**HMT Code of Conduct**

Our Responsibility,

HMT Design / Match-Line Aps (hereafter mentioned HMT) wish to exercise responsible business conduct in respect of all people, society, and the environment around us. We recognize that this work starts in our own business and with our own practices, but to fully succeed we need to work in close partnership with our suppliers and business partners. In transnational and complex supply chains, collaboration is a prerequisite to exercise responsible business conduct, and to realize the UN Sustainable Development Goals.

The HMT Code of Conduct (hereafter CoC) and policies are coherent with our own internal approach to and work with responsible business conduct.

This CoC also comes with a promise of cooperation and partnership to do better – together. HMT’s suppliers and partners can trust that our conduct and purchasing practices will not undermine but rather strengthen our and their opportunity to deliver on our requirements related to people, society, and the environment.

# General Principles

This COC reflects the values of HMT and is based on the Universal Declaration of Human Rights and the UN Global Compact. UN Global Compact contains 10 principles, covering the areas Human Rights, Labour, Environment and Anti-Corruption. The 10 Principles of the United Nations Global Compact are derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

When signing this CoC we wish for our suppliers to commit to the same principles.

## Scope

The requirements of this CoC extend to all factories producing HMT products and all their workers working within those factories, regardless of their status or relationship with the supplier. This Code therefore also applies to workers who are engaged informally, on short-term contracts or on a part-time basis.

Where there are differences between the terms of this CoC and national laws or other applicable standards, suppliers shall adhere to the higher requirements. If conflicts between national law and this CoC are detected, suppliers must inform HMT immediately.

### Cascade Effect

### Further to our suppliers own business, this CoC also applies to operations carried out by direct suppliers, sub-contractors, or other partners. It is supplier’s responsibility to cascade the requirements of this CoC to all their direct suppliers and sub-contractors involved in or connected to HMT´s productions and any processing of our products.

The cascade effect of the CoC is requested to assure that all factories and workers involved in the HMT supply chain, are informed about our requirements on responsible business conduct and are able to make the necessary improvements and address any non-compliance.

## Transparency

Transparency is essential for HMT to work towards a more sustainable supply chain and as part of this it is essential for HMT that suppliers show transparency and disclose information on their production units to HMT upon request. This requirement is applicable for all types of suppliers to HMT, be it agents, export/import companies or factories with single or multiple sites.

The information must be reconfirmed on a regular basis and/or when changes occur.

HMT Whistleblower Policy

A central element to responsible business management is a well-functioning whistleblower Policy. A Whistleblower Policy can be defined as any concern, unhappiness, or discontent that a worker might have in the workplace. A whistleblower policy is a non-judicial procedure that offers formalized means through which individuals or groups can raise concerns about the impact a business enterprise has on them – including, but not exclusively, on their human rights – and can seek remedy. These mechanisms may use adjudicative, dialogue-based, or other processes that are culturally appropriate and rights-compatible. According to the United Nations, for a whistleblower procedure to be effective, it should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, and a source of continuous learning.

### Procedure

Suppliers are encouraged to apply the following procedure but may also choose their own format. At a minimum, the Whistleblower Policy procedure should ensure that workers have:

* Access to their supervisor: The possibility to hold an open and constructive meeting about a whistleblower complaint with their immediate supervisor or manager can prevent escalation of the problem.
* Access to raise a whistleblower complaint about her/his own supervisor or manager to another person, who will then be in charge of the whistleblower mechanism.
* The possibility of raising a complaint anonymously if any fear of repercussions.
* Access to support: Workers should have the right to be accompanied by a fellow worker of her/his own choice, or by a union representative (for unionized facilities), when attending a meeting to discuss a complaint. Access to support can make workers more comfortable with the process.
* The right to appeal: An escalation channel to a more senior manager to challenge a decision made by their supervisor or manager can add impartiality.

### Complaints from local community

Suppliers should ensure that local community members are aware of their rights and the related channels to lodge whistleblower. Suppliers may have separate procedures to receive and handle complaints from the local community. If such procedure is not available, the steps described above for worker whistleblower, as well as the whistleblower form, may be valid/applicable to address whistleblower from local communities.

## Monitoring and Evaluation

Suppliers must assign responsibility to one or more management representatives with the responsibility and authority to ensure compliance with this CoC. Records shall be available to HMT upon request.

All production sites shall be open to audits at any time if requested by HMT. In the case where we require an audit of the site, we may be represented by an independent third-party auditing company of our choice.

HMT encourages all our suppliers to enroll in relevant audit and/or certification programs and will support their process however we can. Documentation of social and environmental compliance through audit programs and certification is an important parameter in our assessment of overall supplier performance.

### Remediation

Where instances of non-compliance are detected during audits and/or supplier visits, suppliers will be given a fixed period to remediate the findings. In the event of failure to remediate. HMT will conduct a constructive dialogue with suppliers to implement an action plan with appropriate time scales for implementation and improvements to be achieved.

HMT does not operate with a passed/failed policy and terminating a business relationship will only be the last instance. However, HMT will not conduct business with a supplier if compliance with the terms of this CoC is deemed impossible and the supplier shows no willingness or ability to improve.

### Zero Tolerance

Human rights violations and business behavior that may endanger the independence of an audit will be distinguished from regular social performance findings and qualify as zero tolerance cases. Examples of zero tolerance findings cover, but may not be limited to:

* Workers who are younger than 15 years old (or the legal minimum age defined by the country)
* Workers who are subjected to forced labor
* Not allowing workers to leave the workplace or forcing them to work overtime against their will
* Using violence or the threat of violence to intimidate workers to force them to work
* Inhumane or degrading treatment, corporal punishment (including sexual violence), mental or physical coercion, and/or verbal abuse
* Occupational health and safety violations that pose an imminent and critical threat to workers’ health, safety, and/or lives
* Attempted bribery of auditors
* Intentional misrepresentation in the supply chain (e.g. hiding production sites, lacking a business license, and purposefully under-declaring the size of the workforce)
* Any form of **abuse or harsh tr**eatment, sexual harassment, including sexual and gender-based violence or similar

### Zero Tolerance Protocol

In the event that a Zero Tolerance is detected during an audit or a site visit, HMT will engage with relevant stakeholders to handle the situation. The supplier is obliged to participate in and support all necessary investigation, remediation and training. In case of reluctance to remediate.

HMT encourage any worker to confidential report any abuse or harsh treatment, via our Grivance Procedure. And weencourage our suppliers to take disciplinary measures, up to and including termination of employment, similar to our HQ rules described in our “employee handbook”

# The HMT requirements

The following requirements cover the labor standards as well as very basic environmental standards that suppliers working with HMT must strive to achieve at their factories and worksites. The requirements draw on the Amfori BSCI CoC and the Danish Textile Industry CoC, and they reflect international standards and conventions protecting workers’ rights and human rights, as described under the General Principles section.

All suppliers must comply in their best effort with these requirements and must be committed to address minimum requirements and move beyond.

## Minimum requirements

HMT will only cooperate with suppliers and worksites that demonstrate compliance and progress on the following minimum requirements:

1. The factory only employs workers who are over the legal minimum age of the respective country.
2. Factories do not use forced, bonded or involuntary labor
3. Workers are not forced to lodge unreasonable deposits or their identity papers with their employers.
4. Workers are not subject to any kind of physical abuse **or harsh tr**eatment, sexual harassment, including sexual , gender-based violence including the threat of physical abuse, verbal abuse or any other forms of intimidation.
5. There must be an adequate number of safe, unblocked fire exits, escape routes and firefighting equipment accessible to workers from each floor or area of the factory and accommodation (if provided).
6. The factory is a safe and hygienic place to work.
7. Accommodation, if provided, is safe and hygienic, and is segregated from the factory or production area and from material storage areas.
8. The factory does not knowingly contravene local and national environmental legislation without being able to demonstrate a plan of action to improve.
9. Factory management demonstrates a willingness to improve on any significant areas of concern identified and is committed to working towards meeting the standards of the CoC.

The following text specifies the listed minimum requirements and focus areas, and what conditions and standards HMT expect to meet in all our suppliers’ worksites. HMT will work in partnership with suppliers and factories, industry partners and authorities in a process of continuous improvement to ensure that these standards are met over time.

## Workers Involvement and Protection

Suppliers must:

* Establish responsible and gender-responsive management practices that involve all workers and their representatives in sound information exchange on the due diligence process,
* Define long-term goals to protect workers
* Take specific steps, such as trainings, to make workers aware of their rights and responsibilities, with special attention to vulnerable persons. When relevant, intermediaries such as brokers, recruiters, and recruitment agencies should play an active role in achieving these steps,
* Build sufficient competence among the managers, workers, and worker representatives within their company, as well as in the supply chain, in order to embed the this CoC in their company culture, and promote continuous education and training at each level of work,
* Establish or participate in effective operational-level whistleblower mechanisms for individuals and communities who may be adversely impacted and maintain accurate records. Where relevant (e.g. when a migrant worker population is present), the operational-level whistleblower whistleblower mechanism should be accessible in relevant local languages, and should allow to address and remedy the issues effectively across jurisdictions through partnerships and coordination.

## Freedom of association and Collective Bargaining

* Suppliers must:
* Respect the right of workers to form and join trade unions – or to refrain from doing so – and bargain collectively, in a free and democratic way, without distinction whatsoever and irrespective of gender
* Ensure meaningful representation of all workers, without distinction whatsoever and irrespective of gender
* Not discriminate against workers because of trade union membership
* Not prevent workers’ representatives and recruiters from having access to workers in the workplace or from interacting with them
* Respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues, when operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed.

## No discrimination, Violence or Harassment

Suppliers must:

* Treat all workers with respect and dignity
* Ensure that workers are not subject to any form of violence, harassment, and inhumane or degrading treatment in the workplace, as well as threats of violence and abuse, including corporal punishment, verbal, physical, sexual, economic, or psychological abuse, mental or physical coercion, or other forms of harassment or intimidation
* Understand the possible grounds for discrimination in their specific context, and not discriminate or exclude persons based on sex, 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, pregnancy, diseases, or any other condition that could give rise to discrimination
* Establish disciplinary procedures in writing and explain them verbally to workers in terms and language which they understand. The disciplinary measures must be in line with national legislation
* Provide gender-sensitive and equal opportunities and treatment throughout recruitment and employment
* Verify that workers are not harassed, disciplined, or retaliated upon for reporting issues on any of the grounds listed above

## Fair Remuneration

Suppliers must:

* Comply, as a minimum, with wages mandated by governments’ minimum wage legislation, or industry standards approved based on collective bargaining, whichever is higher. The wages shall refer to standard working hours
* Pay wages in a regular, timely and stable manner, and fully in legal tender. Partial payment in the form of allowance “in kind” is only accepted in line with ILO specifications
* Assess the pay gap accurately, and work progressively towards the payment of a living wage that is sufficient to afford a decent standard of living for the workers and their families
* Reflect the skills, responsibility, seniority, and education of workers in their level of wages
* Where a pay rate for production, quota, or piece work, is established, allow workers to earn at least a wage which respectively meets or exceeds applicable legal minimum wages, industry standards, or collective bargaining agreements (where applicable) within standard working hours
* Ensure that workers of all genders and categories, such as migrant and local workers, receive the same remuneration for equal jobs and qualification
* Implement deductions only under the conditions and to the extent allowed by law or fixed by collective agreement
* Provide the workers with the social benefits that are legally granted, such as without negative impact on their pay, level of seniority, position, or promotion prospects.

## Decent Working Hours

Suppliers must:

* Ensure that workers are not required to work more than 48 standard hours per week, without prejudice to the specific expectations set out hereunder. Exceptions specified by the ILO are recognized
* Interpret applicable national legislation, industry benchmark standards or collective agreements within the international framework set out by the ILO, and promote working hour practices that enable a healthy work-life balance for the workers
* Only exceed the limit of hours described above in line with exceptional cases defined by the ILO, in which case overtime is permitted
* Use overtime as an exceptional and voluntary practice, paid at a premium rate of minimum 125% of the standard rate. Overtime shall not represent a significantly higher likelihood of occupational hazards, and in no circumstance go the limits defined under national legislation
* Grant their workers the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

## Occupational Health and Safety

Suppliers must:

* Respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable persons, such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection
* Comply with national occupational health and safety legislation, or with international standards where national legislation is weak or poorly enforced
* Ensure that there are systems in place to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers
* Train all departments and individuals on occupational health and safety regularly throughout all stages of employment, and provide information on potential occupational health and safety risks to workers and public, including affected communities
* Take effective measures to prevent workers from having accidents, injuries, or illnesses, arising from, associated with, or occurring during work. These measures aim at minimizing, so far as is reasonable, the causes of hazards inherent within the workplace
* Seek improving workers’ protection in case of accident, including through compulsory insurance schemes
* Maintain records of all health and safety incidents in the workplace and all other facilities that are provided or mandated
* Take all appropriate measures, and obtain all relevant licenses and documentation required by national legislation, to see to the stability and safety of the equipment and buildings they use, as well as to protect against and prepare for any foreseeable emergency. This includes residential facilities for workers when these are provided or mandated by the employer or a recruitment partner
* Establish relevant committees, such as an Occupational Health and Safety Committee, to ensure active co-operation between management and workers, and/or their representatives for the development and effective implementation of systems that ensure a safe and healthy work environment. These committees aim to represent the diversity of the workers
* Provide awareness to workers, and respect their right and responsibility to exit the premises and/or stop working without seeking permission in dangerous situations and uncontrolled hazards
* Provide adequate occupational medical assistance and related facilities and provide equal access to all workers for these services. Health services (including insurance) should serve the distinctive concerns and needs of all genders and ages
* Provide access to safe and clean drinking water, and eating and resting areas free of charge, and where applicable, provide access to cooking and food storage areas
* Provide an adequate number of safe, separate toilets with adequate level of privacy for all genders, and paper towels and washbasins with hand soap in all work areas
* Ensure that when residential facilities are provided or mandated, they are clean and safe, and they meet all the basic needs of the workers
* Provide effective and tailored Personal Protective Equipment (PPE) to all workers free of charge, taking the needs of different worker categories, such as pregnant and nursing women, into consideration
* Compensate the damages incurred to the workers on the occasion that historical or actual failure of adherence to principles is identified.

## No Child Labor

Suppliers must:

* Not employ, directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognized by the ILO apply
* Protect children from any form of exploitation
* Establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker
* Take special care and identify measures in a proactive manner in case of the dismissal and removal of children, to ensure the protection of affected children.

## Young Workers

Suppliers must:

* Ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals, and development, without prejudice to the specific expectations set out in this principle
* Remove young workers from any hazardous work or source of hazard immediately when such cases are identified, and redefine their scope of work without any loss of income
* Ensure that (a) the kind of work is not likely to be harmful to young workers’ health or development; (b) their working hours allow their attendance in school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs
* Set the necessary mechanisms to prevent, identify and mitigate harm to young workers, with special attention to the provision and access of young workers to effective operational whistleblower mechanisms and to Occupational Health and Safety trainings schemes and programs specific to the needs of young workers.

## No Precarious Employment

Suppliers must:

* Ensure that, their recruitment process and employment relationships do not cause insecurity and social or economic vulnerability for their workers
* Ensure that work is performed on the basis of a recognized and documented employment relationship, established in compliance with relevant national legislations, custom or practice, and international labor standards, whichever provides greater protection
* Before entering employment, provide workers with understandable information in their own language and ensure that they are aware about their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment in their own language
* Aim at providing decent, and where relevant, flexible working conditions that also support workers, irrespective of gender, in their roles as parents or caregivers, including migrant and seasonal workers whose children may be left in their hometowns
* 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 or training schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers’ protection, (c) labor-only contracting, and d) contract substitution
* Not use subcontracting in a way that undermines the rights of workers.

## No Bonded, Forced Labor or Human Trafficking

Suppliers must:

* Not engage in, or through business partners, be complicit to, any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labor, including state-imposed forced labor
* Adhere to international principles of responsible recruitment, including the Employer Pays Principle, and require the same from their recruitment partners, when engaging and recruiting all workers, either directly or indirectly, especially members of vulnerable groups such as temporary and migrant workers. As a minimum, this includes:
* No recruitment fees and costs are charged to workers
* Clear and transparent employment contracts
* Workers’ freedom from deception and coercion
* Freedom of movement and no retention of identity documents
* Access to free, comprehensive, and accurate information
* Freedom to terminate contract, change employer, and safely return
* Access to free dispute resolution and effective remedies
* Progressively compensate the damages incurred to the workers within a reasonable timeframe, and within the framework of the same international principles, if historical or actual failure of adherence to principles is identified.

## Environmental Protection

As minimum requirements on environmental protection, suppliers to HMT must:

* Comply with national environmental legislation, or with international standards where national legislation is weak or poorly enforced
* Identify the environmental impacts of their operations, and implement adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.

## Ethical Behavior

Suppliers must:

* Not take part in any act of corruption, extortion, or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive
* Develop and adopt adequate internal controls, programs, or measures for preventing and detecting corruption, extortion, embezzlement or any form of bribery, developed on the basis of a company-specific risk assessment
* Keep accurate information regarding their activities, structure, and performance, and disclose these in accordance with applicable regulations and industry benchmark practices to enhance transparency of their activities
* Not falsify, or participate in falsifying any information or in any act of misrepresentation in the supply chain
* Provide awareness to the workers about the policies, controls, programs, and measures against unethical behavior, and promote compliance within the company through trainings and communication
* Collect, use, and otherwise process personal information (including that from workers, business partners, customers, and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information must comply with privacy and information security laws and regulatory requirements

## Responsible Products

HMT is dedicated to developing and market quality products, which are produced in a responsible way, both for the people involved and the surrounding environment. Suppliers are encouraged to pursue relevant certifications and to document all their initiatives to improve their own production and sourcing practices.

### Restricted Chemicals

It is supplier’s responsibility that any product supplied to HMT is free of prohibited substances and chemicals beyond the legal limits.

See HMT Chemical Policy for more detailed requirements.

### Animal Welfare

HMT products deriving from animals, shall be produced with the highest regard to the welfare of the animals. Suppliers shall ensure that animals are treated according to the Five Animal Freedoms.

See HMT Animal Policy for more detailed requirements.

# Change Log

INSERT DATE: First edition 1st. October 2024

All suppliers must sign our signature page as a non-negotiable part of the cooperation with HMT.