



To all our HEMA suppliers,

HEMA products are produced all over the world. HEMA takes responsibility in the value chain and identifies and addresses the most salient risks on violation of human rights, environment and animal welfare. We follow the [OECD-guidelines for Human Rights and Environmental Due Diligence](#) and the [United Nations Guiding Principles on Business and Human Rights](#) to do so. We shape our policies and protocols on sustainability around the results of [these steps](#) in our HEMA due diligence statement.

HEMA is transparent about our production locations and publishes them on the website and on [Open Supply Hub](#). We work continuously on improving our production chains and purchasing practices, following the [Common Framework on Responsible Purchasing practices](#). We strongly believe we need to work together with our suppliers to create a positive impact. Therefore, we engage with our suppliers and other stakeholders to improve our responsible purchasing practices and build partnerships based on the following principles:

- HEMA has clear policies and systems in place. We are transparent about targets and progress towards our stakeholders.
- HEMA aims for long-term partnerships based on equality and mutual responsibilities.
- HEMA has clear and transparent agreements with suppliers about production planning.
- transparency on payment terms, which should be fair for both suppliers and HEMA.
- Agreements and orders are set up with respect to the workers in the value chain and to human rights and environmental targets.

This HEMA Supplier Code of Conduct reflects our core beliefs and ambition to work with our suppliers towards sustainable future proof production chains.

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## HEMA Supplier Code of Conduct

The purpose of this Supplier Code of Conduct is to

- Clarify responsibilities of HEMA and our suppliers
- Improve and work on long term futureproof partnerships
- Work together to continuously improve human rights, ethical business and environmental impact in the value chain

### *Communication*

We aim to have open communication with our suppliers. If suppliers have any concerns or questions about (complying with) this Supplier Code of Conduct, they can connect with their regular contact person at HEMA.

Suppliers can also contact us via this e-mail address: [sustainability@hema.nl](mailto:sustainability@hema.nl).

On a yearly basis we will gather feedback through a responsible purchasing practices survey to further improve our partnerships and purchasing practices.

### *Scope and definitions*

This Supplier Code of Conduct applies to all suppliers (including subcontractors) that provide products or services to HEMA B.V. or its (indirect) subsidiaries (further: **HEMA**).

A **supplier** is an entity that is responsible for all business relations with HEMA. Depending on the production chain, a supplier may either be a **non-producing supplier** or a **producing supplier**.

A **production location** is the factory, site or plant where the HEMA product is being produced/manufactured and/or assembled. A supplier can have various production locations.

A **subcontractor** is an entity that is responsible for a part of the production process which the production location does not or cannot (always) do in-house.

HEMA and its suppliers are jointly responsible to live and act according to the core values and criteria from this Supplier Code of Conduct.

Suppliers are responsible for cascading this Supplier Code of Conduct's compliance throughout the supply chain.

### *Context - International guidelines and conventions, HEMA goals and criteria*

We follow the [OECD-guidelines for Human Rights and Environmental Due Diligence](#) and the [United Nations Guiding Principles on Business and Human Rights](#). We also base our policies on the [ILO-conventions](#) relating to fundamental principles and rights at work, [the International Convention on Human Rights](#), the [Convention on the Rights of the Child](#) and on the [Convention on the Elimination of all forms of discrimination against Women](#).

Read more about how HEMA monitors compliance through audits in the Supplier declaration on sustainability and quality.

HEMA has specific sustainability goals and criteria regarding material-use, the product and packaging. More information can be found [here](#).

## What our suppliers may expect from HEMA

**Continuously improving** our policies and purchasing practices to enable our suppliers to meet their commitments as outlined in this Supplier Code of Conduct.

Treating suppliers with **respect** in all our dealings and communications.

Communicating **clearly, promptly and accurately** on all issues concerning orders.

**Building internal awareness**, provide training and encourage all business units and teams to use input from suppliers to avoid negatively impacting supplier's ability to meet human rights requirements:

- Lead time
- Sampling
- Order volume versus production capacity
- Product development process and change authorization
- Pricing
- Order size fluctuation
- Material sourcing
- Product design for improved manufacturing
- Consistency of orders, season to season

In reviewing our business relationship, we take **payment and working conditions** of workers into consideration, in balance with other business requirements.

Placing orders in consultation with suppliers with lead times that do not trigger **excessive working hours** or **subcontracting**

**Refraining from changing orders repeatedly and with short notice.** If changes are unavoidable, amending target delivery times accordingly.

Providing **documentation and practical support** to our suppliers in striving to meet their obligations under this Supplier Code of Conduct.

**Absorbing increases** in wages (i.e. through collective bargaining agreements) and/or national minimum wage increases.

Following the [HEMA Roadmap on living wages](#), including calculating the living wage gap and together with our suppliers, taking steps to close the wage gap towards a living wage.

**Providing this Supplier Code of Conduct** in selected languages, upon supplier's request. In case of inconsistencies between languages, the English version prevails.

## What HEMA expects from its suppliers

**Complying with all national and other applicable laws and regulations** and industry minimum standards, applying the provision which affords the greater protection.

Suppliers have **continuous production chain transparency**. Suppliers will provide transparency to HEMA in line with HEMA environmental and social compliance policies or upon request.

Suppliers will at all times respect the **right of all personnel to freely associate and to become members of a trade union** of their choice in order to negotiate wages and benefits collectively.

**No discrimination will be tolerated** regarding hiring, salary, access to education, promotion, dismissal or retirement based on gender, age, religion, race, caste, social background, disability, ethnic or national origin, nationality, membership of any organization including unions, political affiliation, sexual orientation, or any other personal characteristics.

**Wages** paid for regular working hours, overtime hours and overtime differentials shall meet or exceed legal minimums and / or industry standards in the country concerned. Illegal, unauthorized or penalty deductions may not be withheld from wages.

When the legal minimum wage and / or the industry standards do not cover living expenses, production locations are encouraged to provide employees with adequate compensation to meet these needs.

Production locations must comply with relevant laws and regulations and industry standards regarding **working hours**. The maximum permitted number of working hours is in accordance with national laws, but will not regularly amount to more than 48 hours within one week, and the maximum permitted overtime will not amount to more than 12 hours in one week. Working overtime should only be done voluntarily and paid as an additional bonus. An employee is entitled to at least one free day following 6 consecutive days worked.

Suppliers should have a clear set of regulations and procedures to regulate all aspects of **health and safety at the workplace**. This especially applies to the availability and use of personal protective equipment, clean toilets, access to drinking water and, where applicable, hygienic facilities for storing foodstuffs. Workplace practice and working conditions and sleeping arrangements that violate basic human rights, are forbidden. Young employees under the age of 25, in particular, should not be exposed to risky, unsafe or unhealthy situations.

Suppliers must protect the **rights of children**. Child labour is forbidden as defined by ILO and / or by national law and regulations. HEMA has a child labour policy, which can be found [here](#).

All forms of **forced labour** are forbidden, such as the deduction of a deposit and the holding of employees' identity papers upon commencement of employment. The same applies to work performed by prisoners, to the extent this would violate basic human rights. The use of physical punishment, physical or mental coercion and verbal assault are forbidden.

**No bribery or corruption.** HEMA requires its suppliers to interact honorably and treat information and discussions confidentially. HEMA does not tolerate offering, paying, demanding or accepting money or favours to obtain commercial or financial benefits, either directly or indirectly. HEMA does not tolerate requests or offers that may appear to be undue influence. Offering or accepting any gift, dinner, (tickets for) an event, which exceeds the value of EUR 150, is not allowed.

Further, HEMA expects all suppliers to comply with our **environmental policy and carbon-reduction targets** asset out in the Supplier declaration on quality and sustainability, which forms part of the supplier agreement. To this end, suppliers may choose one of the following approaches:

- Science-Based Targets: Set your own carbon-reduction targets in line with the Science Based Targets initiative, demonstrating your commitment to global climate goals. In case of set SBTi targets, we expect suppliers to share their targets actively with HEMA.
- Collaborative Targets: Collaborate with HEMA to define mutually beneficial carbon-reduction targets that align with our environmental goals. We understand that your unique circumstances may require a tailored approach.

As a member of Amfori, the environmental compliance data will be collected and provided through Amfori BEPI.

HEMA requires suppliers to be proactively transparent, including on **subcontracting and the use of homeworkers**. Unauthorized subcontracting or use of homeworkers is forbidden.

A **complaint or grievance mechanism** should be present in each production location.

If an employee does not feel comfortable to raise a concern at the production location itself, or if such a grievance mechanism is, in practice, not present or not properly functioning, employees should be able to use an external, independent grievance mechanism to raise a concern, in local language. The option to use such grievance mechanisms and how to access it, should be communicated to employees.

HEMA participates in the following multistakeholder initiatives that include independent grievance mechanisms:

- [International Accord](#) for health and safety in the textile and garment industry, which includes the Bangladesh and Pakistan agreement;
- [Amfori Speak4Change](#) program (Supply Chain Grievance Mechanism).