supplier	Prior to sourcing relationship	PLM / amfori BSCI database
<i>Initial Factory Assessment Report</i>	TTS Office/ supplier	Prior to sourcing	PLM database
<i>Amfori BSCI audit reports</i>	Social Officers/ suppliers/ amfori BSCI database	Upon audit report uploaded to the amfori BSCI database	PLM database
<i>Remediation plans</i>	Social Officers/ suppliers	Within 60 days after audit	amfori BSCI database
<i>Health & Safety Check</i>	Social Officers	Quarterly	TTS SharePoint

PROCEDURES

1. NEW SUPPLIERS AND FACTORIES

Aim and Purpose

TOM TAILOR GROUP wants to start a business relationship only with those suppliers who do respect decent working conditions. Therefore, in addition to business case approval, every new supplier has to undergo a preliminary check, the Initial Factory Assessment (IFA) process, before such supplier can be officially registered on our supply chain database for order placement.

Scope

- All new suppliers, who wish to establish a business relationship with TOM TAILOR GROUP.

Responsibilities

- CSR Management
- Sourcing Offices
- Suppliers
- Social Officers

Procedure

For direct suppliers:

- Submission of supplier and factory(ies) information and due diligence information per the IFA for review
- Submission of amfori BSCI audit report(s) of the production factory(ies)
 - RSP should be taken by any linked participants, i.e. not “Orphan”, on amfori BSCI Platform
 - The audit result should be valid, i.e. at least 6 months from expiry
 - Minimum audit result of “B”
 - “C” will be considered as conditional approval only on a case by case basis
- Signed amfori BSCI Tol documents
- TOM TAILOR GROUP reserves the right to conduct Onsite Assessments per IFA prior to business relation.

For Licensees/ importers:

Please see the procedure for “Licensees/ Importers”.

For suppliers managed by TOM TAILOR Sourcing Offices:

1. (Upon business case is approved) Social Officer conducts onsite assessment per the IFA checklist as part of the approval process.
2. IFA onsite assessment report is sent to CSR Management, tilky.wang@tom-tailor.com.hk for review and comment.
3. The result of the IFA onsite assessment determines the further steps:
 - i. “Acceptable”: The supplier is approved for on-boarding.
 - ii. “Marginal”: The supplier is only granted conditional approval on case by case basis

- iii. “Failed”: The supplier is rejected for on-boarding; the supplier may correct the findings and can re-apply for another Initial Factory Assessment after 3 months.
4. Information of approved suppliers (as per 3.i. and ii.) will be sent to CSR Management for official registration in the TOM TAILOR GROUP PLM. For suppliers that are new to amfori BSCI, respective factory profile on the amfori BSCI Platform will be established.

Remark: In addition to amfori BSCI result “C”, suppliers/factories will be granted only “Conditional approval” with possible scenarios as following:

- Crucial non-compliances (NC) noted in the IFA onsite assessment even scored as “Acceptable”
- Potential risks identified per amfori BSCI audit report even the result is A or B, e.g.
 - Underpayment of wages
 - Transparency issues/suspected double-book keeping
- Factory is not yet amfori BSCI audited

2. AMFORI BSCI AUDIT

Aim and purpose

The amfori BSCI audit is a core element of the TOM TAILOR GROUP Social Compliance System. In accordance with the audit cycle to monitor the performance of suppliers and their adherence to the amfori BSCI Code of Conduct (i.e. TOM TAILOR GROUP Code of Conduct).

Scope

- All active suppliers registered on TOM TAILOR GROUP PLM

Responsibilities

- Suppliers
- Social Officers
- CSR Management
- amfori BSCI auditing companies

Procedure

1. Initiation:

First audit for new supplier and/or factory (only applicable for suppliers managed by TOM TAILOR Sourcing Offices) (see procedure “new supplier” for exceptions,1))

- Newly approved suppliers with factories (or existing suppliers with newly approved factories) having no valid amfori BSCI audit, should go for such audit within 6 months (180 days) from the official registration date (on PLM), i.e. latest acceptable audit window as four weeks counting back from the 180th day.

- Social Officers should communicate with suppliers/factories on the audit arrangement, RSP held by TOM TAILOR GROUP:
 - Supplier informs Social Officers of a preferred audit window no later than 3 months upon PLM registration.
 - Audit request will be made per agreed and given information via amfori BSCI Platform
- RSP held by other amfori participants
 - Supplier informs Social Officers whether audit is arranged, and shares the audit window detail
- Regardless of who the RSP holder is, supplier should ensure the audit is arranged on semi- announced base and is completed within the set timeline

Full/Follow-up Audit for active suppliers, with TOM TAILOR GROUP as the RSP holder

- Supplier informs TOM TAILOR GROUP of preferred audit window at least 6 weeks prior to expiry date of current amfori BSCI audit.
- The latest acceptable audit window for all audit types is 4 weeks before expiry date.

2. CSR Management requests a semi-announced audit for the supplier in the amfori BSCI database.
3. An external, accredited amfori BSCI auditing company should be appointed to carry out the amfori BSCI audit at the supplier. Information about the accredited amfori BSCI auditing companies can be found via the following link: <http://www.bsci-directory.org/auditors/view/index-fa.php>.
4. The amfori BSCI audit report is uploaded to the amfori BSCI database by the external auditing company.
5. CSR Management uploads the amfori BSCI audit report to the PLM database. Social Officer and CSR Management review the report and take respective follow-up actions with suppliers and necessary parties according to following guideline:

Audit Result	Combination per performance areas (PA)	Remediation Plan	Next Audit Arrangement	Action from CSR Management
A – Outstanding	Minimum 7 PA rated A No PA rated C, D or E	Not particularly requested Factory should work on improving repeated findings if any	From Full Audit: new Full Audit after two years to kick-start a new audit cycle	Maintain “Approval” status Regular monitoring by Social Officers
B – Good	Maximum 3 PA rated C No PA rated D or E		From Follow-up Audit: valid till end of the audit cycle, new Full Audit to be arranged	

Audit Result	Combination per performance areas (PA)	Remediation Plan	Next Audit Arrangement	Action from CSR Management
C – Acceptable	Maximum 2 PA rated D No PA rated E	To be submitted on amfori BSCI Platform no later than 60 days from the audit date * Any critical finding related to H&S should be addressed within one month from the audit date to CSR Management	From Full Audit: valid for one year, Follow-up audit should be arranged to show improvement soon From Follow-up Audit: depending on the expiry date to the audit cycle end date, another Follow-up Audit or new Full Audit should be arranged	As “Conditional Approval” only; status can be changed upon new audit result received Regular monitoring by Social Officers
D – Insufficient	Maximum of 6 PA rated E	To be submitted on amfori BSCI Platform no later than 30 days from the audit date	Depending on the findings, Follow-up audit should be arranged and conducted within 2-6 months to improve the result	Sanction to be initiated. Escalated to all responsible stakeholders (Director Sourcing, Head of Sourcing, Senior Manager Buying, Global Sourcing Managers and respective Country Managers)

Remark: amfori BSCI accepts valid SA8000 certificate from factories to waive the audit. Yet, for suppliers of TOM TAILOR GROUP, all should go for amfori BSCI audit with effective from Dec 2017, i.e. new suppliers/factories to be introduced with valid SA8000 certificate should agree to go for amfori BSCI audit upon successful registration; for existing suppliers/factories, no SA8000 certificate will be accepted as waiver for amfori BSCI audit. (Please refer to Circular “Change of General Instructions – Chapter M”, dated 13 Jun 2018).

3. FOLLOW UP BY TOM TAILOR

Aim and Purpose

The improvement of suppliers with regards to Social Compliance is an essential aspect to TOM TAILOR GROUP. This is why TOM TAILOR GROUP offers regular support to the suppliers between audits and assessments through follow up measures.

Scope

- All active suppliers registered on TOM TAILOR GROUP PLM

Responsibilities

- Social Officer
- Supplier

Procedure

As soon as a supplier is approved and successfully registered on TOM TAILOR PLM system with “active” status, the Social Officer communicates with supplier and visits the place of production regularly under the following guideline:

Conditions	Visit frequency	Responsible persons
a. IFA onsite assessment completed, not yet amfori BSCI audited	Bi-weekly calls/meetings/ visits for audit preparation and corrective action follow-up;	Supplier and/or factory CSR team – ensure factory management is committed to the programme, maintain good situation and social compliance management system status, be driver for enhancing social compliance performance in the supplier/factory;
b. amfori BSCI result = A	At least one unannounced assessment with TOM TAILOR Social Compliance Checklist in every 12 months before expiry date;	Social Officer of respective country office – maintain communication and monitoring/auditing for the supplier/factory, provide consultancy and support for continuous improvement, complete audit reports (to supplier and CSR Management), and provide respective visit plans and Quarterly Reports (to be sent on 30 th of each 3 rd month) for CSR Manager;
c. amfori BSCI result = B	A visit at least 3 months before the amfori BSCI should be arranged	CSR Manager – oversee the supply chain status and work with Social Officer to ensure all timelines and KPIs are met, support Social Officer and supplier/factory to drive continuous improvement, provide consultancy and support to supplier/factory
d. amfori BSCI result = C	At least three to four visits (including one unannounced assessment with TOM TAILOR Social Compliance Checklist) in every 12 months; Visits/calls/meetings should be arranged in accordance with the corrective action progress A visit at least 3 months before the amfori BSCI audit should be arranged	
e. Remediation plan development and review (for IFA onsite assessment, Social Compliance Check, Special Check, and amfori BSCI audit)	Immediate communication with supplier/factory after the assessment(s); Submission of remediation plan and evidence per the guidelines given in 2. after the audit Progress to be reviewed and reported on at least quarterly basis	
f. amfori BSCI result = D	Weekly calls/meetings/ visits for reviewing corrective action progress;	Supplier and/or factory CSR team – take immediate actions to ensure

Conditions	Visit frequency	Responsible persons
g. Special visits based on needs (e.g. health and safety checks, child labour screening during summer time, risk screening, and media exposure cases, etc.) *	Unannounced checks on special topics will be carried out every 3- 6 month or in any time of the year depending on the focus areas (additional visits to the regular ones per conditions set above); Follow-up visit within 3-6 months to confirm on improvements (can be arranged in conjunction with the regular visits per conditions set above)	issues are solved within agreed timeframes and improvement must be achieved in the follow-up audits; Social Officer of respective country office – maintain close monitoring with supplier/factory, ensure improvements happen in supplier/factory; CSR Manager - escalate/alert to responsible stakeholders (including Director Sourcing, Head of Sourcing, Global Sourcing Managers and respective Country Managers, where appropriate), work with supplier/factory, Social Officer and Sourcing Team for resolutions in case
h. Direct suppliers and Licensees/ importers	Unannounced checks on random basis	Supplier CSR responsible – ensure factory management is committed to the programme, maintain good situation and social compliance management system status, be driver for enhancing social compliance performance in the supplier/factory; CSR Management – arrange random unannounced checks on need basis

Remarks: Sanction procedures may be initiated with the following situations (also see from P. 16 for more details):

- Zero Tolerance issues/ Repeat finding noted during the follow-up visits
- Urgent Cases

5. SANCTION 1: NO COOPERATION

Aim and purpose

It is the explicit aim of TOM TAILOR GROUP to support all suppliers, so that they can achieve a better working environment. However, consequences have to be applied if a supplier does not cooperate to fulfil the social requirements of TOM TAILOR GROUP. This procedure aims at motivating a supplier to adhere to the Social Compliance regulations of TOM TAILOR GROUP and sets the steps required to sanction a supplier.

Scope

- New suppliers, who failed to hand in an application for an amfori BSCI initial audit within the agreed timeframe.

- Existing suppliers, who failed to hand in an application for an amfori BSCI re-audit or a remediation plan within the agreed timeframe.

Responsibilities

- Supplier
- CSR Management
- Head of Sourcing
- Director Sourcing

Procedure

- New supplier:

If a new supplier fails to inform TOM TAILOR GROUP of an arranged amfori BSCI audit date the following steps shall apply:

1. 1st warning letter (cc to Head of Sourcing and Director Sourcing): not later than 3 months after Initial Factory Assessment.
2. 2nd warning letter (cc to Head of Sourcing and Director Sourcing): not later than 4 months after Initial Factory Assessment.
3. Sourcing ban (cc to Head of Sourcing and Director Sourcing): not later than 5 months after Initial Factory Assessment.

The sourcing ban may be lifted upon this supplier, once an amfori BSCI audit has been conducted.

- Active supplier: No amfori BSCI Re-Audit:

If an active supplier fails to inform TOM TAILOR GROUP of a date for an amfori BSCI Re-audit the following steps shall apply:

1. 1st warning letter (cc: Head of Sourcing, Country Heads and Director Sourcing): not later than 8 weeks prior to amfori BSCI audit expiry date.
2. 2nd warning letter (cc: Head of Sourcing, Country Heads and Director Sourcing): not later than 6 weeks prior to amfori BSCI audit expiry
3rd warning letter (cc: Head of Sourcing, Country Heads and Director Sourcing): on the day of amfori BSCI audit expiry.
3. Sanction meeting: 7 days after amfori BSCI audit expiry, including:
 - CSR Management (organizer)
 - Country Heads
 - Global Sourcing Managers
 - Head of Sourcing
 - Director Global Sourcing
4. Result of this discussion should be the decision on further steps. The default should be reducing orders up to a ban of the supplier for new orders.
The sourcing ban may be lifted once a new amfori BSCI audit is conducted.
5. Active supplier: No remediation plan
 - a. If an active supplier fails to send TOM TAILOR GROUP a remediation plan after 60 days after amfori BSCI audit following steps shall apply:
 - b. 1st warning letter will be sent, cc to CSR Management and Country Heads

- c. Remediation meeting 30 days after 1st warning letter will be arranged, including:
 - i. CSR Management
 - ii. Social Officers
 - iii. Country Heads

6. SANCTION 2: NO IMPROVEMENT

Aim and purpose

It is important that suppliers work on the improvement of working conditions. TOM TAILOR GROUP uses various means in supporting suppliers to do so. Suppliers who are not showing an acceptable level of improvement should be motivated and pressured to comply with the regulations set by TOM TAILOR GROUP.

Scope

- All suppliers, which have received a “D” result in the amfori BSCI audit for the second time consecutively.
- All suppliers, who clearly state unwillingness to make necessary improvements either during a follow up visit or during an unannounced check.

Responsibility

- Supplier
- CSR Management
- Global Sourcing Managers
- Head of Sourcing
- Global Director Sourcing

Procedure

For suppliers with consisting amfori BSCI “D”

1. After first amfori BSCI audit insufficient”: CSR Management sends out a warning letter to the supplier, reminding them of imminent sanctions if no improvement is seen in the next audit.
2. After second BSCI audit “D” CSR Management calls a “sanction meeting” with:
 - CSR Manager
 - Country Manager
 - Global Sourcing Managers

- Social Officer
 - Head of Sourcing
 - Director Global Sourcing
3. During this meeting, it will be determined, whether:
 - a. A prolonged grace period (e.g. because the tasks to fulfil are time consuming to achieve) can be granted according to the Remediation Plan.
 - b. Sourcing sanctions (e.g. reduction of orders, ban) are applied and
 - c. Final consequences, if the suppliers fail to show better audit result in a following audit (e.g. ban of the supplier for production).
 4. The procedure can be stopped, and sourcing sanctions can be lifted once the supplier achieves a BSCI audit result “C”.
 5. If the supplier fails to show better audit result in a a following (e.g. ban of the supplier for production)

For suppliers stating unwillingness to improve:

1. CSR Management calls a “sanction meeting” with:
 - Director Global Sourcing
 - Head of Sourcing
 - Country Manager
 - Social Officer
2. During this meeting, it will be determined, whether:
 - a. A prolonged grace period (e.g. because the tasks to fulfil are time consuming to achieve) can be granted.
 - b. Sourcing sanctions (e.g. reduction or orders, ban) are applied and
 - c. Final consequences, if the supplier fails to show better audit result in a following audit (e.g. ban of the supplier for production).
3. The procedure can be stopped, once the supplier has corrected the necessary improvement within a set timeframe.

7. URGENT CASES OR ZERO TOLERANCE PROTOCOL

Aims and Purpose

Urgent cases are called on when a situation is found to pose a threat to health and safety both to the life of workers and to the reputation of TOM TAILOR GROUP. This Urgent Case procedure aim at securing a rapid coordination and appropriate response to the threat at hand.

Scope

- All suppliers of TOM TAILOR GROUP
- All sourcing channels of TOM TAILOR GROUP

Responsibility

- CSR Management
- Board of directors
- Director Global Sourcing
- Head of Sourcing
- Head of Corporate Communications
- Vice-President Brand

Procedure

- If a situation is detected (irrespective if by a Social Officer, Non-Social Compliance staff, local groups or journalists) that meets the criteria for an urgent case, then contact the CSR Management, claudia.landgraf@tom-tailor.com; tilky.wang@tom-tailor.com.hk immediately.

Examples of these situation may include but not limited to:

- A fire or a collapse of a TOM TAILOR GROUP production site.
 - Forced labour and child labour (human trafficking, exploitative child labour), please also refer to the chapter "Child Labour", 8.
 - An imminent risk and a critical threat to the health and safety/ life of workers (e.g. chemical accident, sandblasting).
 - An abuse in any form. The abuse may be sexual, physical or mental in nature, and must form part of the management style of the supplier, i.e. part of the day-to-day- management of the factory. Systematic abuse would not include isolated actions, criminal acts, or one person who abuses power.
 - Death of workers on the production floor and / or mass fainting.
 - A journalist gaining non-authorized access to a production site of TOM TAILOR GROUP.
- After analysing the facts, CSR Management decides whether urgent case procedure needs to be started.
 - If urgent case procedure is started, CSR Management will inform the following persons immediately:
 - Board of directors
 - Director Global Sourcing
 - Head of Sourcing
 - Head of Corporate Communications (in case TOM TAILOR GROUP reputation is at stake)
 - Vice- President Brand

- A meeting with relevant parties will be organized within 24 hours to decide further steps.
 - The situation should be thoroughly analysed by experts (internally or externally) on the spot, so that all facts are at hand.
 - Possibilities to resolve the situation should be researched, including the involvement of local stakeholders and the amfori BSCI.
 - As a guideline, first activities should be carried out no later than 48 hours after the incident.
 - As a general rule, TOM TAILOR GROUP will always try to negotiate and liase all parties involved in the incident.

8. Child Labor

Aim and Purpose

TOM TAILOR GROUP takes a clear stand against any form of child labour. TOM TAILOR GROUP strives to ensure and protect the current and future health and well-being of disapproved and illegitimate child labour and aims at avoiding future child labour cases by all possible means.

Scope

- All suppliers
- All sourcing channels of TOM TAILOR GROUP

Responsibility

- Social Officer
- CSR Management
- Supplier

Procedure

Scenario A) *If an underage worker is detected by a Social Officer*

- Analyse the situation in detail to be sure it is a case of an underage worker. During the interview with the underage worker, document the identity and means to contact him/her.
- State clearly to management that the underage worker needs to be removed from the premises but that the remuneration must continue until further notice.
- Stress that there cannot be any repressions against the underage worker nor against any family members.
- After the visit to the supplier: Contact CSR Management, claudia.landgraf@tom-tailor.com; tilky.wang@tom-tailor.com.hk, on the same day. Include information about the age, name, contact details and picture of the underage worker in your report.

- Arrange for a meeting with the latest on the next day, possibly on the factory premises. If so required, arrange for a medical doctor to verify the age.
 - *If the worker is above legal working age, no further steps need to be taken → end of procedure.*
- *If the worker is below the legal working age, Social Officers will enquire and find out what is the most suitable solution for the individual (e.g. continue school, vocational training, etc.).*
 - Get the Supplier's Management approval to:
 - Continue remuneration of the children until the completion of working age every month;
 - Pay to finish the school education;
 - Offer the underage worker a position after completion of education.
 - Send a report of this visit to CSR Management, claudia.landgraf@tom-tailor.com; tilky.wang@tom-tailor.com.hk, including:
 - Wishes of the individual (e.g. continue school, vocational training);
 - Possibilities to offer the educational trainings;
 - Costs for monthly remuneration;
 - Written approval to take over the costs (management signature).
- CSR Management will start the "Urgent Case Procedure"
- As a default, any supplier not meeting the financial responsibility for an identified underage worker will be blacklisted and no more orders can be either placed or shipped out. In these cases, TOM TAILOR GROUP will assume financial responsibility for the child.

Scenario B) *If an underage worker is suspected by Non-Social Compliance TOM TAILOR GROUP staff:*

- Do not mention the case during the visit.
- Do not speak to the suspected worker.
- After the visit to the supplier: Contact CSR Management, claudia.landgraf@tom-tailor.com; tilky.wang@tom-tailor.com.hk, on the same day and report your suspicion of suspected under age labour.
- CSR Management will inform the respective Social Officer or an external party
- Either a Social Officer should carry out a visit to the supplier or an external party accompanied by a medical doctor the next day
- All further steps will be carried out as described in Scenario A.

9. SUBCONTRACTORS OF SUPPLIERS

Aim and purpose

Even though there is no direct business link between TOM TAILOR GROUP and the business partners of a supplier, TOM TAILOR GROUP seeks the improvement of working conditions in all factories that participate in the production of TOM TAILOR GROUP goods. It

is therefore important that TOM TAILOR GROUP gains both transparency and information over the working conditions of subcontractors of TOM TAILOR GROUP suppliers.

A subcontractor is in this context defined as a production site located outside the registered address of the supplier where the product takes shape and who performs production steps on behalf of the supplier. This includes but is not limited to printing, tanning, embroidery, dyeing, washing, knitting and linking.

Scope

- This procedure applies to all TOM TAILOR GROUP suppliers.

Responsibilities

- Supplier
- Social Officer
- CSR Management

Procedure

- Suppliers regularly have to disclose all their subcontractors producing for TOM TAILOR GROUP including information about the existing social compliance performance:
 - If a supplier denies disclosing the subcontractors during the Initial Factory Assessment, the supplier will not be onboarded
 - If a supplier denies disclosing the subcontractors upon request by TOM TAILOR GROUP, a sanction meeting will be scheduled
- Social Officers will collect the information about the subcontractors and may randomly visit them for verification
- If there is no valid amfori BSCI report, a valid FLA, SMETA or SEDEX could be provided for review, the “amfori BSCI procedure” applies to the subcontractors’ as to suppliers.
- The follow-up procedure will be defined according to the risk level of the subcontractor by the CSR Management.
- The sanction process will be applied as laid out in the “Sanction procedures”,5) ,6). The TOM TAILOR GROUP supplier is responsible for failures found at the subcontractor facility.

10. IMPORTERS/ LICENSEE

Aim and purpose

TOM TAILOR GROUP has a reduced control over the sourcing strategies of Importers/ Licensees. Still, the maintenance of good working conditions is also important for products manufactured in factories. This procedure therefore aims to ensure that either

importers/Licensees resume their responsibility for this individually, or with the help of TOM TAILOR GROUP.

Scope

- TOM TAILOR GROUP Importers / Licensees
- TOM TAILOR GROUP Importers

Responsibilities

- Importer/ Licensees
- Licence Department
- Buying Department
- CSR Management

Procedure

- Before the start of a business relationship, importers are informed about requirements of the BSCI.
- All importers / licensees are requested to present a valid amfori BSCI audit for all their used production sites or factories
- Without a valid amfori BSCI audit, level “C”, no production for TOM TAILOR GROUP can start
- In driving the CSR performance of Tom Tailor Group supply chain, amfori BSCI audit result “C” will be considered as conditional approval only and will be reviewed on a case by case basis. Business partners are expected to present audit results with a minimum audit result of “B”.
- CSR Management will handle the official registration in the TOM TAILOR GROUP PLM system
- Sanctions, if necessary, will be carried out against the importer/licensee, not the individual factory.

RESTRICTION OF PRODUCTION METHODS AND MATERIALS

1 ANIMAL HAIR

- For materials made of animal hair TT only accepts hair from living and domesticated animals including (but not limited to) cow, buffalo, yak, horse, goat, pig and alpaca. No hair from vulnerable or endangered species may be used.
- TOM TAILOR GROUP does not accept Angora Hair, Mohair Wool or Cashmere Wool.

2 DOWN AND FEATHERS

- TOM TAILOR GROUP only accepts down or feathers that are certified according to the 'Responsible Down Standard'.
- TOM TAILOR GROUP does not accept down from live plucked birds.
- TOM TAILOR GROUP only accepts down, feathers and decoration feathers taken from slaughtered birds bred for meat production.
- No down or feathers from vulnerable or endangered species must be used.
- All down and feathers must be sterilized according to EU standard EN 12935.
- The usage of feathers or downs of ducks and/ or geese originating from the production of 'Fois Gras' is prohibited.

3 FUR

- TOM TAILOR GROUP does not produce, buy or sell products made of real fur.
- TOM TAILOR GROUP does not produce, buy or sell products made of real Persian Lamb.

4 LEATHER AND SKINS

- TOM TAILOR GROUP only accepts products made of leather or skin from cows, buffalos, sheep, goats, fish or pigs that have been bred for meat production. No leather or skin products of vulnerable or endangered species must be used. A certificate of origin must be presented for all leathers or skins used.
- For every other animal species TOM TAILOR GROUP has to receive a proof, containing the Latin name and the region of origin, that the pelt is a by-product of the food industry.
- TOM TAILOR GROUP does not sell real exotic animal leather or skins, including but not limited to: snake, alligator, crocodile, lizard and ostrich.
- TOM TAILOR GROUP does not allow cow leather originating from India due to poor transport conditions.
- Waste water from the tanneries used for TOM TAILOR GROUP products must be treated at a waste water treatment plant. Tanneries must ensure effluent is compliant with the legal requirement before discharge.

5 SHELL

- TOM TAILOR GROUP does not allow shell products originating from endangered species.

6 UZBEK COTTON

- TOM TAILOR GROUP does not allow the usage of Uzbek Cotton.

7 WOOL

- The country of origin of all wool supplied, has to be declared to TOM TAILOR GROUP.
- Only wool from farms which adheres to the “Five Freedoms of Animal Welfare” will be accepted.
- TOM TAILOR GROUP does not accept mulesing and wool harvested from animals treated by this method.
- Tom Tailor GROUP does prefer the usage of RWS-certified wool. If not applicable a non-mulesed / non-ceased wool declaration must be provided.
- Wool originating from Australia must be provided with:
 - certificate of origin,
 - declaration as non-mulesed wool or non-ceased mulesed wool,
 - supporting documentations from the wool processors or concerned parties where applicable.

8 SANDBLASTING

- To ensure the health and well-being of the workers and finally the complete stop of sandblasting in the garment industry the TOM TAILOR GROUP has banned the use of sandblasting. There are alternative ways to achieve the same used look.

**COMMITMENT TO COMPLYING WITH TOM TAILOR GROUP'S MAIN
PROCEDURE SOCIAL COMPLIANCE**

I hereby confirm that:

1. We have received, read and thoroughly understood the **TOM TAILOR GROUP's Main Procedure Social Compliance Version 2.2 (January 2019)**.
2. We acknowledge that compliance with the TOM TAILOR GROUP's MAIN PROCEDURE SOCIAL COMPLIANCE is a contractual obligation and undertaking, accordingly, to meet the requirements in all orders of the TOM TAILOR GROUP.
3. We undertake to disclose and formally demand TOM TAILOR GROUP's MAIN PROCEDURE SOCIAL COMPLIANCE requirement implications to the whole supply chain of production including but not limited to production facilities, sub-contractors, sub-processors and wet processing units, etc. relevant entities.
4. The TOM TAILOR GROUP:
 - a. Reserves the right to check the compliance with TOM TAILOR GROUP's MAIN PROCEDURE SOCIAL COMPLIANCE requirement regarding any facilities, at any time, and/ or at any stage of the production or distribution processes.
 - b. Reserves the right to cancel any order for any goods where non-compliance with TOM TAILOR GROUP's MAIN PROCEDURE SOCIAL COMPLIANCE requirement was noted.
 - c. Reserves the right to cancel or destroy, or to order destruction of the goods subject to the cancelled order, subject to the fact that the cancellation of the relevant order shall entail the non-existence of the obligation to pay any sum whatsoever for the goods being produced in facilities failing to comply with TOM TAILOR GROUP's MAIN PROCEDURE SOCIAL COMPLIANCE requirement.
 - d. Holds the Supplier as solely responsible for any and all damages caused by the facilities failing to comply with TOM TAILOR GROUP's MAIN PROCEDURE SOCIAL COMPLIANCE requirement.
 - e. Reserves the right to stop business with the Supplier whenever the cases of non-compliance to the TOM TAILOR GROUP's MAIN PROCEDURE SOCIAL COMPLIANCE requirement occurs.

Place, Date:

Name and position of the
signatory in bold letters:

Name of the Company in bold letters:

Signature, Company stamp: