Supplier Code of Conduct

Version 6.0

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Introduction

Living Style Group (LSG) is committed to driving responsible business practices in our company and supply chain. We expect our suppliers to continuously improve their performance, to implement strong governance systems, strengthen workplace safety and health practices, respect fundamental rights at work, and drive environmental performance.

The Living Style Group (LSG) Supplier Code of Conduct ("Supplier Code") and its related standards and guidance are based on local, national laws/regulations, the International Labor Organization's Core Conventions, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, The Paris Climate Agreement, the United Nations Framework Convention on Climate Change, and other relevant international standards. The Supplier Code is applicable to all worksites utilized for LSG sourcing and associated onsite residential facilities.

Although Suppliers' employees in different departments have varied natures of work, the Standards contained in the Supplier Code and associated guidance are applicable to all workers, in every worksite and onsite residential facility. All workers must be informed about their rights and entitlements under both local law and the Supplier Code in a language they understand. Suppliers must also do their utmost to ensure LSG Supplier Code are communicated to and respected by next-tier Suppliers that produce parts or materials for LSG and its customers.

At the sole discretion of LSG and at a time of LSG's own choosing, Suppliers and related next-tier Suppliers may be audited according to these Standards and guidelines. During audits, Suppliers must provide full access to their facilities and necessary documents. During audits we may engage with workers and their representatives.

Failure to comply with the required Standards and associated guidance laid out in the Supplier Code will have different consequences depending on the severity of the issue. Zero-tolerance issues must be remediated immediately and may result in Suppliers being permanently prohibited from producing merchandise for LSG and its customers. For all other issues, the Supplier will be expected to remediate within the expected timeframe, sustainably maintain remediation put in place, and improve future performance.

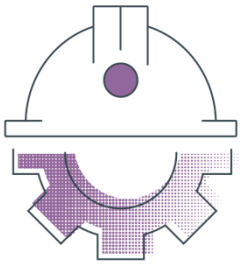
Suppliers are responsible for ensuring next-tier Suppliers comply with the required Standards and associated guidance by performing periodic assessments and training. Assessments and training shall be performed by LSG and/or authorized third party assigned by LSG and its customers in accordance with the audit cycle.

Anyone who observes violations of this Supplier Code may contact LSG in any language using any means of communication, by e-mail Compliance@LivingStyle.com. Please refer to our Guidelines on LSG Whistleblowing / Reporting of Concerns for more details.

Governance Systems

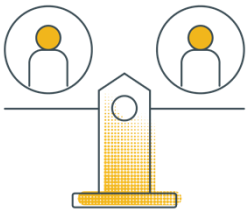
- Suppliers shall conduct social and environmental due diligence
- Suppliers shall conduct supply chain mapping and build product traceability down to raw materials procurement level
- Suppliers are transparent and engage in continuous improvement
- Suppliers engage in ethical business practices
- Subcontracting and homeworking are authorized only with prior written consent
- Business licenses meet or exceed legal requirements

Workplace Safety and Health



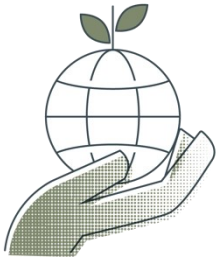
- Responsible fire safety and emergency precautions, prevention and practices
- Responsible policies and practices on first aid and occupational safety and health
- Responsible chemicals and hazardous materials, machines, special equipment, spaces and wastes safety management
- Responsible electrical, building and construction permits, policies and practices
- Safe and clean dormitory, childcare and canteen facilities

Fundamental Rights at Work



- All work is freely chosen (free from all forms of forced or compulsory labor or human trafficking)
- All workers meet minimum age requirements (15 or the legal age in country, whichever is higher)
- Treat all workers with respect and ensure equality of treatment
- Uphold the right to freedom of association and collective bargaining
- Responsible recruitment, wages, benefits, working hours and termination practices
- Functioning grievance mechanisms

Environmental Performance

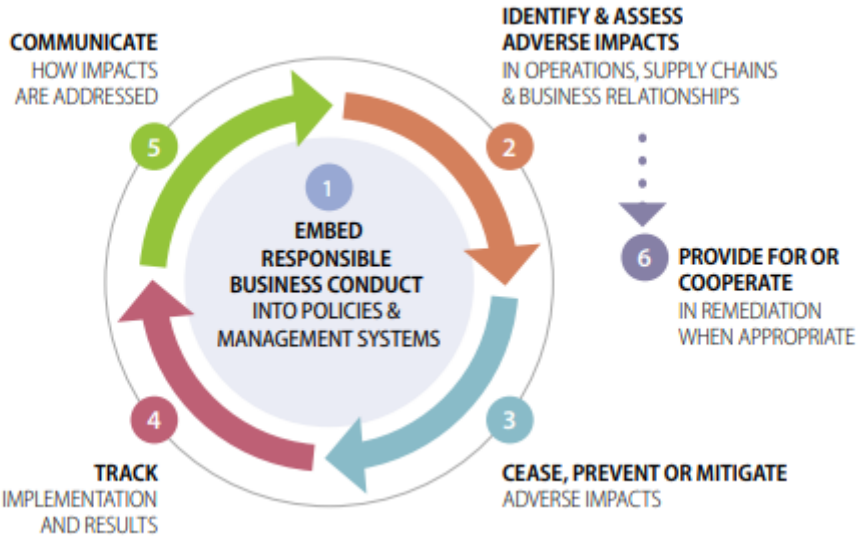


- Establish and implement an environmental management system
- Minimize impacts of chemicals, wastewater, air emission, waste and noise pollution
- Improve energy and resource efficiency

Governance Systems

We have integrated the values of responsible business conduct into company culture and governance systems. We acknowledge The OECD due diligence framework which comprises six-key steps (as shown in the Figure 1). Companies, regardless of their position or size, must assess and address the most severe risks and impacts in their own operations and supply chain. This section explains our approach and commitment to social and environmental due diligence, supply chain mapping and traceability, continuous improvement, ethical business practice, subcontracting and homeworking. Our suppliers are required to adopt the same approach and establish a strong governance system to proactively address human rights and environment impacts and conduct their business in a responsible manner.

Figure 1: OECD Six-Step Due Diligence Framework

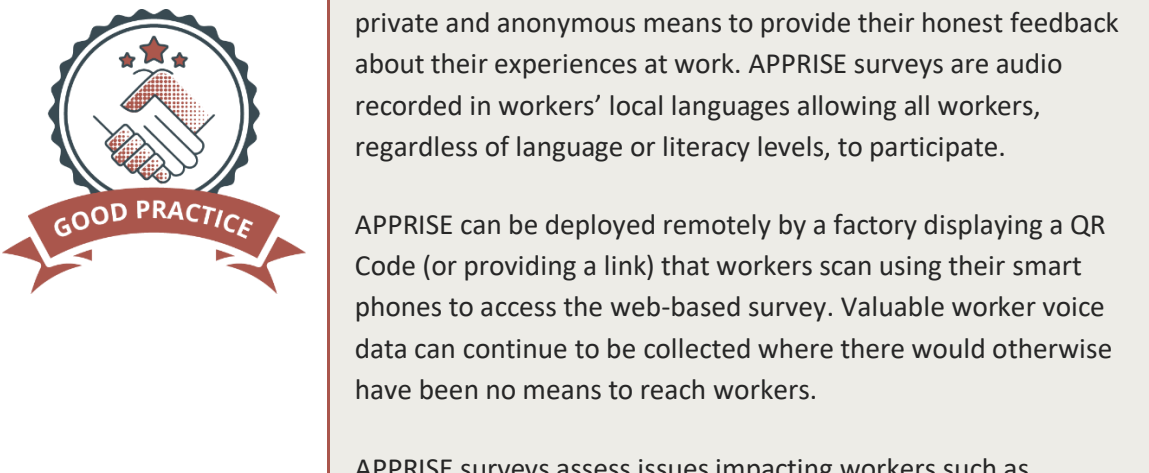


Suppliers Shall Conduct Social and Environmental Due Diligence

- Suppliers shall have policies and management system in place to reflect company's commitment to identify and address human rights (including child labor, forced labor, human trafficking, etc.), and environment concerns.
- Suppliers shall conduct due diligence in their own operations, their supply chain and other business relationships to identify, prevent and mitigate potential human and labor rights, health and safety, environmental, business ethics, and legal compliance risks.
- Suppliers are required to provide remedy where they determine that they have caused or contributed to negative human rights or environmental impacts.

Suppliers Shall Conduct Supply Chain Mapping and Build Product Traceability down to Raw Materials Procurement Level

- Suppliers shall map, track and monitor their supply chain to identify all locations involved in producing raw materials, inputs, or finished products for LSG and its customers.
- Suppliers shall provide information annually or (more frequently) upon request for all locations in all levels of the supply chain.
- Suppliers shall respond to requests for information and documentation within the required timeline specified by LSG and its customers (no more than 7 calendar days).
- Suppliers shall maintain sufficient documentation to show the entire supply chain from raw material to the final production of the finished product, which may include (but is not limited to) purchase orders, invoices, packing lists, bills of lading, payment records, production records, shipping records, and inventory records pertaining to goods or any components.



GOOD PRACTICE

APPRISE is an innovative worker voice tool that offers workers a private and anonymous means to provide their honest feedback about their experiences at work. APPRISE surveys are audio recorded in workers' local languages allowing all workers, regardless of language or literacy levels, to participate.

APPRISE can be deployed remotely by a factory displaying a QR Code (or providing a link) that workers scan using their smart phones to access the web-based survey. Valuable worker voice data can continue to be collected where there would otherwise have been no means to reach workers.

APPRISE surveys assess issues impacting workers such as indicators of forced labor and gender equity. LSG has implemented the use of APPRISE as part of its ongoing monitoring of social compliance. In particular, LSG uses APPRISE as a means to effectively reach out and engage with workers to identify, prevent, and monitor potential risks to workers with a particular focus on forced labor indicators.

Suppliers are Transparent and Engage in Continuous Improvement

Full Access Denied is a Zero-Tolerance Violation that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

- Suppliers will be expected to monitor and improve their compliance performance by meeting local law and regulations, LSG's minimum requirements and setting targets to achieve good practice.
- Suppliers shall have management systems, policies, procedures, and practices to ensure compliance with this Supplier Code.
- Suppliers shall appoint responsibility to specific personnel to monitor and drive performance on compliance and sustainability including training, corrective action planning, and verification.
- At the sole discretion of LSG, Suppliers may be audited with or without prior notice. Suppliers shall grant full access to all operations including related documentation and Supplier-provided housing and childcare facilitates, and grant permission to conduct confidential worker interviews. If a Supplier refuses the access by LSG or its representatives during an audit, unless the Supplier presents evidence to the contrary, there shall be a presumption of intent to conceal.
- Suppliers shall not influence worker interviews during an audit, nor shall they retaliate against workers for their participation in an audit or reporting of incidents to LSG or its customers.
- Suppliers must remediate non-compliances within the required timeframe. Failure to remediate non-compliances within the specific timeframe, or the repeated non-compliances, particularly those identified through non-transparent means (e.g., complaints or investigations) may result in a Supplier being prohibited from producing merchandise for LSG and its customers.

Suppliers shall be open and transparent with LSG on their compliance challenges and should engage in capacity building programs to address them.

Suppliers Engage in Ethical Business Practices

Bribery, Corruption and Fraud are Zero-Tolerance Violations that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

- LSG has a strict policy regarding bribery and corruption. Any offer (suggested or actual) to LSG and/or its customers or designated representatives of money, gifts, hospitality, travel or

entertainment or other consideration that is intended to or may be reasonably construed as an inducement to act (whether by commission or omission) is strictly prohibited.

- Suppliers are strictly prohibited from engaging in any form of violent behavior towards LSG, its customers, or designated representatives, including but not limited to verbal and mental abuse, coercion, threats, corporal punishment, physical abuse, and sexual harassment.
- Suppliers shall not engage in fraudulent behavior, including altering the content or format of an audit report submitted for equivalency purposes.
- Suppliers are required to take reasonable precautions while gathering, using, and otherwise processing personal information (including that of workers, business partners, customers, and consumers within their sphere of influence). Regulations and rules governing information security and privacy must be followed during the collection, usage, and other processing of personal data.
- Suppliers must compete fairly and comply with applicable competition and anti-trust laws. Suppliers shall not engage in any act that improperly reduces competition.

Bribery is when a person offers, promises or gives another person a benefit directly or indirectly (e.g., through a third party) intending that benefit to influence that person to perform their job improperly, or as a reward for doing so. It does not matter if the bribe is offered or accepted by a third party. It is still a bribe. Benefit is not limited to cash or cash equivalent items (such as gift vouchers) and benefit includes any type of advantage. Examples of bribery (non-exhaustive) include:

1. Payment to quality control staff to clear goods for shipment to the customer.
2. Payment to social compliance auditor to remove critical finding.
3. Offering or providing gifts to LSG, its customers or representatives (including auditors) even where it is a locally acceptable practice.
4. Making any facilitation payments to any government, public official, or other persons in positions of authority able to exert improper influence on business transactions.

All Subcontracting and Homeworking Activities Must be Disclosed and Authorized

Unauthorized Subcontracting and Homeworking are Zero-Tolerance Violations that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

- Suppliers must not use unauthorized subcontracting or homeworkers:
    i. All subcontractors and/or homeworkers involved with key production processes must be disclosed and receive written approval from LSG and its customers prior to outsourcing production.[1]
    ii. The supplier must disclose subcontractors' and homeworkers' complete details, including site location, percentage and type of work carried out by the contracted party, etc.
    iii. Suppliers may use homeworkers for artisanal or skilled handiwork. In this case, the Supplier is required to provide the same level of protection, including health and safety, wages, etc. as workers working at their facility. Child labor and all forms of labor exploitation including forced labor and human trafficking is strictly prohibited.
    iv. Suppliers are responsible for ensuring next-tier Suppliers comply with this Supplier Code by performing periodic assessments and training. Assessments shall be performed at a minimum on an annual basis and records kept available for review.
- At the sole discretion of LSG, subcontractors, homeworking agency and sites may be audited by LSG or its representatives.

Business Licenses Meet or Exceed Legal Requirements

Lack of business license is a Zero-Tolerance Violation that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

- Suppliers shall maintain up-to-date, valid business license, as required by law, for its operation.

Suppliers Shall Operate in Full Compliance with Supply Chain Security Programs

- Suppliers shall produce merchandise for LSG and/or its customers based on the Customs-Trade Partnership Against Terrorism (C-TPAT), Security Guidelines issued by the US Customs and Border Protection Agency, the Authorized Economic Operators (AEO) Guidelines issued by the European Commission, the Partners in Protection Program in Canada, and similar requirements in other countries in which LSG and its customers operate.

[1] This section only relates to goods or services produced for LSG or its customers.

Workplace Safety and Health

A safe and healthy working environment is considered as a fundamental principle and right at work. It is also a central pillar of building sustainable supply chains. We are determined to ensure no worker is injured or harmed in the making of our products or providing services to us and our customers. This section explains our approach and commitment to responsible fire safety precaution and emergency practices, responsible first aid and OH&S policies and practices, safe and clean dormitory, childcare and canteen facilities, responsible handling of chemicals and hazardous materials, machines, special equipment and facility safety management, and responsible electrical, building and construction permits, policies and practices. Suppliers are required to meet all requirements and create a safe and healthy working environment for workers.

Suppliers Shall Apply and Maintain Responsible Fire Safety and Emergency Precautions, Prevention and Practices

Locked or systematically obstructed emergency exits are considered a Zero-Tolerance Violation that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

Fire Safety and Emergency Permits and Practices

- Suppliers shall have a valid fire license or acceptance letter from the local fire service authority and keep this license or acceptance letter available for review.
- Suppliers shall develop policies and procedures on health and safety that include fire prevention, hot-work procedures, and emergency response procedures for fire and natural disaster preparedness.
- Suppliers shall train all workers on basic fire and emergency preparedness per local law and maintain a log of worker training.
- Flammable and combustible[2] materials should be stored in a safe location with proper controls and appropriate warning signs (e.g., “No Smoking” Signs).
- Smoking and other activities that involve open flame, fire or ignition are prohibited in areas with flammable and combustible materials.
- Suppliers shall assign emergency response personnel (e.g., first aid manager) that are certified and/or trained, and responsible for management of emergency and health and safety policies

[2] Combustible material: Any material that, in the form in which it is used and under the conditions anticipated, will ignite, and burn or will add appreciable heat to an ambient fire.
Flammable material: Any material capable of being set on fire and of burning quickly.

and procedures. Emergency response personnel shall be present at every shift, and easily identifiable by all workers in the event of an emergency.

- Suppliers shall ensure all aisles, evacuation passages, and exits in the facility are always maintained free from obstruction to allow for free and unhindered movement in the event of an emergency. In addition, Supplier shall ensure all stairwells in the facility are maintained free from obstruction at all times.
- Suppliers shall conduct evacuation drills (for fires and natural disasters) at least every six months for all shifts and floors, including dormitories of the Supplier, jointly with other occupants of the building, and maintain documentation of the two most recent evacuation drills.
- Multiple Tenancy in a Multi Storied building (MSMT) is not permitted in Bangladesh and any other countries that legally prohibit the use of MSMT facility for manufacturing.

Suppliers shall undertake emergency drills with relevant personnel to practice different emergency situations in different locations to practice and improve performance with support from qualified fire prevention experts. Evaluate the outcomes of the drill including response time and preparedness and make the necessary corrections for improvement.

Adequate and Functioning Fire Safety and Emergency Equipment

- A B C Type[3] of fire extinguishers shall be present, mounted and be the appropriate size as required by law. Fire extinguishers must be easily accessible in case of need.
- Suppliers shall maintain the correct type and adequate number of fire extinguishers in areas where flammable or combustible materials are stored and along emergency exit pathways.
- Extinguishers shall remain accessible, be designated and visible, and have operating instructions and monthly inspection tags. All fire extinguishers shall be charged periodically and ensure it can function properly.
- Suppliers shall maintain all legally required fire suppression systems, such as a sprinkler and/or fire hydrant system. Fire suppression systems shall have quarterly inspection tags and be inspected annually or as required by law (whichever is the more frequent) by a licensed third party.

[3] Fire extinguishers with a Class A rating are effective against fires involving paper, wood, textiles, and plastics. Fire extinguishers with a Class B rating are effective against flammable liquid fires. Fire extinguishers with a Class C rating are suitable for fires in "live" electrical equipment. Class D rating are combustible metal fire (e.g., magnesium, lithium, calcium, potassium)

- Where applicable, Suppliers shall maintain adequate water supply for fire suppression systems. Water supply shall be stored in a suction tank, elevated tank, or reservoir. Suppliers shall monitor and inspect water supply level monthly for sufficiency. Water supply shall not be empty.

- Manual or automatic emergency alarm system shall be present in production, distribution and living areas. Manually operated emergency alarm shall be designated, accessible and clearly visible. Automatic alarm devices should have emergency backup power supply supported by a battery or generator. Alarms shall have notification lighting (e.g., flashing strobe lights) in areas where workers are using hearing protection and the noise level is observed to be above ambient. Alarm signs shall be in a language understood by the majority of workers or provided through pictures or diagrams. The emergency alarm system shall be tested annually by an approved contractor or more frequently if required by law.

Emergency Exits Shall be Functional and Accessible

- Suppliers shall equip all staircases with handrails on both sides of the staircase and height and width of staircases should be as required by local law.

- A minimum of two exits or exit doors shall be provided on every floor or any space greater than 450 m^2 (or according to local law whichever is more stringent) and be placed a distance apart, equal to or not less than ½ of the length of the maximum overall diagonal dimension of the building.

- Workstations shall not be blocked and free from any obstruction at any time.

- Emergency exits (doors and windows) shall be designated with signs that are always visible, and in a language understood by the majority of workers. Emergency exits shall be fire-resistance rated, accessible, unlocked, and manual, single release operable. Emergency exit doors shall open outward and shall have a landing platform on the exit side before any stairs. Doors that are not exits are clearly marked with ''Not an Exit''.

- Emergency exit pathways shall be accessible, unobstructed, well lit, designated with power backup directional signs that are visible in the dark[4], open outward and lead out of the building and to a public way/ assembly point[5], and shall have enclosed staircases or external fire escape routes.

- The emergency evacuation plan shall be posted along emergency exit pathways and entrances to stairs. Evacuation plans shall be accessible, shall have pictures or diagrams that reflect the facility's layout accurately and contain the accurate location of the assembly point as well as a "You Are Here" mark. Evacuation plans should be in a language understood by the majority of workers.

- Suppliers shall provide emergency lighting with backup power along the emergency exit pathway and shall maintain emergency lighting.

[4] Visible in the dark signs: Signs with Illumination from within (i.e., light bulb inside the sign); Day glow or evening glow (i.e., glow-in-dark sign)
[5] Assembly point: A point of refuge outside of building that is protected from fire (separation or distance).

- Suppliers shall respect the workers' right to exit the premises from imminent danger without seeking permission.
- Supplier premises shall be accessible to fire response and emergency response vehicles. Fire response or emergency response vehicles shall be able to reach the Supplier by road or a cleared path and shall have unobstructed access to water sources, electrical mains and gas cutoffs.

Train workers and supervisors to keep emergency exits clear at all times, including the removal of all excess materials. Task one or more managers with ensuring emergency exits are clear and regularly conduct unannounced internal inspections.

Train workers and supervisors to keep fire protective equipment unobstructed such as fire extinguishers, fire hoses, hydrants, sprinklers throughout the location and dormitory as required by law.

Train and pre-assign workers and supervisors to assist workers with disabilities or special needs during emergency evacuations or evacuation drills.

Suppliers Shall Apply and Maintain Responsible Policies and Practices on First Aid and Occupational Safety and Health

Gross or repeated factory negligence leading to serious injury or loss of life is considered a Zero-Tolerance Violation that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

Suppliers Shall Provide and Maintain First Aid and Medical Care

- Suppliers shall have first aid kit(s) with sufficient and in-date supplies (including basic supplies such as bandages, pain relievers, anti-bacterial ointment, tourniquets, tape, etc.). Supplies must be accessible to all workers during all working hours.
- There shall be an adequate number of workers trained for first aid for all shifts. Suppliers shall provide and maintain first aid training records.
- Suppliers shall have qualified medical professionals to administer medical care, as required by law. Suppliers shall provide accurate qualification records for all professionals.
- Suppliers shall have a clinic and maintain complete medical records, as required by law.
- Suppliers shall maintain a document with emergency procedures and numbers in the event of injury or accidents at each first aid location.

- Medical tests (e.g., a medical examination performed to detect, diagnose, or evaluate the health status of a worker) shall be administered in accordance with local law. Suppliers shall not improperly discriminate based on test results.
- Suppliers shall report, investigate and maintain records of worker and facility accidents, as required by law.
- Suppliers shall engage in root cause analysis and corrective and preventative action to address worker and facility accidents.
- Without sufficient evidence to the contrary, accidents that result in serious physical injury or loss of life due to facility operations in the past twelve months shall indicate failure of health and safety precautions.

Suppliers shall check the first aid kit inventory at minimum on a weekly basis, as well as after any first aid incident, and refill as needed.

Suppliers shall establish a process for external medical treatment of workers in the event of occupational injury or illness.

Suppliers shall engage in training programs for prevention and shall document any incidents that occur, as well as how those incidents were addressed through corrective actions.

Suppliers Shall Apply and Maintain Occupational Safety and Health Policies and Practices

- Suppliers shall maintain accurate, valid, up-to-date health and safety permits, licenses and/or certifications for the facility and its operations, as required by law. Suppliers shall maintain and post all applicable health and safety notices, as required by law and in language(s) understood by the majority of workers.
- Suppliers shall establish an Occupational Safety and Health (OSH) committee comprised of worker and management representatives that meet regularly (e.g., monthly) to establish procedures for investigating all health and safety-related incidents, ensure workplace inspections are performed, and make recommendations for actions by the committee. Maintain a log of OSH Committee activities and keep a copy available for review.

- Suppliers shall establish policies, codes and systems governing identification, use, maintenance and training of Personal Protective Equipment (PPE)[6]. Suppliers shall conduct and document an annual PPE risk assessment.
- Suppliers shall strive to eliminate or mitigate occupational hazards systematically and preventatively. Where preventative measure to eliminate and mitigate hazards may not be feasible or available at that time, Suppliers shall provide workers with appropriate PPE in accordance with the established policies, codes and systems and as required by law.
- Suppliers shall maintain PPE and keep inventory as required by law.
- Suppliers shall communicate and train workers at all levels on the Supplier's use and maintenance of PPE.
- Suppliers shall maintain complete broken needle records.

Suppliers shall offer flexibility in terms of various models and sizes of the required PPE where possible (while maintaining appropriate protection) to encourage PPE compliance.

Suppliers Shall Apply and Maintain Appropriate Lighting, Noise, Comfort and Hygiene Practices

- Suppliers shall maintain and monitor lighting and noise levels, as required by law. Where lightening and/or noise levels depart from the legal limit, Suppliers shall comply with legally required remedial action (e.g., PPE, and soundproofing).
- Suppliers shall install anti-explosive lights in areas in which flammable and combustible materials are stored (including but not limited to raw materials warehouse, chemical storage room/tanks, finished goods warehouse, and hazardous wastes storage area).
- Suppliers shall prevent extreme temperatures inside the workshop by providing heating and cooling mechanisms as required by law.
- Suppliers shall implement ergonomics program(s) to identify, evaluate, and minimize risks from physically demanding work, such as manual lifting and highly repetitive tasks and to prevent work-related injuries.

[6] Personal Protective Equipment (PPE): Refers to protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearers' body from injury. Includes the following: Protective laboratory clothing; Disposable gloves; Eye protection; Face masks; Harnesses for working at heights/ equipment to protect from falls; Self-contained breathing apparatus for working in confined spaces.

- Suppliers shall provide training on ergonomics awareness to all workers and necessary equipment and tools to allow work to be conducted in an ergonomically safe manner with increased satisfaction among workers.
- Suppliers shall maintain good housekeeping and cleanliness, as required by law (e.g., suppliers shall not have accumulated dust, lint, waste, and scraps in assessed production or distribution areas). Housekeeping procedures shall be documented and kept available for review.
- Workers shall have unlimited and free access to potable water. Suppliers shall conduct water quality tests for drinking water annually or as required by law (whichever is the most frequent).
- Workers shall have unlimited and free access to toilet facilities. Suppliers shall provide and maintain enough restroom and shower facilities and number of toilets, as required by law.
- Toilet and shower facilities shall be sanitary and have complete supplies (toilet paper, soap, and drying facilities), running water, sufficient ventilation and lighting, privacy, and gender separation.

Suppliers Shall Maintain Safe and Clean Dormitory, Childcare and Canteen Areas

- Suppliers shall maintain accurate, valid, up-to-date dormitory, childcare[7] and canteen[8] health and safety permits, licenses and/or certifications, and facilities as required by law.
- Such facilities shall be located in an area separate from production, storage and distribution areas, and shall maintain clean and sanitary conditions (e.g., no open sewage, vermin or insects).
- Hazardous, toxic, or combustible materials used in the production process are not stored in the dormitory or in buildings connected to sleeping quarters.
- Ensure childcare facilities are affordable for all workers or free where required by law. Never allow children near production areas, confined spaces, heavy machineries, vehicles, hazardous materials or wastes, nor high places such as on the rooftops, or any areas that may lead to child's endangerment.
- Emergency precautions for fire extinguishers, emergency alarms, emergency exits and lighting, evacuation pathway and plan, training drills, and electrical safety guidelines and first aid kit shall equally apply at the dormitory, canteen, and childcare facilities. The emergency alarm system shall be tested annually by an approved contractor or more frequently if required by law.
- Suppliers shall cover and protect the food preparation area/canteen from contamination and test food quality and hygiene for all facilities and hygienic equipment for food storage as required by law.
- Dormitories shall provide personal storage with locks for safe keeping to dormitory occupants.
- Suppliers shall ensure there is sufficient space for occupants in dormitories and avoid over-crowding. The estimated number of persons in dormitory or dormitory rooms shall be in

[7] Childcare facility: Any room in facility designated for non-working minors.
[8] Canteen: A place where food is served in the facility.

accordance with local regulations and shall not exceed the number reported by Supplier or maximum occupancy posted near entrance.

- All kitchen and food service staff shall have valid health certificate and regular health checkup as required by law.
- Workers in dormitories shall have access to sanitary food preparation or eating areas, potable water, hot water, toilets and sleeping quarters segregated by gender.
- When a Supplier recommends off site housing for workers, specific attention shall be paid to renting arrangements, hygiene and housing standards.

Suppliers are encouraged to use childcare facilities by employing qualified childcare providers and designing a child friendly space and activities.

Suppliers are encouraged to survey workers or solicit other feedback to better understand how to improve dormitory, childcare and canteen facilities.

Suppliers are encouraged to provide sleeping facilities for married couples and families, with no more than one couple/family per room.

Suppliers Shall Ensure Responsible Chemicals and Hazardous Materials, Machines, Special Equipment and Spaces Safety Management

Minimum Requirements

Responsible Chemicals and Hazardous Materials Management

- Suppliers shall establish and implement policies, codes and systems governing the correct identification, labeling, maintenance, storage, use, of chemicals and/or hazardous materials[9], including Emergency Management Systems. Suppliers shall train workers at all levels on how to follow and implement the Supplier's chemicals and/or hazardous materials policies, including Emergency Management Systems.
- Suppliers shall provide specialized training to relevant workers on how to safely handle chemicals and/or hazardous materials. Only trained and authorized workers shall handle chemicals and/or hazardous materials.

[9] Hazardous materials: Any material which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors.

- Suppliers shall maintain complete Material Safety Data Sheets (MSDS)[10] in compliance with established policies and procedures. Suppliers shall post MSDS in chemical use or storage areas in a language understood by the majority of workers.
- Suppliers shall maintain legally required inventory of chemicals and/or hazardous materials. Suppliers shall maintain procedures that identify, keep up to date, and alert applicable personnel of new chemicals and/or hazardous materials.
- A functioning eye wash station shall be present and located at proper distance, as required according to MSDS. Chemical showers shall be present for facilities where workers will risk partial or full body contact with chemicals.
- Suppliers shall store hazardous materials in a safe and secure manner. Hazardous materials should be stored separately from the production area and other facilitates (e.g., childcare, dormitories and canteen), away from sources of ignition[11] and emergency exit pathways, in a separate and designated chemical storage area in category by the type of chemical. Suppliers shall have a secondary containment system (considering 110% of actual volume) in place in case of chemical spills.
- For temporary use of chemicals near workstations, Suppliers shall ensure volume of chemicals used and storage arrangements are in accordance with the MSDS.
- Suppliers shall avoid the use of sandblasting and the use of substances listed in RSL (Restricted Substances List) and/or MRSL (Manufacturing Restricted Substance List) in their operations.
- Where chemicals are stored or regularly used, Suppliers shall maintain and regularly inspect ventilation systems. Ventilation systems must function effectively and remove air contaminants from the workplace.
- Suppliers shall ensure workers are trained on where spill kits are located, the contents of spill kits, and how to properly use and discard the sorbents included in a spill kit. Appropriate PPE should be a part of the spill kits.
- Suppliers shall maintain gas cylinders are properly marked, used, inspected, stored, and secured as required by law.
- Suppliers shall conduct regular emergency drills (e.g., chemical leakage) for all workers who work with chemicals and/or hazardous materials.

[10] MSDS informational document intended to provide workers and emergency personnel with procedures for handling or working with that substance in a safe manner and includes information such as physical data (melting point, boiling point, flash point, etc) toxicity, health effects, first aid, reactivity, storage, disposal, protective equipment, and spill-handling procedures

[11] Sources of ignition: Spark-producing equipment (e.g., grinder, sander); Open flames; Heated surfaces (e.g., water heater, electric stove); Exposed wires; Electrical panels and equipment; Lamps; Exposed light bulbs (i.e., light bulbs hanging from electrical wire); Smoking areas.

Suppliers shall maintain an inventory of the suppliers of chemicals and hazardous materials. Gradually substitute the use of hazardous chemicals with safer alternatives through the setting of annual targets.

Suppliers shall ensure eye wash station equipment along with specialized PPE for handling chemicals are regularly inspected.

Workers shall be trained on how to use the eye wash station (rinsing eyes for at least 15 minutes non-stop).

Suppliers Shall Ensure Machines, Special Equipment and Spaces Safety Management

- Permits, licenses and/or certification, calibration, as applicable, for forklifts, boilers, generators, lifts (elevators), compressors, industrial refrigerators and wash-dyeing/laundry machineries shall be accurate, complete, and up to date.
- Suppliers shall retain copies of valid operator licenses for workers or contractors who are responsible for operating heavy machinery (forklifts, boilers, generators, lifts (elevators), compressors, and industrial refrigerators, etc.), as well as those responsible for transporting workers.
- Suppliers shall establish policies, codes, and systems governing identification and maintenance of safety guards and emergency stops, as required by law.
- Suppliers shall communicate and train workers at all levels on the Supplier's equipment safety policy.
- Suppliers shall have complete machine safety equipment and fit with appropriate machine guarding mechanisms. Equipment shall not pose immediate danger of severe injury due to lack of safety measures.
- Suppliers shall ensure all machinery rooms (including boilers, generators, lifts (elevators), compressors, and industrial refrigerators, etc.) are devoid of any storage containing combustible, flammable, or explosive materials such as paper, cardboard, fabric, and fuel, etc.
- Suppliers shall maintain emergency safety equipment and inspection records, specifically for forklifts, boilers, generators, lifts (elevators), compressors, and industrial refrigerators. Emergency safety equipment should be regularly inspected to ensure proper functioning.

- Suppliers should ensure a proper Lockout and Tagout (LOTO) procedure[12] is developed and enforced to protect workers from the dangers of accidental or unexpected startup of electrical equipment, or the release of stored energy during inspection or repairs.
- Suppliers should ensure guardrails or fences are installed with sufficient height and strength to prevent falling hazards.
- Suppliers shall post clear warning sign at visible location of each lift (elevator) station indicating lift is not to be used in case of fire.
- Suppliers shall establish policies, codes and systems governing identification, entrance into, maintenance and training of confined spaces[13]. Only trained and authorized personnel with appropriate safety devices and PPE shall be permitted to access confined spaces while having an attendant present with a confined space entry attendant sheet and communication device, such as walkie-talkie. Suppliers shall communicate and train workers at all levels on the Supplier's confined spaces policy.
- Suppliers shall establish policies, codes and system governing identification, design of, maintenance, spill control and installation of aboveground and underground storage (AST and UST)[14]. Suppliers shall communicate and train workers at all levels on the Supplier's AST and UST policy.

Suppliers shall have a solid rescue plan in case of emergencies related to confined spaces and AST and UST. Do not rely alone on local emergency response teams as they may not have specialized training to deal with these spaces.

Suppliers shall undertake an assessment of all factory-employed drivers and their vehicles to ensure they have valid driver licenses, and their vehicles have proper safety devices (proper seating arrangements and seatbelts for all passengers).

[12] Lockout/tagout (LOTO): Procedure to ensure that dangerous machines are properly shut off and not started up again prior to the completion of maintenance or servicing work.
[13] Confined space: Space that has limited or restricted means for entry or exit and is not designed for continuous occupancy. Confined spaces include, but are not limited to, tanks, vessels, silos, storage bins, hoppers, vaults, pits, manholes, tunnels, equipment housings, ductwork, and pipelines.
[14] Above Ground Storage Tank (AST): ASTs are tanks or other containers that are above ground, partially buried, bunkered, or in a subterranean vault. The majority of storage tanks contain petroleum products (e.g., motor fuels, petroleum solvents, heating oil, lubricants, and used oil).
Under Ground Storage Tank (UST): A UST system is a tank (or a combination of tanks) and connected piping having at least 10 percent of their combined volume underground. The tank system includes the tank, underground connected piping, underground ancillary equipment, and any containment system. UST can, e.g., contain petroleum or hazardous substances.

Responsible Electrical, Building and Construction Permits, Policies and Practices

Immediate structural collapse risk is considered a Zero-Tolerance Violation that may result in evacuation and Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

Ensure Electrical Components and Systems are Properly Maintained.

- Electrical panels shall be labeled with proper signage mentioning maximum voltage handled, accessible, and covered /dust & vermin proof or specified Ingress Protection (IP) graded. Electrical wiring shall not be damaged or exposed and not pose a trip hazard. To prevent overloading, extension cords shall not be used instead of wall outlets for permanent electrical installations. Electrical wiring joint or connection should be done properly with the appropriate insulating materials and tools such as heat-shrink tubing, electrical tape, or insulating connectors, and mechanically strong to avoid coming loose or separating over time.
- Electrical panels, control panels, distribution boards shall be easily accessible and unblocked.
- Suppliers shall provide electrical safety equipment to workers working around high voltage electrical hazards, including electrical safety matting, insulated tools etc.
- Train workers on the importance of wearing proper protective clothing (including proper footwear) and use of specialized equipment to protect against electrical hazards.
- Suppliers should have a certified electrician (with a valid license) to perform all electrical work at the factory and its related facilities (dormitory, canteen and childcare). Suppliers shall keep an up-to-date copy of the certified electrician's license.
- Lightning protection system (LPS)[15] shall be installed in the premises as protection from lightning/thunder strikes.
- Motors, drill machines, grinding machines, electric irons, and electric kettles shall be connected with an earth continuity conductor (ECC).
- Ground fault circuit interrupter (GFCI) shall be installed and maintained in all wet or damp areas of operation.
- Install all warehouse lights with protective covers or guards that prevent shattering and fit with an anti- explosive light bulb.
- All electrical installations shall be well maintained annually or as required by law (whichever is the most frequent).

[15] Lightning protection system (LPS): The function of a lightning protection system is to protect structures from fire or mechanical destruction and to prevent that persons in buildings are injured or even killed. An overall lightning protection system consists of external lightning protection (lightning protection/earthing) and internal lightning protection (surge protection).

Suppliers shall conduct quarterly inspections of all facilities' electrical components and system using a certified electrician.

High voltage areas and generator areas are restricted to authorized personnel only.

Building and Construction Permits are Maintained and Accurate

- Suppliers shall maintain applicable building and construction permits, licenses, and/or certifications. Factory must obtain an occupancy certificate from the local fire service/authority which must be updated if alterations occur to the structure(s) (e.g., erection of roof structures or extensions, conversion of building use etc.).
- There must be a building plan on file for the production site and related facilities (dormitory, canteen, and childcare) that has been approved by the proper local authorities. Any alterations that occur after the initial approval must also be reviewed and approved by the proper local authorities prior to the construction.
- The number of floors indicated on the Supplier construction permit, license, and/or certification shall reflect the actual number of facility floors.
- The supplier production facility (exterior and interior) and related facilities (e.g., dormitory, childcare and canteen) must be free of any major structural defects/ cracks/ corrosion or other issues.
- Suppliers shall maintain load plan with load marking for aboveground floors as permitted by structural design.
- Suppliers shall maintain sufficient protections for building roof (e.g., parapet wall, fencing) and floor opening preventing falls and accidents.
- Generators and other heavy vibrating equipment, such as industrial boilers fueled by combustion, shall be located on the ground floor and or located away from production areas and or constructed fire rated wall between the heavy equipment and production area.

Suppliers shall periodically have the production site and related facilities inspected by a structural engineer to guarantee its integrity and conformity of structure, and ensure building is inspected after any natural disasters or emergencies such as flood, earthquake, fire incident, strong winds, etc.

Fundamental Rights at Work

We hold all globally recognized human and labor rights in high regard, and we are firmly committed to preventing, mitigating, and rectifying any adverse impacts that may occur along our supply chain. Our supply chain due diligence framework, which comprises of a firm and effective company management system, frequent and thorough risk assessments and monitoring, training interventions, industry collaboration, and remediation, serves as our primary tool. This section explains our approach and commitment to responsible sourcing practices, responsible recruitment, responsible wages, benefits, working hour and termination practices, minimum age of working, protection of young workers, respect and equality of treatment, grievance mechanism. Suppliers are required to comply with the minimum requirements specified in this section and take active measures to alleviate and eliminate all potential risks linked to human and labor rights.

Suppliers Shall Ensure All Work is Freely Chosen (Free from All Forms of Forced or Compulsory Labor or Human Trafficking)

All Forms of Forced Labor[16] are Zero-Tolerance Violations that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

Suppliers Shall Maintain Responsible Sourcing Practices

- Suppliers must not use or purchase raw materials from regions or countries with systemic forced labor.
- Suppliers must not use or purchase conflict minerals and any other raw materials which may directly or indirectly finance or benefit armed groups.
- Suppliers shall assess the risks of forced labor and human trafficking at potential suppliers before entering into any contracts with them and retain documentation on this process and outcomes. The requirement of forced labor and human trafficking should be included in the contract between the Supplier and their next-tier Suppliers.
- Suppliers shall take steps to ensure that next-tier Suppliers implement standards that are in-line with the company's supply chain policies addressing forced labor and human trafficking.

Note: Please refer to the LSG Combatting Forced Labor Policy which outlines detailed requirements

[16] According to the ILO Forced Labor Convention, 1930 (No. 29), forced or compulsory labor is: "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily."

Suppliers Shall Maintain Responsible Recruitment Practices

- Suppliers shall maintain a written no-fee-charging policy incorporating LSG requirements and best practices on responsible recruitment and hiring practices. Suppliers shall communicate the policy to any next-tier Suppliers, management personnel, workers and any labor recruiters[17] used in the recruitment or management of workers in the relevant language.
- Workers shall be free from paying recruitment fees or related costs. Where recruitment fees or related costs are charged this must be covered by the employer. Indirect fee charging (such as through deductions from wages and benefits) is prohibited. Suppliers must ensure that where workers have paid recruitment fees, fees are fully reimbursed by the employer in a timely manner.
- Suppliers shall use registered or licensed labor recruiters when recruiting migrant (domestic and foreign) workers. Suppliers shall have a written contract with all labor recruiters used to recruit migrant workers, incorporating all principles of responsible recruitment, including the prohibition of worker paid recruitment fees and related costs.
- Prior to selection, Suppliers shall undertake a formal screening of labor recruiters to assess commitment and capacity to meet the requirements set forth in this Supplier Code. Suppliers shall also research recruitment-related laws in home and host countries to better understand and be able to comply with the legal framework.
- Suppliers shall conduct ongoing risk assessments and audits, including interviews with migrant workers to monitor and regular checks on labor recruiter's licenses and management systems to track compliance with the established contract. Whenever possible, interviews shall be done with a translator if needed.
- Suppliers shall keep a copy of any current contracts with labor recruiters along with any other records of due diligence (e.g., audit or worker interview records) for review.
- Migrant workers shall be free to return to their home country, in accordance with legal provisions. Employers shall ensure the safe return of foreign migrant workers at the expiry of the worker's contract, or at an earlier date in accordance with legal provisions.
- Workers shall be provided with a written copy of the labor contract in a language they understand before leaving their country of origin. Labor contracts shall be signed by both workers and the Suppliers (not by the local labor recruiter). Labor contracts shall specify all basic terms of employment including rights with regards to payment of wages, overtime, retention of identity documents, freedom of movement and other issues related to preventing forced labor and shall be in a language understood by the worker. If the worker is illiterate, the contract should be read clearly to them in their own language.

[17] According to ILO General Principles and Operational Guidelines for Fair Recruitment, Labor recruiter refers to both public employment services and to private employment agencies and all other intermediaries or sub-agents that offer labour recruitment and placement/temporary services.

- Worker's informed consent to the terms of the contract should be obtained voluntarily without deception or coercion.
- Workers shall not be required to sign an incomplete labor contract. Terms of employment promised to the worker during recruitment and hire shall meet the actual terms of employment.
- No additional contracts should be offered to the worker upon arriving in the destination country. The original contract should be the only one in use.
- Suppliers must ensure that foreign workers are in the country legally and have valid work permits.
- Workers shall hold their own identify documents including passports. Secure storage shall be provided to workers. Workers shall have access to storage without having to receive prior consent.
- Suppliers shall ensure full freedom of movement of workers, including in the canteen and dormitory and while accessing toilets, water, and necessary medical attention. Coercion shall not be used to physically confine or imprison workers to the workplace or related premises, for example employer-operated residences. Mandatory residence in employer operated residences shall not be made a condition of employment.
- Suppliers or their representative shall conduct orientation for migrant workers, in a language they understand, before they leave their home country to ensure workers have not paid any fees and to ensure they understand the basic terms and conditions of employment.
- Suppliers shall establish or participate in effective, operational-level grievance mechanisms that are inclusive to migrant workers taking into account social, cultural factors and language differences.
- Suppliers shall follow a non-retaliation policy that prohibits reprisals against migrant workers for information provided or grievances filed at all stages of the labor migration process. Complaints can be lodged confidentially and without fear of recrimination, reprisal or dismissal.

Note: Please refer to the LSG company website to access the detailed requirements outlined in LSG Responsible Recruitment Policy.

Suppliers are encouraged to hire workers directly when possible. If engaging with a labor recruiter, supplier shall perform due diligence as outlined in the LSG Responsible Recruitment Policy

Suppliers Shall Maintain Responsible Wages, Benefits, Working Hour and Termination Practices

- Suppliers must communicate their policy on freely chosen employment to management personnel, workers and next-tier Suppliers. Suppliers shall require next-tier Suppliers to implement the same requirements in their own operations.
- Suppliers shall not withhold wages or engage in illegal deductions or deposits, particularly as a means of recovering costs paid during the recruitment process or to prevent workers from taking legally entitled leaves or leaving their employment.
- Suppliers shall issue pay slips to workers in a language understood by workers. Pay slips should contain, at a minimum, regular and overtime hours worked, regular and overtime earnings, incentives and deductions. Suppliers shall ensure workers understand the pay slip content.
- Suppliers shall abide by all applicable laws on mandatory overtime. Mandatory overtime (if legally permitted) shall be within legal overtime limits in policy and in practice. Mandatory overtime shall not be implemented under the menace of penalty and workers shall provide written consent to mandatory overtime requirements prior to employment or overtime.
- Workers shall not be restricted from terminating employment (other than restrictions pertaining to legal notice periods) through debt bondage, physical or verbal abuse, threats of abuse, or other forms of coercion or deception.

Suppliers Shall Maintain Responsible Treatment of their Workers

- Workers must be guaranteed freedom of movement, including access to restrooms, drinking water and medical facilities at all times.
- Workers shall not be confined, imprisoned or in any way detained in the workplace or employer-operated housing, either during or outside working hours.
- Workers in employer-operated housing shall not be subject to curfews, particularly those enforced with disciplinary action or electricity shut off. The conditions of the living space shall be in accordance with local regulations.
- Workers shall be free to choose between Supplier-provided housing and other accommodation alternatives except in cases where restricted by law.
- Workers shall maintain custody and/or have free access to personal identity documents (including passports) and access to phones or other means of communication (outside of working hours).
- Worker treatment shall be in accordance with general principles of human dignity, including freedom from all forms of discrimination and violence in the workplace including verbal and mental abuse, coercion, threats, corporal punishment, physical abuse, sexual harassment and gender-based violence.

Suppliers Shall Refrain from Using Prison Labor or State-Imposed Forced Labor

- Suppliers shall not utilize prison laborers in its production processes, neither within nor outside a prison facility, including through subcontracting arrangements.
- Suppliers shall not utilize state-sponsored forced laborers in its production processes, including through subcontracting arrangements.
- All forms of prison labor are Zero-Tolerance Violations that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Suppliers Shall Ensure all Workers Meet Minimum Age Requirements

All Forms of Child Labor[18] are Zero-Tolerance Violations that may result in suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

Minimum Age for Admission to Employment

- Suppliers shall, at minimum, establish written policies governing minimum age requirements and appoint responsibility to personnel for implementing the policies. Suppliers shall communicate the policy to management personnel, workers, labor recruiters (including labor agents or contractors) and next-tier Suppliers.
- Suppliers shall not employ any worker younger than the age of 15, or younger than the age of completion of compulsory education, or legal employment age of the relevant country, whichever is higher[19].
- Suppliers shall establish a robust age verification mechanism in hiring procedures and processes. Suppliers shall request original, legal documentation to verify the workers' age at the time of hire and eligibility to work. Supplier shall maintain documentation or copies of documentation to demonstrate due diligence and must meet the minimum requirement for documented evidence according to the applicable national laws.
- Suppliers shall conduct in-person interviews of all applicants and shall not conduct it in any way be degrading or disrespectful to the individuals. Do not allow any exceptions including for contract, piece-rate or casual workers, foreign and domestic migrant workers, apprentices and trainees etc. or for workers in non-production areas (e.g., canteens, childcare facilities, dormitories, and sample rooms).
- Suppliers shall have a system in place to report and remediate cases of child labor in the best interests of the child. Costs of child labor remediation, including child labor identified in next-tier

[18] The worst forms of child labor as defined by Article 3 of ILO Convention No. 182: 1) All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict. 2) The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances. 3) The use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties. 4) Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children ("hazardous child labor")

[19] ILO Convention No. 138: Minimum Age Convention

Suppliers or Subcontractors shall be charged to the LSG Supplier. Failure to remediate cases of child labor may result in suspension of orders and permanent cessation of business.

Protection of Young Workers at the Workplace

- Suppliers shall ensure working conditions of workers under the age of 18, follow the law, and do not include the type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of these workers.[20] This includes ensuring that young workers do not work at night, carry heavy loads or operate dangerous machinery.
- Suppliers shall have a system in place to verify that all workers engaged in high-risk activities such as working with hazardous substances, working long hours etc. are above the age of 18.
- Payment to young workers, apprentices and trainees should be made directly to the workers and not to a third party, including their parents. Young workers, apprentices and trainees must be paid in accordance with the law.
- Suppliers shall maintain permits, licenses, parental consent forms and other documents related to the employment of apprentices, trainees and workers under the age of 18, as required by law.
- Identified apprenticeship/traineeships shall be administered by the Supplier, as required by law.
- Suppliers shall have a system in place to report and remediate cases of hazardous form of work for child and young workers. Failure to remediate cases of hazardous forms of work for child and young workers may result in suspension of orders and cessation of business.

Note: Please refer to the LSG company website to access the detailed requirements outlined in LSG Child Labor Policy.

[20] In ILO Convention No. 182, hazardous work is any work that by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children. Normally each state will have a list of hazardous work that young workers (above min. age but under 18) should avoid. Hazardous work is one of the worst forms of child labor: Work which exposes children to physical, psychological or sexual abuse; work underground, under water, at dangerous heights or in confined spaces; work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads; work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health; work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

In regions where age falsification is widespread, Suppliers shall verify a worker's age through multiple information sources (government databases, medical record, etc.).

Suppliers shall not exclude young workers based solely on the fact that they are under 18, but welcome initiatives to offer decent work opportunities to youth.

Restrict access to production areas to any individuals below 15 or the legal working age (whichever is higher). Be particularly vigilant during the summer months when parents may try to bring children to the workplace.

Suppliers Shall Ensure all Workers are Treated with Respect

The Worse Forms of Workplace Violence (sexual harassment, physical and psychological abuse) are Zero-Tolerance Violations that may result in Suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

- Workers shall be free from all forms of violence at work, including gender-based violence and harassment[21], physical, verbal and psychological abuse (threats and coercion).
- Suppliers shall, at minimum, establish written policies (in a language understood by the workers) and practices to address and prevent violence in the workplace (including during the recruitment process) and appoint responsibility to personnel for implementing the policies and practices. Suppliers shall communicate the policy and practices to all personnel in the workplace, including security guards.
- Suppliers shall have a system to ensure victims of workplace violence receive the necessary treatment and/or support services.
- Suppliers shall have a system to discipline workers (including managers, supervisors and security guards) who engage in any forms of workplace violence.
- Suppliers must maintain written records of incidents of workplace violence, including disciplinary measures against the perpetrator, and treatment and/or support to the victim.
- Suppliers shall ensure that security measures (body searches, etc.) are conducted in a way that is gender-sensitive and non-intrusive.

[21] Gender-based violence and harassment means violence and harassment directed at persons because of their sex or gender or affecting persons of a particular sex or gender disproportionately and includes sexual harassment.

- Suppliers shall ensure there are specific grievance and remediation procedures in place to handle potentially sensitive and complex complaints, such as grievances related to gender-based violence and harassment. Grievance mechanisms should have a gender-balanced structure to process complaints.
- Suppliers shall ensure that all allegations of workplace violence are investigated properly and confidentially. Every single case must be handled, based on the facts, and with sensitivity, not only of the victim, but also the alleged offender. Where allegations are found to be true, appropriate corrective action must be taken.
- Suppliers shall provide independent, gender-sensitive investigations of violations and protect all people who register complaints from reprisals.

Suppliers should provide training to prevent workplace violence (covering all forms) both in the workplace and (where relevant) off the premises to all key personnel, particularly those in positions of power, security guards or those in direct physical contact with workers.

Suppliers should run awareness-raising campaigns to address all forms of violence in the workplace and (where relevant) off the premises.

Suppliers Shall Ensure Equality of Treatment for All Workers

Minimum Requirements

- Workers shall not be discriminated against on the basis of gender, age, religion, marital status, race, ethnicity, sexual orientation, disability, disease, nationality, social status, pregnancy, or trade union and/or political affiliation in employment or occupation.
- Suppliers shall not use discriminatory practices and shall maintain written policies and procedures to prohibit and prevent such practices. Suppliers shall appoint responsibility to personnel for implementing the policies and procedures and communicating them to all personnel (in a language understood by the personnel) and any labor recruiters (including labor agents or contractors) used in the recruitment or management of workers.
- Suppliers shall not use pregnancy or other medical testing as a condition of employment or to terminate employment. Suppliers shall not test for conditions (including but not limited to pregnancy or HIV) unless required by law and the following conditions are met:

    i. The pregnancy test or the medical test is required as a safety measure prior to working in a particular environment and the worker is specifically assigned to work in that environment.

ii. The cost of the medical test is paid by the Supplier.

iii. The worker receives clear communication regarding the purpose of the test and the specifics of what will be tested.

iv. The worker provides written consent to the test.

v. Suppliers do not use marriage or pregnancy as a reason for denying or terminating employment.

- Workers shall be hired and maintained in employment regardless of pregnancy or marital status. Suppliers shall ensure employment provisions and practices meet legal requirements related to pregnancy, maternity leave and return from maternity leave.
- Suppliers shall provide equal remuneration for male and female workers for work of equal value.
- Suppliers shall ensure there are specific grievance and remediation procedures in place to handle potentially sensitive and complex complaints related to discrimination.

Suppliers shall have training and skills-building programs in place to promote equal opportunity to employment and advancement in employment for women and other under-represented categories of workers (such as disabled persons).

Suppliers shall run awareness-raising campaigns on equality in the workplace.

Suppliers shall work with human resource personnel to change representation in the workplace to better reflect the demographics of the community.

Suppliers Shall Uphold the Right to Freedom of Association and Collective Bargaining

Minimum Requirements

- Suppliers shall, at minimum, establish written policies governing freedom of association and collective bargaining and appoint responsibility to personnel for implementing the policies and communicating them to workers (in a language understood by the workers).
- Suppliers shall not terminate contracts, punish, threaten, intimidate, or harass workers and workers' representatives due to their intention/effort to set up union or their union membership or their participation in union activities. Suppliers shall allow unions access to the factory or workers to share information. Suppliers shall allow paid time off and provide space for workers' representatives to engage in union activities and not interfere with or try to influence any of the functions of the unions.

- Where the right to freedom of association is prohibited by law, the supplier should not interfere with the development of legal alternatives. Suppliers shall not intimidate or discriminate on the basis of the said alternative.
- Factory management and workers should comply with all national or laws, regulations and procedures concerning freedom of association and collective bargaining. Suppliers shall participate in negotiation of collective bargaining agreements in good faith.
- Suppliers must consult with workers, through trade unions or other elected representatives when taking workplace decisions that may seriously affect them (workplace closures etc.)
- Suppliers shall implement the collective bargaining agreement, where there is one, and provide a copy of the agreement to workers.

Suppliers shall take steps to improve labor-management relations through social dialogue training.

Suppliers Shall Ensure Responsible Employment and Termination Practices

Withholding Wages for More Than Two Pay Periods is a Zero-Tolerance Violation that may result in suppliers being permanently prohibited from producing merchandise for LSG.

Minimum Requirements

Legal, transparent and Regular Payment of Wages and Benefits

- Suppliers shall classify[22] workers and provide terms of employment, as required by law.
- Payment of wages shall be made directly to the worker or a worker-controlled account.
- Payment frequency shall be at least once per month and there shall be no late payment of wages.
- Suppliers shall maintain complete and accurate payroll and production records as required by law or at minimum last 12 months.
- Suppliers shall pay at least the legally required minimum wages, including payment of overtime, according to the applicable legal worker classification.

[22] Classification: Status of the worker as per legal definition. Examples of classification are salaried, hourly, overtime exempt, trainee, apprentice, temporary, part-time, and intern.

- Workers shall receive additional remuneration and non-monetary benefits as per the labor contract and/or Supplier policy (e.g., bonuses, incentives, allowances).
- Workers shall receive legally required benefits (including but not limited to the social security branches outlined in ILO Convention No. 102.[23]). Suppliers shall make legally required employer contributions to social security schemes.
- Suppliers shall provide evidence of financial audits, including audits of payments to respective agencies for taxes, social security, workman's compensation and pension.

Responsible Working Hours and Overtime

- Suppliers shall have and accurately maintain time records. No time record corrections shall be made without worker written verification/acknowledgment.
- Suppliers shall ensure all regular and overtime working hours are in compliance with the law and legally required overtime waivers are maintained, as applicable. Workers shall not work more than 60 hours per week (including overtime). Suppliers shall not allow off-clock work or work to be taken home to complete a task or quota.
- Workers shall be informed about overtime policies and processes prior to employment, considering the voluntary nature of all overtime.
- Workers shall receive rest breaks during and between shifts, and weekly, as required by law. Suppliers shall provide break hours and special working hours for vulnerable categories of workers (pregnant, elderly, disabled and young workers, etc.), as required by law.
- Suppliers shall ensure a 7th day of rest is provided to all categories of workers including security, cleaning and canteen staff.[24]

Responsible Termination Practices

- Worker probation periods shall be in compliance with the law.
- Suppliers shall not illegally terminate workers and shall maintain termination records, as required by law, and at minimum for the past 12 months.
- Prior to termination suppliers must ensure full payment of worker wages (including overtime payments), benefits (including social security payments), and other forms of compensation (severance etc.). LSG reserves the right to withhold payment of goods until all outstanding payments to workers are settled.

[23] The nine social security branches are medical care; sickness benefit; unemployment benefit; old-age benefit; employment injury benefit; family benefit; maternity benefit; invalidity benefit; and survivors' benefit.
[24] 7th day of rest: Workers shall not work more than six consecutive days before receiving a period of 24 hours of rest.

Suppliers should commit to progressively implementing a digital wage/remuneration policy and system, where appropriate, to ensure transparency of wage payments.

Suppliers are encouraged to implement the progressive betterment of wages and benefits to ensure a decent standard of living for workers and their families.

Suppliers Shall Apply and Maintain Functioning Grievance Mechanisms

Minimum Requirements

- Suppliers must establish or participate in functioning grievance mechanisms for individuals (including workers) and communities who may be adversely impacted by their business practices.
- Grievance mechanisms should include a defined process for the reception, assessment and investigation of grievances, as well as for the way in which decisions on remedy are to be made and implemented.
- Grievance mechanisms must be captured in a formal written policy or procedure, which assigns responsibility for the procedure (or parts thereof) to specific personnel.
- Grievance mechanisms must include anonymous and accessible channels for reporting investigation, outcome communication that protect confidentiality of complainants.
- Suppliers shall ensure visibility and knowledge of grievance mechanisms to all individuals, including marginalized and vulnerable groups, taking into account potential lower literacy levels or different languages.
- Suppliers shall establish a Non-Retaliation Policy. The policy should be published and enforced in parallel with disciplinary practices that permits factory workers to express their concerns about workplace conditions without fear of retribution or losing their jobs.
- Suppliers shall monitor the grievance mechanism to ensure that access and remediation outcomes are provided on an equal basis and that the mechanism is effective.

Qualities of a functioning grievance mechanism[25]:

1. Legitimate: Mechanisms are fair and trustworthy
2. Accessible: To all who may be impacted by a company's actions
3. Predictable: In terms of process and available outcomes (remedies)
4. Equitable: Fair and even access to information and advice for both sides of a complaint
5. Transparent: About the process and progress of grievances
6. Compatible with internationally recognized human rights
7. A source of continuous learning and improvement for the company
8. Based on engagement and dialogue with right's holders and worker representatives

[25] United Nations Guiding Principles on Business and Human Rights

Environmental Performance

We work with our suppliers on managing risks and improving environmental performance across the supply chain, managing consumptions and emissions, adopting standards, best practices, providing sustainable design, manufacturing, product, and better packaging options. This section explains our approach and commitment to environmental management system, minimize impacts of chemicals, wastewater, air emission, waste and noise pollution, and energy and resource efficiency. We expect our suppliers to manage their environmental footprints in a responsible way, following at least the simple steps: compliance to applicable laws and regulations, ongoing measurements of the various environmental factors (consumptions and emissions, and improvement of the overall negative impacts.

Establish and Implement an Environmental Management System

Minimum Requirements

- Suppliers shall establish and implement a suitable environmental management system (EMS) that ensures compliance with applicable laws and regulation and mitigation of environmental impacts linked to their operations, with respect to chemicals, waste, wastewater, air and noise emissions, use of key resources, and other significant environmental risks.
- Suppliers shall complete a supply chain environmental risk assessment to understand the potential impact of their operations on the environment and establish written policies and procedures based on this risk assessment.
- Suppliers shall assign personnel responsible for managing the EMS and provide training on how to monitor, track and improve performance.
- Suppliers shall identify and maintain all applicable environmental permits, legal documents (e.g., Environmental Impact Assessment), licenses, approvals and/or certifications. All documents required by law or regulation must be available for review.
- Suppliers shall have a written plan for managing environmental impacts, including baselines and targets, in order to facilitate continuous improvement.
- Suppliers are subjected to establish a set of targets and execute strategic plans to decrease their environmental footprints.
- Suppliers shall demonstrate a continuous and incremental enhancement in their environmental performance within their own business operations and necessitate a corresponding standard of environmental competence from their next-tier Suppliers, subcontractors and business partners.

- Suppliers should measure, track and improve environmental performance, including but not limited to:

    i. Energy consumptions, broken down per type of energy source (e.g., electricity from grid, biomass, solar power,)
    ii. Greenhouse gas emissions
    iii. Water consumption (freshwater and recycled water if relevant)
    iv. Wastewater
    v. Waste generated, broken down per type of waste (e.g., municipal waste, recyclable waste, sludge)
    vi. Chemicals (types and quantities)

Suppliers shall have a certified EMS, such as ISO 14001 or Europe's Eco-Management and Audit Scheme (EMAS).

Suppliers shall provide training to all workers regarding good practices for minimizing environmental impacts during operations and production.

Minimize Impacts of Chemicals, Wastewater, Air Emission, Waste and Noise Pollution

Minimum Requirements

- Suppliers shall comply with relevant national or local regulations and standards for:

    i. Chemicals (particularly hazardous chemicals) handling and management
    ii. Wastewater and air emission treatment and discharge
    iii. All waste (i.e., non-hazardous waste, hazardous waste and sludge)[26] handling and disposal
    iv. Noise mitigation and emission

- Suppliers shall assign personnel responsible for chemicals, wastewater, air emission, waste and noise control and management.
- Suppliers shall provide specialized training to all workers who work directly with hazardous chemicals, wastes and wastewater on how to appropriately treat and discharge the substances.
- Suppliers shall measure, record and track wastewater discharge and sludge, waste volume and type, air emission and noise level as required by applicable local or national standards. Suppliers shall segregate non-hazardous and hazardous waste streams, routinely track and document waste (outputs and volumes) being generated.

[26] Sludge is a by-product of many types of wastewater treatment systems and is therefore an important parameter to sample and test.

- Suppliers shall maintain an updated total inventory list of all chemicals used in the factory.
- Suppliers shall manifest a steadfast, effective, and compliant approach towards the management of chemicals by formulating policies that enable the identification and mitigation of chemical risks to workers, the environment, and consumers by overseeing the procurement, adequate handling, storage, usage, and disposal of chemicals.
- Suppliers shall undertake a constant process of identifying, characterizing and creating an inventory all wastewater streams. In addition, suppliers must install and maintain appropriately sized wastewater treatment systems to ensure pollutants are within the legally required parameters or lower.
- Suppliers shall not directly discharge wastewater and hazardous waste into the environment or expose hazardous waste to rain or surface run-off.
- Suppliers shall properly segregate, manage, transport, and dispose of all solid and hazardous waste in compliance with local law and regulations.
- Supplier shall develop and implement policies and procedures to minimize hazardous waste generation and to minimize risks to human health and the environment associated with hazardous waste management and disposal.
- Supplier shall make sure that air emissions are characterized, routinely monitored, controlled, and treated according to the legal requirements and industry standards.
- Supplier shall measure, record and track the energy consumption and greenhouse gas emissions of their facilities. Suppliers shall quantify and set targets to reduce its emissions of greenhouse gasses through conservation measures.
- Where a third-party is used to dispose of or treat hazardous waste, suppliers shall maintain a valid contract and agreements with the service provider. Proof that processing meets local environmental protection standards is available.
- Supplier shall adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labelling for recycling and disposal.
- Supplier shall meet all contractually agreed applicable requirements specified in Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL).
- Suppliers shall avoid unnecessary use of materials and use recycled raw materials, whether plastic or paper based is a straightforward solution to prevent waste from being sent to landfills.
- Suppliers shall use the right volume of material to make packaging more sustainable and to reduce generating unnecessary waste.

Suppliers shall implement a waste reduction program to reduce the volume and strengths of effluents.

Suppliers shall treat sludge to reduce volume and to transform it into recoverable products.

Improve Energy and Resource Efficiency

Minimum Requirements

- Suppliers shall comply with local government's mandated energy and water consumption and conservation policies and regulations.
- Suppliers shall identify personnel within each facility who will be responsible for all aspects of energy and resource efficiency, including tracking major consumption patterns of key resources (including energy and water) linked to their operations.
- Suppliers shall conduct all operations in full compliance with all applicable laws and regulations on water conservation and water quality, including maintaining valid permits.
- Suppliers shall have in place water management policies and programs to measure and reduce freshwater consumption.
- Suppliers shall identify all applicable energy sources and energy consumption and use relevant technology and tools to regularly track energy and resource consumption (e.g., sensors).
- Suppliers shall periodically set clear targets, monitor, and reduce consumption of natural resources through conservation, re-use, recycling, substitution, or other measures and improve energy efficiency. Supplier shall also document progress made toward achieving those goals.

Rating Policy and Remediation

Rating	Category	Description	Approval and Remediation
F	Zero Tolerance	ZT issues are those that can occur as part of a Supplier's business operations if internal control systems to prevent them are not well understood, established and maintained. The issues are egregious and unacceptable to LSG and its customers. Furthermore, these issues present immediate threats to the Supplier's business operations and workers and therefore require immediate attention and remediation. Failure to immediately correct these issues will result in the termination of the business relationship with LSG. Factories with multiple or particularly egregious ZTs (by their scale or nature) may result in suppliers being permanently prohibited from producing merchandise for LSG. LSG reserves the right to decline receipt of goods produced in factories with one or more ZT issues.	No approval for new factories. No approval for existing factories and completion of remediation requirements.
D	Immediate Remediation Required	Immediate Remediation Required issues are unlawful and/or happen in workplaces when occupational safety and workforce well-being are disregarded. The elimination or resolution of severe issues, and reinforcement of internal systems to prevent these issues from recurring is required for a Supplier to maintain its business relationship with LSG. It is important for Suppliers to identify and eliminate these issues to be better equipped to manage workplace risks and attract and retain productive workers. Failure to act to correct these issues may result in the termination of the business relationship with LSG.	No approval for new factories. 6 months approval for existing factories and completion of remediation requirements
C	Substantial Improvement Required	Substantial Improvement Required issues are either unlawful or happen in workplaces when occupational safety and workforce well-being are disregarded. These issues pose threats to the Supplier's business operations. Furthermore, in today's competitive labor market, Suppliers who identify and eliminate these issues are better equipped to manage workplace risks and attract and retain productive workers. A Supplier found to have these issues present at its facilities is required to identify and implement corrective actions, including the reinforcement of internal systems to prevent these issues from recurring. Repeated failure to act and correct these issues will result in the termination of the business relationship with LSG.	12 months approval and commitment to correct non-compliances according to a corrective action plan (CAP)

B	Improvement Required	Improvement Required issues are those that are considered important to address to help ensure Suppliers can sustain their operations effectively with a productive workforce and manage the risk. A Supplier found to have these issues present at its facilities is required to identify and implement corrective actions, including the reinforcement of internal systems to prevent these issues from recurring.	24 months approval and commitment to correct non-compliances according to a corrective action plan (CAP)
A	Approaching Compliance	Factories with "Approaching Compliance" status have achieved a well-scored audit result with demonstrating good compliance performance and implementing effective management system.	24 months

New Factory Onboarding

1. New factories must achieve a compliance rating of C or higher through a main audit or equivalency to onboard as a factory for LSG.
2. This policy applies to new factories and factories that have been inactive in the LSG system for 24 months or longer, not due to compliance issues.
3. Additional conditions shall be applied to onboard a new factory depending on customer requirements.
4. Additional conditions shall be applied to onboard a Bangladesh factory in LSG system. In order to be eligible for onboarding, factories are required to adhere to the national building regulations and fire codes, as well as provide their workers with appropriate training on safe and secure workplace practices.

Remediation Requirements (D and F-Rated Factories)

D – Rating

1. When an existing factory receives a compliance rating of D, it is approved for 6 months. In addition:
    - The factory is required to submit an acceptable corrective action plan (CAP) within 30 calendar days of the audit.
    - Failure to submit an acceptable corrective action plan (CAP) within 30 calendar days of the audit may result in the approval period being shortened and factory deactivation, which means no new orders will be placed.
2. The factory must comply with the corrective action plan (CAP) and correct D-rated compliance issues within 6 months of the audit.

- LSG will monitor and verify the factories' remediation progress periodically. For issues requiring onsite verification, LSG or 3rd party representatives may be deployed with prior notification and any relevant costs will be applied to the factory.

- Failure to rectify non-compliances within 6 months may result in deactivation.

3. Upon completion of non-compliances, the factory will be upgraded to a compliance rating of C or above and be given approval for 12 to 24 months, depending on the final compliance rating.

4. If a factory has received a D rating two or more times during compliance audits within the previous 24-month period, it may result in suspension of the factory up to 6-month. Failure to enhance the compliance performance may result in permanent termination of the business relationship with LSG.

5. In some cases, factories will be required to take part in capacity building programs at factory expense that are designed to help them improve their compliance performance long-term. These programs cover a wide range of areas, including education on social and environmental requirements, as well as industry best practices and relevant laws and regulations. Suppliers are also expected to attend these programs regularly to acquaint themselves with the various changes and requirements in the industry.

6. To be reactivated and eligible for new orders, the factory must remediate the issue with evidence of sustainable improvement and conduct an onsite unannounced LSG main audit and achieve a compliance rating of C or above. Equivalency is not accepted as a way to reactivate a D or F-rated factory.

7. Suppliers are required to diligently oversee and enhance the compliance performance of their approved factories and manufacturing facilities. This entails ensuring adherence to local laws and regulations, as well as meeting LSG's minimum requirements and establishing targets to attain good practices. Failure to enhance the compliance performance of the factories may result in suspension or termination of the business relationship with LSG.

F – Rating (Zero Tolerance)

1. When an existing factory receives a compliance rating of F, it will be deactivated in the LSG system. In some cases, this may result in permanent termination of the factory.

2. A factory with orders in production must submit a corrective action plan (CAP) within 7 calendar days of the audit and make significant progress towards the remediation of non-compliances within 30 calendar days. To be eligible to ship goods, remediation must be verified and accepted by LSG and or our designated third-party.

    - Remediating non-compliances does not reactivate the factory. The factory will remain deactivated in the LSG system.

    - LSG reserves the right to decline receipt of goods produced in factories with one or more ZT issues.

    - Customer may impose additional requirements.

3. To be reactivated and eligible for new orders, the factory must remediate the issue with evidence to of sustainable improvement, conduct an onsite unannounced LSG main audit and achieve a compliance rating of C or above. Equivalency is not accepted as a way to reactivate a D or F-rated factory.

4. In some cases, factories will be required to take part in capacity building programs at factory expense that are designed to help them improve their compliance performance long-term. These programs cover a wide range of areas, including education on social and environmental requirements, as well as industry best practices and relevant laws and regulations. Suppliers are also expected to attend these programs regularly to acquaint themselves with the various changes and requirements in the industry.

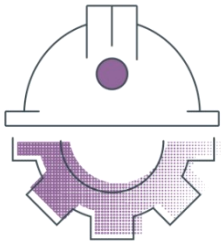
5. Suppliers are required to diligently oversee and enhance the compliance performance of their approved factories and manufacturing facilities. This entails ensuring adherence to local laws and regulations, as well as meeting LSG's minimum requirements and establishing targets to attain good practices. Failure to enhance the compliance performance of the factories may result in suspension or termination of the business relationship with LSG.

Table of Zero-Tolerance

Governance Systems

- Attempted or committed bribery
- Critical issues related to audit falsification
- Full access denied or denial of serious accident investigation
- Unauthorized subcontracting
- Unauthorized home working
- Lack of business license

Workplace Safety and Health



- High risk of immediate structural collapse
- Gross or repeated negligence leading to loss of life or serious accident
- Locked or systematically obstructed emergency exits

Fundamental Rights at Work

- All forms of forced labor or compulsory labor or human trafficking
- Recruitment fees and/or related cost amount is more than 3-month of wages
- Underage labor (15 or legal age in country, whichever is higher)
- Worst forms of workplace violence (sexual harassment, physical and severe psychological abuse)
- Non-payment of wages for more than 2 pay periods

Approach To Remediation

Suppliers are required to provide remedy where they determine that they have caused or contributed to negative human rights or environmental impacts.[27] This will include issues raised directly by the workforce through grievance mechanisms and issues raised through proactive checks, for example through third-party audits. The process of remediation and the type of remedy that are appropriate will depend on a range of factors, including the nature and the extent of the negative human rights impact and how those impacted want adverse human rights impacts to be remediated. Suppliers must prioritize remediation of severe human rights violations. Severity can be assessed by three criteria:

- How serious is the harm?
- How widespread is the harm?
- Can it be put right?

Where a Supplier has caused or contributed to a negative human rights or environmental impact referenced in the Supplier Code, Suppliers must:

1. Take immediate actions necessary to correct non-compliances, including investigating the root cause of the non-compliance.

2. Consult with impacted parties and key stakeholders including trade unions or other representatives to provide remedy and develop a corrective action plan. Appropriate forms of remedy may include:

    - **Apologies** – both to the worker and publicly where the company has caused or contributed to the adverse human rights impact.
    - **Rehabilitation** – includes medical and psychological care as well as legal and social services.
    - **Restitution** – seeks to restore workers to their original situation before adverse human rights impact occurred. Includes, as appropriate, restoration of liberty, enjoyment of human rights, identity, family life and citizenship, return to one's place of residence, restoration of employment and return of property.
    - **Compensation** – should be provided for any economically assessable damage as appropriate and proportional to the gravity of the violation and the circumstances of each case.
    - **Punitive sanctions** for perpetrators of severe human rights abuses

3. Contact LSG to proactively report serious violations or incidents. Where deemed necessary and appropriate, LSG will engage with external partners to support and advise the supplier in providing appropriate access to remedy to impacted individuals or communities or to provide specialized training to factory management and/or its workers.

[27] UNGPs and OECD Guidance on RBC.

4. Take preventative actions to prevent future impacts by establishing appropriate policies and procedures (setting the standards), training relevant personnel, followed by due diligence in systematically reviewing actual practices to ensure the policies/procedures are followed.

For additional questions and assistance

It is important to Living Style Group that all Suppliers understand the Supplier Code, remediation processes and can successfully implement corrective and preventative actions. If any of the explanations/ descriptions contained in this guidance are unclear, please contact LSG Vendor Compliance Compliance@LivingStyle.com.

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