

ETHICAL AND SOCIAL CHARTER (policy statement)

This Van de Velde policy statement includes the organisation's commitment to conform to all requirements of the SA8000 Standard.

We realise that by respecting the following 9 basic principles:

1. **No forced and compulsory labour.** We support an employment that is based on motivation and free will.
2. **Freedom of association and the right to collective bargaining.** We commit to an open and straightforward dialogue with our social partners and with all parties involved in our activities.
3. **A safe and healthy workplace environment.** We guarantee a safe and healthy workplace and strive for a general welfare for each worker.
4. **No child labour.** We will not engage and employ workers younger than 16 years or workers who have not reached the minimum working age required by local law.
5. **Liveable wages.** We guarantee a living wage for every worker. We ensure that the remuneration for a normal work week shall always meet at least legal minimum standards and that it can provide the worker in more than the basic needs (such as food, water, housing, education, health care, transport, clothing,...) for themselves and their family.
6. **Observance of the maximum working hours.** We respect at least the legal limits of working hours and strive for a good balance between private and professional life. The maximal number of working hours per week is defined by local legislation but will never exceed 48 hours. All overtime work shall not exceed 12 hours per week, shall be voluntary and shall not be requested on a regular basis.
7. **No discrimination.** We prohibit any form of discrimination based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age, or any other condition that could give rise to discrimination.
8. **Regular employment:** work is performed based on a recognised employment relationship established through national law and practice.
9. **No disciplinary practices.** We condemn harsh or inhumane treatment and as such, any form of violence, either physical, mental or verbal harassment.

Van de Velde shall comply with local, national and all other applicable laws, prevailing industry standards, other requirements to which the organisation subscribes and this Standard. When such laws, standards or other requirements to which the organisation subscribes and this Standard address the same issue, the provision most favourable to workers shall apply.

Van de Velde shall also respect the principles of the following international instruments:

- ILO Conventions 1, 29, 87, 98, 100, 102, 131, 135, 138, 155, 159, 169, 177, 181, 182, 183, and the ILO Code of Practice on HIV/AIDS and the World of Work, Universal Declaration of Human Rights,
- the International Covenant on Economic, Social and Cultural Rights,
- the International Covenant on Civil and Political Rights,
- the United Nations Convention on the Rights of the Child,
- the United Nations Convention on the Elimination of All Forms of Discrimination Against Women,
- the United Nations Convention on the Elimination of All Forms of Racial Discrimination,
- and the UN Guiding Principles on Business and Human Rights.

Van de Velde

This policy and related procedures shall be effectively communicated and made accessible to personnel in all appropriate languages. These communications shall also be clearly shared with customers, suppliers, sub-contractors and sub-suppliers.

We guarantee a continuous monitoring of the above by the management, to provide sufficient guarantees for the application of the principles. This is guaranteed by:

- planning and implementation of the Charter at all levels of the organisation;
- control of suppliers/subcontractors and sub-suppliers;
- addressing concerns and taking corrective actions and
- maintaining procedures for outside communication and stakeholder engagement.

Any Complaints regarding the SA-8000 certification can be submitted to following instances :



Social Accountability Accreditation Services

9 East 37th Street, 10th Floor

New York, NY 10016

United States of America

Tel: +1-(212)-391-2106

E-mail: saas@saasaccreditation.org

http://www.saasaccreditation.org/Complaints_Submission_Form



Geert Anciaux

SGS Certification and Business Enhancement

Lead Auditor

Tel: +32474331877

E-mail: geert.anciaux@aldegon.com

These complaints include current, specific and severe violations of the SA-8000 standard. Any person or entity can file a complaint at SAAS. The complaint must contain the following: objective proof of the offence, documentation of the offence, proof of immediate requests with respect to the organisation that are not fulfilled and the proof that the internal complaint handling system of the organisation is not being executed.

Peter Corijn
CEO

ETHICAL AND SOCIAL CHARTER

Van de Velde NV - Belgium

Update 07.2022

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Geert Anciaux
SGS Certification and Business Enhancement
Lead Auditor
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Peter Corijn
CEO

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Introduction

Van de Velde has chosen to pursue an open, social and ethical business policy. This policy focuses on responsibility, dialogue and mutual respect.

The definition for 'sustainability' is: "getting stronger without compromising our long-term growth with short-term gains". We apply this to our consumer and customer relationships, internal corporate culture and credibility in the world.

Our policy takes into account the interests of all parties involved in the company's activities, such as:

- *Internal company culture*: respect for the individual is key. We strive to offer employees the opportunity to develop themselves and to work in optimal working conditions;
- *Consumers and Customers*: optimal customer satisfaction is our goal. We try to achieve this through high-quality design, impeccable quality and good service;
- *Suppliers*: we aim for partnership to work together to improve the quality of creation, increase the punctuality of deliveries and conduct ethical business;
- *Shareholders*: we wish to offer them attractive returns and growth in shareholder value through optimal use of the resources deployed;
- *Environment*: we pursue environmentally friendly production and waste disposal and wish to promote integration into the environment.
- *The society around us*: we want to invest in various social projects where we can help others with extra needs.

As an employer with a clear corporate vision, we strive every day for growth of our employees and we want to build an environment with them where our values flourish. We are convinced that the positive evolution of our organization can be attributed to the drive of our employees, who grow together with Van de Velde. Our personnel approach is also based on this philosophy.

As an employer, it is our duty to create a work space where our employees enjoy coming to work and find meaning in their jobs. It is the duty of all employees to give it their all and more. We want to make people stronger and use their talents and strive for internal mobility between different jobs and departments, also across borders. We pay attention to the integration of new employees in our onboarding program and offer a variety of development and training opportunities, ranging from internal and external group trainings to training and coaching at individual level.

Van de Velde is open to suggestions and comments from all parties involved in the business. We actively participate in and encourage the exchange of ideas between these parties. Furthermore, we encourage others to participate in our experience and know-how rather than to isolate this knowledge.

Our policy is concretized and explained by our "Ethical and Social Charter":

We are committed to observe local legislation in all of the Group's production plants, and to comply with the Standards of the International Labour Organization (ILO).

We realise that by respecting the following 9 basic principles:

1. No forced and compulsory labour

2. Freedom of association and the right to collective bargaining
3. A safe and healthy workplace environment
4. No child labour
5. Liveable wages
6. Observance of the maximum working hours
7. No discrimination
8. Regular employment
9. No disciplinary practices

We want all the group's production companies, all suppliers and contract workers and sub-suppliers to respect the principles of the charter. We guarantee this as follows:

- Headquarters Belgium (sites in Wichelen and Schellebelle)

In Belgium, this "Ethical and Social Charter" is made concrete through the implementation of the SA8000:2014 standard for which certification has been obtained. (More information on SA8000 can be found at <http://www.sa-intl.org/>).

The company is subjected to a social audit, done by the external audit agency SGS (**Error! Hyperlink reference not valid.**). During this audit, the auditor has contact with P&O, management and administration and also takes the time to visit the workplace and to talk to the employees. The auditor also focuses on the control mechanisms of our suppliers/workers.

Our current SA8000 certificate was renewed in November 2021 after an intensive recertification audit and is valid for 3 years.

- Group Production companies, our contract workers and finished products suppliers (ODM)

Every production company in the group, our contract workers and our suppliers of finished products (ODM) have signed a declaration stating that they have been informed about Van de Velde's Social and Ethical Charter and that they respect and comply with it.

Our production companies, contract workers and suppliers of finished products (ODM) are audited by Van de Velde and most of them have a social certificate or have been audited by an external independent agency, in particular SA8000, BSCI, WRAP, FWF or SMETA/ETI.

When selecting new production companies, contractors or suppliers of finished goods, a thorough audit is carried out to ensure that the standards of our "Social and Ethical Charter" are respected.

We want the production companies, our contract workers and the suppliers of finished goods to be able to prove to us that they comply with our "Ethical and Social Charter". We want them to be independently monitored and audited on a regular basis. These independent checks allow us to structure, monitor and adjust the social and ethical policy of the Van de Velde group.

We accept the following labels: BSCI, WRAP, FWF, SMETA/ETI, SA8000. For those that do not have an audit carried out within a year, Van de Velde will conduct a social audit based on our Ethical and Social Charter.

- Suppliers of raw materials and retail.

We want all suppliers of raw goods and the suppliers of our retail organization to agree to the "Ethical and Social Charter" and to respect the 9 standards of SA8000. We write this down in a separate supplier handbook. We implement the necessary management systems to monitor and control the suppliers at regular intervals.

The 9 basic principles are described below.

Principle 1: No forced and compulsory labour

We support employment based on motivation and free will.

Employment at Van de Velde is based on voluntariness, respect for the individual and loyalty. Every employee receives a written employment contract.

The rights and obligations of the employee and the employer are set out in the labour regulations, which every employee receives prior to the start of their employment.

Managers take into account the individuality and competences of the employee in the performance of their duties and the distribution of work. They deal with employees in a correct and social manner.

We strive to keep and provide interesting and pleasant work. Forced labour or sanctions are out of the question.

Principle 2: Freedom of association and the right to collective bargaining

We are committed to open and honest dialogue with social partners and all parties involved in our activities.

1. Freedom of association – right to bargain collectively

Employees have the freedom to join a union of their choice.

2. Election of employee representatives

Staff representatives, members of the Works Council, are elected by the employees through free elections. In accordance with legislation, these elections are organized every 4 years. The last elections date from October 2020.

3. Employee representatives

The employee representatives (members of the Works Council, the Committee for Prevention and Protection at Work and the Trade Union Delegation) are given the necessary time to properly carry out their mission. This within the framework of the legal and conventional agreements. Their task as employee representatives has no consequences on wages or premiums.

All new employees know the employee representatives. Upon recruitment, they are informed about the composition of the bodies and that contact details are available ad valvas and on the conversation room.

There are monthly meetings of the CPWB and the OR. The reports are made available on the bulletin boards in the conversation room.

Principle 3: Health and safety

**We ensure a safe and healthy work environment
and strive for general well-being for every employee.**

1. General welfare

We strive for a complete understanding of welfare risks through the Dynamic Risk Management System in our company. This system is based on the plan-do-check-act principle. We ensure that each employee has the necessary space, atmosphere, equipment and work tools to perform her/his work in a healthy, safe and ergonomic way.

After identifying the risks and evaluating them, measures are included in a Global Prevention Plan (GPP) and a Yearly Action Plan (YAP). These plans are drawn up by the employer with the help of managers, advice from the internal department and after consultation with the CPBW. The plans are approved annually by the Committee before November 1. The CPBW, the employer and the internal service monitor the realization of the plan.

2. Management representative and organization

The CEO is responsible for the firm's health and safety policy. We provide a safe and healthy work environment and take effective steps to prevent potential health and safety incidents and occupational injuries or illnesses. The CEO is supported by the following services:

The internal service for prevention and protection is headed by a qualified Prevention Advisor level I¹. He is given the necessary time and is trained to perform this task in accordance with the welfare legislation².

The external service for prevention and protection³ has been appointed by the CPBW and has an occupational physician in charge of the preventive medical examination and health of the employees and a competent psycho-social affairs prevention advisor⁴, in charge of the prevention of psycho-social stress at work.

The CPBW also appointed confidential advisors (employees Van de Velde) in the context of the prevention of psychosocial risks including protection against violence, harassment, sexual harassment and stress in the workplace.

Also a Facility Manager is appointed. He is responsible for the planning, realization and monitoring of all facility aspects within Van de Velde NV. His responsibility lies in achieving an optimal level of user convenience, order and cleanliness on the workplace and safety for the employees and in achieving an optimal level of (cost) efficiency for the organization.

¹ Based on the royal decree of 27 March 1998, Van de Velde NV is classified as a **group A** company: the prevention advisor must have followed at least **level I** additional training.

² Wellbeing law of 4 August 1996

Royal decree of 27 March 1998 regarding the Internal Prevention and Protection at Work Service

Royal decree of 17 May 2007 regarding the training and in-service training of prevention advisors of the internal and external prevention and protection at work services (BS/Mb 11/7/2007)

³ See external prevention and protection at work service identification document

⁴ Law of 28 February 2014 supplementing the Wellbeing law of 4 August 1996; Law of 28 March 2014 amending the Wellbeing law of 4 August 1996 with regard to legal procedures; Royal decree of 10 April 2014 regarding prevention of psychosocial risks (PSRs) at work.

The Committee for Prevention and Protection at Work (CPBW) has a joint composition and includes representatives elected by the employees and representatives of the employer. The CPBW meets monthly under the leadership of the manager and in the presence of the head of the internal service (secretary).

The reports of the meetings are public, posted on the bulletin boards at each site and made available to employees electronically (conversation room). The tasks, responsibilities and operation of the CPBW are set out in the "internal regulations", which were drawn up jointly.

3. Safety

Machinery and equipment

A visa from the head of the internal service is required for the purchase of new machines, collective protective equipment, personal protective equipment, agents and ergonomically related work equipment. In addition, it is checked whether all legal certificates are available. Upon delivery, a prevention advisor will evaluate the risks and will check the available documents. Upon commissioning, a report is drawn up by a prevention advisor together with the manager. If the risk analysis shows that specific collective or personal protective equipment is required, it is provided by the employer. Instructions are drawn up by the hierarchical line manager in consultation with a prevention advisor.

Certain employees must wear safety shoes and/or make use of additional personal protective equipment when carrying out their duties.

Inspections and maintenance

The devices, installations and machines are checked and inspected on a regular (legal) basis.

Accidents at work

Every occupational accident is registered, analysed, and delivered to the internal department and P&O. The analyses are discussed at the monthly meeting of the CPBW. Based on this, preventive and/or corrective actions are taken.

The reported risks and near-accidents are also kept up to date and preventive actions are also taken on this basis. The history (of report forms) kept by the Internal Service provides an eagle eye view and this is included in the prevention strategy.

The risk analysis for young people is further kept up to date by the Internal Service (this is a legal RA for young employees in which the risks and legal obligations are mapped out).

Instructions on health and safety

Information on safety and health in all its aspects is part of the onboarding program for new employees. Every employee receives an introduction by the internal department at the start of their employment, during which safety procedures are explained.

The evacuation procedure is posted visibly in the workplace. There is an annual fire drill during which the procedures are refreshed and - if necessary - adjusted.

An evacuation officer has been appointed for each department/location. These officers are reminded of their role and responsibilities at regular intervals. The P&O department ensures that new employees are assigned to an evacuation group and an evacuation officer.

The intervention team is responsible for ensuring that in the event of danger, everyone can leave the building quickly and efficiently. The members of the intervention team are trained at a regular basis (e.g. in extinguishing techniques) and have received clear instructions about their role and responsibilities in the event of an evacuation. These instructions are regularly updated by the internal department.

Escape in case of danger

The buildings are secured through access control. There are sufficient exits and emergency exits that can be opened from inside at all times. The employees can always leave the workplace in case of danger.

Prevention

We strive to avoid dangerous situations by working preventively. The hierarchical line and internal department have the task of checking and evaluating the buildings and workplaces for safety at regular intervals.

4. Health

- In accordance with the legislation on the health monitoring of employees⁵, the employees concerned are subject to a medical examination, every 3 years or every 5 years. The periodicity of these examinations is legally determined on the basis of the risk analysis of the workstation drawn up by the prevention advisor. Recurring health complaints that may be linked to work or the workplace are taken seriously and investigated further. Together with the company doctor, an investigation is carried out into the cause and improvement plans are drawn up. If necessary, a qualified ergonomist is also called in.
- Each room has a climate control system that ensures pleasant temperatures and sufficient fresh air in every season.
- Pregnant women⁶: in accordance with maternity protection legislation and based on the risk assessment, pregnant women are not exposed to hazardous work or special risks.
- Traffic safety: we are taking action to guarantee traffic safety for all our employees, for example by sending out awareness mails and tips.
- First aid in the event of an accident⁷: a first aid procedure is available in each establishment. Each establishment has a group of trained first aiders and an equipped first aid room. The list of first aiders is part of the work regulations and hang visible. The first aiders attend annual refresher training. If necessary, new employees are trained as first aiders. In the event of an accident, a reporting document is completed. The department prepares an accident or incident report that is analysed by the internal department for further action.

⁵ Royal decree 28/05/2003

⁶ Royal decree of 2 May 1995 regarding maternity protection

⁷ Under Royal decree of 15 December 2010, amended by Royal decree of 9 March 2014 with regard to minor accidents and in-service training for first responders

There is a limited supply of medicines in each facility. The internal department, in consultation with the company doctor, is responsible for the supply and validity of medications. If necessary, employees can obtain medication from the person responsible for the medication. The use of medication is recorded in a logbook. The logbook is present with the medications and the consumption is listed by the person providing access. Consumption is monitored by the internal service to prevent abuse. Taking medications is done on the employee's own initiative and responsibility.

- Taking medication is done on the employee's own initiative and responsibility (cfr CPBW 04/06/2021)
- Annually, employees are given the opportunity to be vaccinated against seasonal influenza.
- Smoking is not permitted inside the buildings. Smokers are asked to smoke outside, in the designated places. Every employee and visitor is made aware of the smoking ban through clear signalling in the building.
- In accordance with the law⁸, Van de Velde has drawn up a practical prevention plan for alcohol and drugs policy in addition to a declaration of principles. This policy was approved by the CPBW and was included in the work regulations.

Principle 4: no child labour

We do not employ employees who are under 16 years of age or who do not meet the minimum employment age required by law.

1. Child labour

We do not employ workers who do not meet the legal employment age⁹, specifically minors who are under 16 years old or who are still subject to full-time compulsory education. Job students (minimum 16 years old)¹⁰ are employed in accordance with current legislation.

2. Remediation

In the event that children are still at work, we want to take full responsibility until a solution is found for the child and this by means of the following measures:

- check if immediate cessation of work is possible or not
- try to find the cause: find out why the child is employed and make the necessary corrections/changes
- talk to the people involved
 - find out the reason for work, income
 - check registration at school, school career
- if necessary, parents, official bodies (OCMW, government) are contacted.

⁸ Collective agreement 100 of 01/04/2009

⁹ Law of 16/03/1971 regarding child labour

¹⁰ Law of 03/07/1978 regarding contracts of employment for students and article 130bis age conditions¹¹ Royal decree of 12/9/2011, BS/Mb 30/9/2011, effective 1/1/2012

3. Employees under the age of 18

Employees under the age of 18 (students)¹¹ work only during the periods of non-compulsory attendance at the educational institution, so that their training/studies are not compromised. Performance is a maximum of 8h. per day, with transportation to work a maximum of 10h. per day. Under no circumstances will young people work more than 8h. per day nor during the night. The maximum number of working days per calendar year (regardless of the employer) is limited in accordance with the legal requirements for youth employees including the mandatory Sunday rest and the consecutive day of rest and the prohibition on using motorized work equipment.

4. Safety and health

Young people under the age of 18 will not be employed in jobs that are beyond their abilities or that would jeopardize their health or safety.

Principle 5: Guarantee a living wage

We guarantee a living wage for every worker. We ensure that the wage paid for a normal working week at least meets the legally defined minimum wage and ensures that the worker can provide for more than the basic needs (such as food, water, housing, education, health care, transportation, clothing, etc.) for himself and his family.

1. Employment contract

Employees Van de Velde NV

Every employee of Van de Velde NV has a written employment contract in accordance with the legal provisions.

Temporary worker

Van de Velde NV enters into a contractual agreement with employment agencies that supply temporary workers. These temporary workers receive a written employment contract in accordance with the legal provisions with the temporary employment agency.

Temporary workers are used in accordance with the legal provisions¹² at peak times (temporary increase in work), for motivational inflow or for the temporary replacement of a permanent employee or for the execution of exceptional work.

¹¹ Royal decree of 12/9/2011, BS/Mb 30/9/2011, effective 1/1/2012

¹² Article 1, § 1, of the law of 24 July 1987¹³ 1975: NAR: AMMI: average minimum monthly income ; 1988: collective agreement no 43: 3 minimum wages (indexed since 1/06/2009)

2. Respect for the living wage

Employees Van de Velde NV

We respect the remuneration conditions¹³ in force for each employee. The pay and working conditions are determined by the collective agreements concluded in relevant Joint Committees:

- 109 for blue-collar workers in confection
- 215 for white-collar workers in ready-to-wear clothing

All workers receive meal vouchers on top of these wages¹⁴.

Temporary worker

We respect the applicable remuneration conditions for each temp worker, working in the company. The pay and working conditions are determined by the collective agreements concluded in the Joint Committee

- 109 for blue-collar workers
- 215 for white-collar workers

All temporary workers receive meal vouchers on top of their salary¹⁵.

Employees in enclave

We respect the applicable remuneration conditions for each person working in enclave in the company. The pay and working conditions are determined by the collective agreements concluded in the Joint Committee 327 for the sheltered workshops.

3. Deductions from wages

The following contributions are deducted from the salary: social security contributions, withholding tax and personal contribution for meal vouchers. In turn Van de Velde NV pays these to the Department of Social Security (NSSO) and to the tax authorities.

Deductions from wages for meals and purchases are only made with the consent of the employee in his employment contract. There are no deductions for disciplinary reasons.

Payroll transfers and wage foreclosure¹⁶ are monitored by the SD Worx certified social secretariat; deductions are limited and in accordance with the law.

4. Composition of remuneration and fringe benefits

Basic wage

The wage is in accordance with the job performed and is determined with objective criteria as a base.

¹³ 1975: NAR: AMMI: average minimum monthly income ; 1988: collective agreement no 43: 3 minimum wages (indexed since 1/06/2009)

¹⁴ Collective agreement meal vouchers 1/4/2012

¹⁵ Collective agreement meal vouchers 1/4/2012

¹⁶ Stipulations regarding attachment of earnings Income from labour (article 1409 paragraph 1)¹⁷ Breaks during work article 38quater of the Labour law of 16 March 1971

For blue-collar workers:

- General job classification of PC 109
- Van de Velde grid per wage group / division
- premium system

For white-collar workers:

- the minimum wages are determined by
 - the general job classification of PC 215
 - according to degree of service: CLA of May 21, 2008 concerning the job classification, concluded in the PC for the employees of the clothing and confectionery company: article 3: classification
- In addition, we use an external Hudson benchmark and work according to the Hudson classification to guarantee our internal consistency.

Every employee receives a pay slip with a clear overview of the following items:

- calculated wages (wage period)
- function and function category
- service level (white-collar workers)
- seniority company / sector
- tax system, marital status and children/other dependents
- wage code overview
- overview of the scores for the settlement of the premiums (blue-collar workers)

Payments

We respect the calendar wages to pay on time and correctly.

Blue-collar workers are paid twice a month (deposit month X - payment of wages month X-1), white-collar workers once (payment of wages month X). The payment of additional vacation pay and year-end bonus is noted in the calendar wages.

After the employee's consent, the payment is made by transfer to his/her account number on time.

The calculation of the wages is outsourced to the SD Worx social secretary.

Registration

For blue-collar workers, working hours are tracked through the time recording system GPS. Wages are calculated on this basis. They can also request their vacation through this system.

Employees no longer need to register their presence in GPS. They do need to register their absences via the time registration system for approval by the manager.

Extra-legal benefits

Van de Velde NV employees are entitled to the following extra-legal benefits depending on their occupation.

- electronic meal vouchers

- Commuting allowance (public transport, mileage allowance for use of private car and/or mileage allowance for use of bicycle)
- hospitalization insurance whereby every employee is automatically adhered and free of charge, and to which family members may voluntarily join (arranged through the sector)
- a group insurance with only employer's contribution
- for all employees who do not have an individually awarded bonus, since 2008 management has decided to award a non-recurring bonus annually. According to the CLA concerning the granting of non-recurrent result-related benefits, it is agreed that a net bonus is paid to each employee if the objectives as set out in the CLA are achieved.

Other extra-legal benefits linked to certain categories: clothing allowance.

5. Overtime

Within Van de Velde NV, overtime is only permitted with the agreement of the direct manager and the trade union delegation. Overtime is only worked voluntarily at the manager's request and not on the employee's own initiative. The agreements provided for in the document "Guidelines and rules of play concerning flexibility, extra hours and performances abroad" shall also apply here. The balance of overtime can be consulted via Emprova or on simple request at the P&O department.

Principle 6: Observance of the maximum working hours

We respect the legal limits on working hours and strive for a good balance between private and professional life. The maximum number of working hours per week is determined by local legislation and can never exceed 48 hours. Overtime is limited to 12 hours per week, is entirely voluntary and is not regularly requested.

1. Working hours

We respect the legal limits for working hours and paid holidays as based on the legal provisions as well as the applied collective agreements. Every year, the works council determines the holiday planning.

The presence/absence of every production employee (worker) / temporary employee / employee in enclave is recorded and checked daily in the time registration system GPS.

For white-collar workers, the agreements provided in the "Guidelines and ground rules on flexibility, extra hours and performances abroad" apply.

A balanced, regular and clear schedule that is a compromise between the production requirements and the needs/wishes of the employees guarantees a good balance between private and professional life.

Rules on requests for leave, time credit, etc. are drawn up in consultation with the works council and communicated.

Employees with 10, 15 and 20 years of seniority in the company are granted 1 day of paid seniority leave (prorated to the number of working hours).

Fulltime workers

The normal working week for full-time employees is 39 hours, which means that 9 extra days of rest can be taken each year. The schedule is determined contractually and each existing schedule is included in the labour regulations.

Part-time workers

In accordance with legal provisions, we offer the possibility of time credit, part-time work, parental leave, medical assistance, etc. and try to deal with this constructively. The part-time work schedule is personal, is established contractually and is included in the work regulations.

2. Rest period

Van de Velde NV works in a 5-day week.

Rest periods during work performance¹⁷ (breaks)

Van de Velde respects the introduction of breaks before 6 hours of uninterrupted work. The times of the breaks as well as their duration are included in the employment contract and can also be found in the work regulations.

Rest periods between two work performances¹⁸

Each employee is entitled to a rest period of at least 11 consecutive hours per 24-hour period, i.e., between two daily work performances.

3. Voluntary overtime

Overtime is limited and is entirely voluntary. They shall be limited to 12 hours per week. The working time regulation as provided for in the Working Rules shall not apply to those persons holding a position of trust or leadership as provided for in the R.D. of February 10, 1965.

Principle 7: No discrimination

We condemn any form of discrimination based on race, nationality or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other criterion that may lead to discrimination.

Van de Velde NV prohibits any form of discrimination regarding recruitment and selection, remuneration, opportunities to follow training courses, internal promotions, termination of contracts or retirement.

1. Recruitment and selection

¹⁷ Breaks during work article 38quater of the Labour law of 16 March 1971

¹⁸ Breaks during two periods of work

When publishing vacancies, Van de Velde NV ensures that the description is not discriminatory. No age or other requirements are imposed that could be discriminatory.

Every candidate follows the same selection procedure, which is centred on respect for the whole person.

Job descriptions are linked to skills profiles or job requirements to enable skills to be checked.

The decision on whether to hire a candidate is based on the candidate's skills, attitudes and technical expertise.

2. Internal promotions

All vacancies are announced in the company via Conversation Room. The selection process is also followed here. Employees can also apply for vacancies and are invited to an interview with P&O and the relevant manager (of the department that has the vacancy) to assess their motivation and technical skills. Internal applications are handled confidentially.

3. Pay

Equal pay between male and female employees is included in the employee handbook. Men and women employed in the same job receive equal pay.

Van de Velde NV bases its pay system on the sector job classification and the corresponding pay scales.

We have a salary structure based on the Hudson 5+1 Compas methodology for white-collar workers.

4. Trainings

At Van de Velde developing the right skills and abilities is hugely important to continue to grow the organisation.

An onboarding plan is drawn up for each new employee, to help them settle in. We also work with an annual individual training plan, which is drawn up and discussed during the development interviews with the manager.

The training needs are assessed by P&O to identify which are expedient to achieve the annual training plan at corporate level.

The works council is brought up to date of the trainings themselves and the assessments of the trainings on an annual basis with the IVOC portfolio. The social balance sheet is reported to the works council (EFI).

Employees' knowledge of the principles of the Ethics and Social Charter is regularly refreshed based on the SA8000 standard. This can be done in email form and by means of clarifications by the manager. There is additional inhouse and external training for employees who come into contact with raw materials suppliers.

5. Contract terminations

The decision to cancel contracts is made in accordance with the legal stipulations¹⁹. Legal notice terms are always observed. The procedure set down in the collective agreement is followed in the event of termination due to individual circumstances²⁰:

- Sending a letter of notice of termination setting out the reasons
- Notice term of no less than 14 calendar days
- Notification to the union representation at the moment of termination

6. Retirement and end of working life

The People & Organisation department will assist every eligible employee that wishes to take early retirement/regular retirement to sort out the relevant paperwork as quickly as possible.

7. Conduct

Van de Velde NV does not tolerate any conduct (such as gestures, utterances or physical contact) that are deemed to be threatening, humiliating, hostile, discriminatory, offensive and/or of a sexual nature – see also chapter 9.

Principle 8: Regular employment

Work is performed under a cooperation agreement based on national laws and customs.

Contract of employment

- Van de Velde NV employees

Each Van de Velde NV employee has a written contract of employment in accordance with the legal stipulations.

- Temporary agency workers

Van de Velde NV has a contractual agreement with temporary staffing agencies for the supply of temporary agency workers. These temporary agency workers have a written contract of employment with the temporary staffing agency in accordance with the legal stipulations.

Temporary agency workers are used in accordance with the legal stipulations²¹ at peak times (temporary increase in the workload), for recruitment purposes, to stand in for a permanent employee or to perform exceptional tasks.

In the event of disputes relating to the contract of employment, the courts of the legal district of the place of employment have jurisdiction.

¹⁹ Law of 3 July 1978, for blue-collar workers: collective agreement sector article 20 collective agreement 19/5/2011; for white-collar workers: article 82/3 and article 86/2

²⁰ Collective agreement of 19/9/2005 concerning job security, the introduction of new technologies and employment, article 48.7 employee handbook

²¹ Article 1, § 1, of the law of 24 July 1987

Principle 9: No disciplinary measures

**We respect the individual and
condemn any form of violence, be it physical, mental or verbal.**

Respect for the individual is a central tenet of our HR policy. Van de Velde NV and all employees must refrain from any act (including gestures, utterances and physical contact) of violence, bullying, discrimination and sexual harassment.

Confidants are appointed and trained at each site (Wichelen and Schellebelle) to monitor psychosocial wellbeing at work, such as sexual harassment, bullying and aggression. Together with the qualified prevention advisor, they develop prevention measures and counsel victim and perpetrator in the event of incidents.

All employees are informed about this in the onboarding process and the names of the confidants are posted in Conversation Room and on the noticeboards.

Management system

Van de Velde management has developed a system for the continuous monitoring of compliance with the above principles. Monitoring is done as follows:

8. General

- The Social Performance Team (see below) issues a policy statement in English and Dutch – approved by the CEO – to inform all employees that Van de Velde has chosen to fulfil the SA8000 standards.
- The new version of SA8000:2014 is available in Conversation Room. The Van de Velde NV Ethical and Social Charter is also posted at each site.
- This Charter is available to the general public on the corporate website of Van de Velde NV (www.vandevelde.eu) and to employees in Conversation Room
- The Charter is also included in the supplier handbook, which is given to all main suppliers of Van de Velde NV.
- With a view to constant improvement, Van de Velde conducts a management assessment of the policy statement, the policy lines, the procedures to implement the standard and the results of the work no less than every six months.

1. Roles and responsibilities

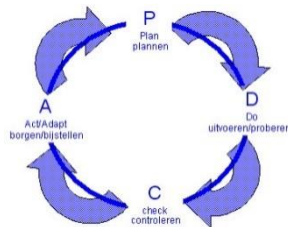
Social Performance Team (SPT)

Van de Velde NV sets up a multi-disciplinary SPT to implement and monitor all aspects of SA8000. The team comprises a balance of employee representatives and management and meets at least every six weeks to assess the advancement and identify any actions to strengthen implementation of the standard. The SPT keeps minutes of these meetings.

The names of the members of the SPT are stated in the annex.

The SPT has the following tasks:

- Identifying and analysing social risks
- Constantly monitoring compliance with the principles of the Charter.
- Developing system and checks in accordance with the PDCA principle (internal audits, KPIs)



- Preparing audits, providing the documentation, reports and conducting self-assessments.
- Preparing the management review and interim monitoring
- Dealing with the audit report findings and updating the Charter where necessary
- Communicating the requirements of SA8000 through the channels set up

Employee representatives

Van de Velde NV recognises that dialogue is important and ensures that the representatives of the employees have a right to communicate with the Representative of management.

The members of the works council/prevention and protection at work committee have opted to take on the role of employee representative together.

There are sufficient opportunities in the monthly meetings and in the periods between the monthly meetings to discuss topics relating to SA8000 and the Ethical and Social Charter. The reports of these meetings are public and can be read by all employees in Conversation Room.

The employee representatives have the following tasks:

- Promoting and facilitating communication between employees and management with regard to the Ethical and Social Charter.
- Raising employee awareness of the importance of the Charter and their role in it.
- Sharing (anonymous) complaints, breaches and so on with regard to the Charter with management in the monthly meetings of the works council/prevention and protection at work committee. The employee representatives are given the time they need to do this alongside their duties as members of the works council/prevention and protection at work committee.

Senior management

Senior management is responsible for compliance with the standard. The principles of the Ethical and Social Charter are discussed and assessed by the management board annually. Adaptations and improvements are made where necessary. The results of these discussions are included in the minutes of the meeting.

2. Modus operandi

Identifying and analysing risks

Risk management is monitored and adapted by management based on the recommendations that are made in each audit.

Continual monitoring with KPIs and audits

The SPT takes the continual actions needed to conduct periodic risk assessments and monitor the workplace activities and check:

- Compliance with the standard
- Implementation of actions linked to risks
- Effectiveness of the systems implemented to benefit the policies of the organisation.

To this end, KPIs are established with management in the domains of wellbeing (HR, legal, and health and safety) and supply management. Each member of the SPT is responsible for his or her assigned field. The SA8000 coordinator oversees the process as a whole.

As well as monitoring KPIs, the SPT also facilitates routine internal audits and produces reports for senior management on the performance and advantages of measures taken to fulfil the standard, including a summary of corrective and preventive measures. A schedule of internal audits is drawn up.

Management/Checks of suppliers, subcontractors and subsuppliers

- Checks

Van de Velde NV makes a distinction between suppliers, subcontractors and subsuppliers.

Suppliers of raw materials: sign a statement of engagement in which they affirm that they will comply with the Ethical and Social Charter. This statement comprises:

- the statement that they fulfil the principles of the Charter and require their subcontractors to do the same.
- the statement that they are prepared to work on monitoring and/or auditing if so requested by Van de Velde NV.
- the engagement to identify the causes of breaches of the Charter and take preventive and corrective action.
- The engagement to notify Van de Velde NV of their working relationship with other suppliers, subcontractors or subsuppliers.

Subcontractors/suppliers of finished products (ODMs) have one year to have a social audit carried out in a pragmatic way. We accept the following certifications: BSCI, FWF, WRAP, SMETA/ETI, SA8000. Van de Velde NV will arrange the social audit if they fail to do so.

- Assessment of procedures

The purchasing department has developed a monitoring and auditing system for the assessment and selection of suppliers, with due consideration for their qualities and their ethical and social engagement. Systematical checks of compliance with the principles of the Ethical and Social Charter are conducted at the main suppliers.

- Scope of control and influence

Van de Velde NV invests appropriate efforts to ensure compliance with the principles of the Charter by suppliers and subcontractors, within their scope of control and influence.

Communication and information to staff

- New employees – both permanent inhouse employees hired by P&O and temporary agency workers receive the Ethical and Social Charter as part of the onboarding process.
- Existing employees are reminded of the SA8000 standards in an annual internal refresher communication (on Conversation Room or in a Lunch & Learn format) referring to the Charter, which is also posted on the noticeboards.
- There is additional training for employees who come into contact with raw materials suppliers.

External communication and engagement of stakeholders

- Participation

Van de Velde NV is prepared to enter into a dialogue with all stakeholders, such as employees, trade unions, suppliers, subcontractors, purchasers, non-governmental organisations, and local and national authorities.

- Access for audits

Van de Velde NV ensures that the auditors that check compliance with the Charter are able to access the company sites and premises and all necessary information for both announced and unannounced audits.

- Documents

Van de Velde NV keeps the documents needed to prove compliance with the principles of the Charter.

Van de Velde NV informs the outside world of its compliance with the principles of the Charter on its website at www.vandevelde.eu and in its annual report.

Management and procedure for complaints, corrective means and corrective and preventive actions

Van de Velde NV applies the following complaint handling flow and procedures in connection with SA8000:

- Reporting non-compliance

Non-compliance can be reported in the following ways. Each service that can receive complaints has its own procedure, which is published in Conversation Room (HR policies).

- Whistle-blowing / online reporting procedure

Employees and other stakeholders are able to report breaches or comment on the Charter at whistleblowing@vandevelde.eu or <https://www.vandevelde.eu/nl/reportaboutintegrityconcern>. This report is received by the designated confidential counsellor for this reporting procedure. At Van de Velde NV this is the head of the Legal Department. Reports can also be made in writing to the Legal Counsel or by calling +32 936 525 55. The whistle-blowing procedure and the online reporting procedure can be requested in a separate document.

- Ideas boxes

Employees of Van de Velde NV are able to report breaches or comment on the Charter (or other matters) to management and the employee representatives anonymously through the ideas box at each site.

The employee representatives have access to the ideas box, which they empty on a monthly basis. The ideas box is a standing item on the agenda of the works council and the prevention and protection at work committee and every comment is discussed. The response and/or action taken are included in the minutes of the meeting. The minutes can be read by all employees.

- Confidants (internal/external prevention service/occupational physician) wellbeing coaches

The internal and external prevention service, the confidants and the safety agents are available to employees to register breaches of the Charter.

- Corrective and preventive actions

If a breach of the Charter as registered through the above channels is established, the SPT investigates and identifies the cause and ensures the measures and means for corrective and preventive actions are made available.

Management review

This procedure is discussed and assessed by the members of the management board every six months. The minutes of these discussions and the findings are drawn up as preparation for each audit.

Annex 1: Composition of the Social Performance Team

The following people have a seat on the SPT:

Management:

- Head of HR and Facility: representative of the Management Board
- Purchase Manager and Planning Manager: representatives for the Operations Department
- HR Business Partner: point of contact for the HR Department

Neutral:

- Sustainability Manager: SA8000 Coordinator
- Facility Manager and Internal Safety Advisor: points of contact for H&S
- Legal Counsel: point of contact for corporate governance

Employee representatives:

- Min 2 employee representatives: point of contact for blue and white collars and for both sites (Schellebelle and Wichelen)