

Supplier Code of Conduct

The VR|46 RACING APPAREL S.R.L (hereafter referred to as VR|46) Ethical Code of Conduct below sets out the minimum standards that VR|46 requires from all suppliers who manufacture or procure goods for VR|46. The code applies to all suppliers and all sites manufacturing goods for VR|46. It is the supplier's responsibility to meet these standards and to be able to demonstrate to VR|46 that it has done so.

1. Terms of employment

All workers, including those on part-time, temporary or agency contracts, must have formal contracts of employment that meet local legislation. Contracts must include wages, payment frequency, deductions, benefits, working hours, holidays, notice periods, sick pay, maternity pay and any other locally required aspects of employment. The factory should make every effort possible to provide regular, secure employment. The use of temporary contracts or agency labour must not be used as a means of denying workers their rights or benefits under employment law. Apprenticeships and training contracts are encouraged, but must be legally compensated and provide adequate levels of training or development. The factory must take the necessary steps to ensure that all elements of this Code are being fully applied to workers employed through agencies.

2. Child Labour

Manufacturers will not use child labour. Factories must have effective systems in place to check the ages of all recruited employees and must hold copies of official documentation for every worker that verifies their date of birth. In countries where official documents are not available to confirm the exact date of birth, the factory must verify workers' ages using an appropriate and reliable assessment method. All workers must be at least 15 years old (or 14 where local law allows), or meet the legal minimum age of employment if this is higher. Young workers between the minimum age of employment and 18 years old can be employed, provided there are adequate precautions to protect them. They must not be employed at night, work overtime or carry out any form of hazardous work. Manufacturers employing young persons who do not fall within the definition of "children" will also comply with any laws and regulations applicable to such persons.

3. Involuntary Labour

All workers must be employed voluntarily and have the freedom to leave their employment if they give their employer reasonable notice. There must not be any form of social pressure, unpaid loans or other restrictions imposed by the employer that would restrict this freedom.

4. Coercion and Harassment

Manufacturers will treat each employee with dignity and respect, and will not use corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse.

5. Non-discrimination

Manufacturers will not discriminate in hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion or disability.

6. Association

Workers must be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation or harassment. Workers must be free to associate or to join organisations that represent them, including trade unions, without prior authorisation from management. Factory management must not prevent, or discriminate against, workers who wish to lawfully and peacefully associate, organise or bargain collectively. The decision whether or not to associate should be made solely by the workers. Management must not attempt to influence employee representatives to work in the management's interest. In countries where employers are formally required to consult with their employees, this requirement must be met. Where trade union membership is unavailable to workers, the employer must enable workers to develop a parallel means of association and bargaining. This includes making adequate facilities and time available. Employees must be allowed to stand as worker representatives on trade unions, works councils or other formal representative groups. They must not be restricted, penalised or discriminated against and must have access to management and co-workers in order to carry out their representative functions.

7. Working Environment

Factory managers and supervisors must treat all workers with respect and dignity at all times. Management must implement a culture where all workers feel safe and are respected by their colleagues. The need for a respectful and dignified working environment must be communicated so everyone understands the boundaries of acceptable behaviour. Any form of discrimination, preferential treatment, verbal abuse or any other form of behaviour that is disrespectful or intimidating must be thoroughly investigated. If proven, it must be dealt with through a formal disciplinary process. All discipline must follow a formal disciplinary procedure which sets out a step-wise process for investigating and improving inappropriate actions or behaviours. All disciplinary actions must be handled professionally and fairly and must be documented. Employees undergoing discipline must have the right to a fair appeal. There must be a process for employees to formally raise grievances with management. Employees who raise grievances must not be penalised or intimidated.

8. Health and Safety

Adequate measures must be in place to protect the health and safety of all people at factory site and any other supplier workplaces, including temporary workers and workers on agency contracts. This must include a formal and regular assessment of risks and a corresponding programme of improvement. The specific risks to vulnerable workers e.g. young workers, pregnant workers or workers with disabilities must be assessed separately. Management's responsibility does not end with providing safe systems of work. Management must also ensure that safe working systems are understood through formal and informal training and that they are being followed. It is appropriate to use the disciplinary process for anyone who wilfully puts themselves or their colleagues at risk.

Occupational Safety

Exposure to potential safety hazards must be controlled through proper design, engineering, management systems, maintenance, safe work procedures and training. Where hazards cannot be adequately controlled by these means, workers must be provided with protective equipment.

Workers shall not be disciplined for raising safety concerns.

Emergency Preparedness

Emergency situations and events are to be predicted and assessed e.g. fire, explosion, flooding, earthquake. Emergency plans and responses must be developed and practiced e.g. evacuation procedures, worker training and drills, fire detection and firefighting, adequate exit facilities.

Occupational Injury and Illness

Measures must be in place to manage, track and report occupational injury and illness, including provisions to: encourage worker reporting; record cases of injury and illness; provide necessary medical treatment; implement corrective actions to eliminate causes; facilitate the return of workers to work.

Industrial Hygiene

Worker exposure to chemical or biological hazards must be identified, evaluated, and controlled. Workers must be made aware of the hazards associated with any substances or processes. When hazards cannot be adequately controlled, workers' health must be protected by appropriate personal protective equipment and/or by limiting exposure.

Physically Demanding Work

Exposure to the hazards of physically demanding tasks must be identified evaluated and controlled e.g. manual handling; heavy or repetitive lifting; prolonged standing; highly repetitive tasks. Adequate training must be given to ensure that employees adopt safe working practices.

Machine Safeguarding

Production and other machinery must be evaluated for safety hazards. Physical guards, isolation switches and barriers must be provided and properly maintained where machinery presents an injury hazard.

Sanitation, Food, and Housing

Workers must have access to clean toilets, potable water and hygienic food storage/preparation and eating facilities. Where provided, worker dormitories must: be well maintained, clean and safe; have sufficient emergency exits, hot water for bathing and showering; have adequate heat and ventilation; provide reasonable personal space and personal freedom.

9. Compensation

We expect manufacturers to recognize that wages are essential to meeting employees' basic needs. Manufacturers will, at a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, maximum hours, piece rates and other elements of compensation, and provide legally mandated benefits. Manufacturers will compensate employees for overtime hours at such premium rate as is legally required or, if there is no legally prescribed premium rate, at a rate at least equal to the regular hourly compensation rate. Where local industry standards are higher than applicable legal requirements, we expect manufacturers to meet the higher standards.

10. Working hours

Hours in excess of contracted standard hours (overtime) must be offered fairly, contracted voluntarily and paid at a premium rate. Workers must be able to refuse to work overtime without

any form of penalty. Workers who refuse overtime must not be denied the opportunity to work overtime in the future. Working hours must not exceed the maximum set under local law. Where there is no legislation governing maximum working hours, a maximum limit of 48 hours must be set for regular working with a maximum of 12 hours per week overtime. There must be adequate management systems in place to restrict overtime within these limits, except in emergency or unusual situations. Workers must have at least one full day away from work per week on a regular basis. The working week may be extended in exceptional circumstances but employees must not work more than 12 days in any 14 day period.

11. Protection of the Environment

Suppliers must comply with all relevant laws and regulations regarding the protection and preservation of the environment. This includes obtaining and maintaining all required environmental permits (e.g. discharge monitoring), approvals and registrations. Factories must also adhere to all applicable laws, regulations and customer requirements regarding specific substances that are restricted (or prohibited) by law or by VR|46. We favour partners who 1) publicly disclose environmental impacts and activities through regular reporting; 2) eliminate toxic and hazardous substances from products and operations; 3) increase efficiency and thereby minimize pollution and waste; 4) reduce use of natural resources including raw materials, energy and water; and 5) take responsibility for proper waste management and any environmental problems associated with disposal of wastes.

12. Protection of the Animal Welfare

Suppliers must comply with local and national laws related to animal welfare. Suppliers must employ all reasonable efforts to ensure that animals under their care (or the care of their supply chain partners) are treated in a humane manner that meets the reasonable expectations of VR|46's stakeholders.

13. Compliance with all applicable laws and regulations

Manufacturers will comply with all applicable laws and regulations, including those pertaining to the manufacture, pricing, sale and distribution of merchandise. All references to "applicable laws and regulations" in this Code of Conduct include local and national codes, rules and regulations as well as applicable treaties and voluntary industry standards.

14. Subcontracting

Manufacturers will not use subcontractors for the manufacture of VR|46 merchandise or components thereof without VR|46's express written consent, and only after the subcontractor has entered into a written commitment with VR|46 to comply with this Code of Conduct.

15. Monitoring and Compliance

Manufacturers will authorize VR|46 and its designated agents (including third parties) to engage in monitoring activities to confirm compliance with this Code of Conduct, including unannounced on-site inspections of manufacturing facilities and employer-provided housing; reviews of books and records relating to employment matters; and private interviews with employees. Manufacturers will maintain on site all documentation that may be needed to demonstrate compliance with this Code of Conduct.

16. Confidentiality of information

Manufacturers and suppliers shall preserve the integrity and confidentiality of the information they may receive as a consequence of their commercial relationship with VR|46. The obligation of confidentiality will remain once the relation with VR|46 is terminated and it will include the obligation to return any material related to the company held by the manufacturer or supplier.

17. Business Integrity

VR|46 maintains the highest standards of business integrity and requires its suppliers to do likewise. Suppliers must take all reasonable measures to conduct their business activities in an ethical manner, without bribery, corruption or any type of fraudulent or unethical behaviour, including during any audits conducted by, or on behalf of, VR|46. Suppliers must disclose any conflicts of interest between themselves and VR|46.

18. Publication

Manufacturers will take appropriate steps to ensure that the provisions of this Code of Conduct are communicated to employees, including the prominent posting of a copy of this Code of Conduct, in the local language and in a place readily accessible to employees, at all times.