

ALPA SUPPLIER CODE OF CONDUCT

INTRODUCTION

The main goal of Alpa is to be an exemplary company operating in the textiles and clothing industry in both environmental and ethical manner. The basis of all Alpa's operations is mutual trust between its suppliers and other stakeholders. Transparency is in crucial role and Alpa strives to deliver maximum transparency to its customers. Everything comes together in passion for practising responsible business.

Alpa's Supplier Code of Conduct ("Code") was created based on Alpa's core values. In articles 2 and 3 the Code is specified precisely. The Code defines standards for Alpa's supply chain regarding safe, fair, and healthy working conditions and environmental responsibility. The Code is based on international standards, principles, and best practices such as International Labour Organisation's Conventions.

Subcontracting for Alpa without Alpa's written consent shall not take place. Supplier shall ensure these subcontractors' fulfilment of the complete requirements stated in this Code. Violations of this Code may result in termination of collaboration.

1. LEGAL COMPLIANCE

Supplier shall comply with all applicable laws and regulations.

The Code sets minimum standards of behavior that are to be followed by the supplier. The Code is not a substitute for applicable laws and regulations.

If local practices and customs are in contradiction with the Code, the supplier shall comply with the Code.

2. RESPONSIBILITY OF THE ENVIRONMENT

2.1. Environmental laws

Respecting the nature and environment is among one of the biggest values of Alpa which has guided Alpa's operations since the day it was established. To deliver respect for the environment Alpa's whole supply chain shall comply with all environmental laws and regulations of the operating country. Supplier will aim to minimize any negative environmental impacts of its activities.

2.2. Maintaining natural biodiversity

Supplier shall practise sustainable and responsible business within its own operations. These practises shall not harm alpacas and shall not encourage practising unethical procedures if supplier produces yarn from alpaca wool. In this way the great qualities of alpaca wool do not decay. Possible goals in increasing the number of alpacas in supplier's own operations shall be executed in a way that does not harm or change the local ecosystem.

2.3. Water usage in supply chain

Supplier shall use water efficiently in its production to prevent overuse of water.

2.4. Animal welfare

Alpa does not accept any harm or cruelty to animals during production. Supplier shall ensure that materials derived from animals are from animals that are treated according to the animal welfare laws and international recommendations.

2.5. Waste

Supplier shall implement measures to eliminate or reduce solid waste, wastewater, and air emissions, at a relevant extent, in their facilities and

production. Recycling, re-using, and substituting materials are essential for this activity. Supplier shall monitor, control, and treat wastewater, air emissions and all other waste that is generated from its operations appropriately.

2.6. Use of chemicals in the supply chain

Hazardous materials, chemicals and substances shall be identified by supplier. Supplier shall follow the current European Chemical regulation REACH. There should be a material safety data sheet (MSDS) available on site where the chemicals are used. Supplier shall also ensure safe movements, storage, handling, reuse, recycling and disposal of hazardous materials, chemicals, and substances. Applicable laws and regulations related to hazardous materials, chemicals and substances shall be followed. All suppliers shall be trained on product safety practices. Supplier shall monitor the wastewater handling and make sure that no harmful chemicals are discharged to nature.

3. LABOUR AND HUMAN RIGHTS

3.1. Discrimination

No person shall be discriminated in any aspect of employment, relationship including recruitment, hiring, compensation, benefits, access to training, work assignments, discipline, advancement or retirement based on race, colour, gender, religious belief, childbirth, pregnancy, national origin, age, sexual orientation, ancestry, gender identification, mental or physical disability, illness, medical condition, union affiliation, marital status, political opinion, ethnic group or any other classification protected under applicable law. Alpa expects its supplier to act correspondingly and does not accept any harassing and disciplining on account of the grounds listed above.

3.2. Child labor

Alpa does not accept use of child labour in any operations of its supply chain. Supplier has to pledge to not practise any sort of child labour in order to proceed with the collaboration. According to International Labour Organization's Convention 138 the minimum age of an employee should not be lower than the age of completion of compulsory schooling and, in any case, lower than 15 years.

3.3. Workers' rights

Supplier shall make written contracts with all its own employees with the local language including terms and conditions of the employment. The work shall never be forced, and every employee shall be treated with respect. The employee should be able to end the employment without punishment. Acts of human trafficking are prohibited. No one shall have the right to require workers to surrender passport, work permits, government-issued identification, or any other unreasonable deposits as condition of employment. Workers must have the freedom to join organisations and associations of their own choice. Supplier shall develop and implement grievance mechanisms that are effective. These mechanisms shall resolve employee complaints, internal industrial disputes, and ensure respectful, effective, and transparent communication between employees and management.

The workplace shall be free of any sort of harassment and workers shall not be threatened in any way or subject to harsh or inhumane treatment. This includes, but is not restricted to, physical or mental coercion, sexual abuse or harassment, verbal abuse, or corporal punishment. Employees shall be able to enter and exit the provided facilities freely. Employees shall have right to have breaks during their working days.

3.4. Wages

Every employee shall receive fair remuneration which is sufficient in providing them decent living. Wages shall comply with local national laws and industrial standards and regulations. Wages shall refer to regular working hours and reflect the education, skills, and experience of the employee. Employees shall be entitled to all legally mandated benefits and minimum wage. Employees shall also be paid for overtime work. Supplier shall monitor their subcontractors' employee rights.

Supplier shall pay workers on time. Workers shall be given statements that state clearly hours worked, wage and deductions. Wages and benefits shall be paid either by cheque, bank statements or by cash.

3.5. Working hours

Supplier cannot require employees to work more regular working hours or overtime hours than what local law determines. Regular working hours shall not exceed 48 hours a week, according to International Labour Organization's Convention 1. Overtime should be exceptional and voluntary. Workers shall be given at least one day of rest in every seven-day period.

3.6. Health and safety

Supplier shall provide their employees a safe working environment which will minimize the number of possible work-related injuries. Supplier shall be active in developing and maintaining safe working conditions. This shall be achieved by implementing procedures that promote safety. Supplier shall also offer appropriate training for their employees regarding safety.

Supplier shall provide their workers with appropriate first aid equipment and protective equipment. Disciplining workers for raising safety concerns and for refusing working in an environment that is unsafe shall never take place. Supplier shall comply with applicable health and safety related laws and regulations.

Factories shall be suitably ventilated, have enough lightning for the type of work and be kept at suitable temperatures. Workers shall be provided with a comfortable resting area.

4. MONITORING AND REPORTING

The Supplier shall regularly monitor its compliance with the Code.

The Supplier shall upon request provide Alpa access to all relevant information and documents needed to verify the supplier's compliance with the Code. Also, Alpa may itself or through third-party auditor survey the supplier's compliance with the Code. In order to assess compliance with this Code, Alpa may visit or allow external monitors to visit its supplier's facilities.

Should the supplier have, in the reasonable opinion of Alpa, materially violated the Code, Alpa is entitled to terminate the business relationship with the supplier with immediate effect.

If supplier becomes aware of a breach of requirements of the Code, the supplier shall inform Alpa as soon as possible.

We hereby approve and will comply with Alpa Supplier Code of Conduct

Place _____

Date _____

Signature _____

Company name _____

CONTACT:

If violation of these Code elements occurs, Alpa would like to know about it. Please contact us regarding these issues at info@alpa.fi.