

# Social Responsibility Factory Guide

VOpCo

A Vince Operating Company

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## Code of Conduct

It is the desire of V Opco, LLC (the “Company” or “we”), to not only be a good citizen of the United States, but also to conduct business in an ethical and moral manner in all of the countries of the world in which we have the privilege to do business.

As the scope and breadth of the Company’s sourcing and customer base expands to include more diverse cultures, we must ensure that the business people and companies with which we associate have the same values that we expect from our own employees. To achieve this end, the Company subscribes, and we endeavor to have our business partners subscribe, to the following principles in conducting business.

All of the Company’s business partners should be familiar with the Company’s Code of Conduct, as it may be updated from time to time. At the election of the Company, this Code of Conduct may be available online at <http://VinceSupplierPortal.Vince.com> or through the Company’s other business portals. The Company may occasionally update this Code of Conduct, and the Company reserves the right to update and make changes to this Code of Conduct at any time, with or without notice. If the Company does update this Code of Conduct, the Company will reflect the date of such update at the top of the Code of Conduct. It is the responsibility of each of our business partners to monitor and comply with the Company’s Code of Conduct, as may be updated, and we encourage our business partners to periodically review the Company Code of Conduct online or by direct request to one of the Company’s representatives to stay informed about any updates to the Code of Conduct.

- **Ethical Standards:** We endeavor to respect the ethical and moral standards and beliefs of all peoples and cultures with whom we deal. We in turn expect our business partners to respect our rules and procedures.
- **Legal Requirements:** We expect our employees and business partners to abide by the laws of the countries in which we conduct business. We also expect that international law related to the conduct of business between Nations be followed at all times.
- **Health and Safety:** We strive to have a safe and healthy working environment in all the facilities where we have employees or operations. We also expect that any business partners to whom we provide work will endeavor to provide a safe/healthy environment for the employees in the workplace, and also in the living facilities provided to the workers, should such facilities be provided.
- **Environmental Safekeeping:** We understand that the environment in which we live is ours to maintain and protect. We subscribe to manufacturing practices that ensure the safekeeping of our natural resources and ecological surroundings and expect our business partners to also adhere to these principles.
- **Wages and Benefits:** The wage and benefit structure of our business partners must comply with the applicable Country or State laws and the Company’s minimum standards.

- Working Hours: We expect our business partners to operate based on prevailing local work hours. Any time worked over the norm for the area should be compensated at the overtime rate as prescribed by the local labor laws and should be worked voluntarily. Subject to the requirements of local law, a regularly scheduled workweek including overtime should not exceed sixty (60) hours (except in extraordinary business circumstances). All employees are entitled to at least one day off in every seven-day period.
  - (a) Child Labor: The use of child labor is not permissible. For a definition of “child”, we will first look to the national laws of the country in which business is being conducted. If, however, the laws of that country do not provide such a definition or if the definition includes individuals below the age of 15, we will define “child”, for purposes of determining use of illegal child labor, as anyone who is: less than 15 (or 14 where the law of that country permits); or
  - (b) younger than the compulsory age to be in school in the country in which business is being conducted, if that age is higher than 15.
- Prison/Forced Labor: We will not knowingly utilize, or purchase materials and/or product manufactured by prisons or forced labor – indentured, bonded or otherwise. We also do not condone the practice of involuntary employee “deposits,” withholding of identity papers or any other practice that would restrict free movement of employees.
- Discrimination: We recognize and are aware that cultural differences will exist between various peoples. However, we believe that people should be employed based on their ability to perform a needed function, not on the basis of personal beliefs or characteristics.
- Freedom of Association: We recognize and respect the right of employees to exercise their lawful rights of free association, including joining or not joining any association. We expect our business partners to also adhere to these principles.
- Disciplinary Practices: We will not condone any type of harassment, abuse, corporal, mental or physical punishment by a business partner or an employee.

## Factory

The Company expects clear, open, and honest communication including all documents, payroll records, timecards, etc. Violation and genuine improvement will always be regarded higher than false documents or hidden violations. The Company expects the factories and the factory management to maintain the highest standards. No offers of any kind, including but not limited to, gifts, factory products, gratuities or money shall be made or accepted.

### Acceptance Requirements

All factories are required to receive approval for social responsibility before purchase orders can be issued. The Social Responsibility Team which includes (Social Compliance Director and manager) controls an electronic block on purchase orders until the factory:

- Accepts the on-line terms and conditions
- Is designated with an acceptance level based on an independent review of the factory compliance to the Company's Code of Conduct.

### Display Code of Conduct

The Company expects all factory locations to display the Code of Conduct where it is easily viewable to all employees. Suggested areas include near time clocks, entrances to production floor or break rooms. The Code of Conduct should be displayed in the native language of any employees. Translations are available upon request.

### Security Requirements (C-TPAT)

The Company and many of its customers are partners in the US Customs-Trade Partnership Against Terrorism (C-TPAT) program. As such, it may be necessary for the vendor/factory to be familiar with the C-TPAT minimum security criteria and take the necessary steps to ensure their security procedures are in compliance with the C-TPAT program. Factories will be required to meet C-TPAT standards and be reviewed by independent monitors. The C-TPAT Foreign Manufacturers Minimum Security Criteria (MSC), C-TPAT Questionnaire for Factories, 8-Point Container Inspection, Seal Inspection and the Company's Social Responsibility Monitoring Report documents are attached below for reference.

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## Independent Review

Factories may be accepted independently by undergoing an audit by an independent third-party auditor. The results of the audit will determine what level of acceptance the factory receives and if the factory is required to make improvements or commit to making improvements before acceptance is granted.

The Company will designate the audit firm that will be used to conduct the third-party audit. At no time may a factory designate an audit firm.

## WRAP Certified Factories

The Company will accept WRAP certified factories with a one-year certification or the first year of a two-year certification. The Company will not accept a six-month certificate. In order to apply for acceptance under WRAP certification the factory must provide a copy of the WRAP certificate and a blanket release for WRAP audits. The Company may request a copy of the WRAP audit directly from WRAP at any time at its discretion. The Company will determine the level of acceptance at its own discretion.

## Acceptance Levels

Based on the results of an audit or re-audit a factory will be assigned a rating. The Company expects each factory to continuously work toward achieving higher acceptance levels. The acceptance level is reported on the vendor scorecard and factors into the overall vendor rating.

Level	Defined	Flag	Results	Plus	Vince Issue PO	Factory Ship	KWD Sell Inventory
I	Blacklisted	Red	Zero tolerance violation(s)	N/A	No	No	No
II	Probationary	Yellow	1)No zero tolerance and 2)Single serious violation, or; 3)Accumulation of multiple violations	Approved CAP	Yes	No	Yes
III	Improving Facility	Yellow	1) Non serious violations 2)Committed to improvements	Approved CAP	Yes	Yes	Yes
IV	Regular Approved	Green	No Violations Or CAP Completed	N/A	Yes	Yes	Yes
V	Preferred Partner	Green	No violations on annual re-audit	N/A	Yes	Yes	Yes

## Request for Feedback

The Company and the Social Responsibility Team understand that often the customer acts in a way that causes the factory to violate the customer's own rules. Such instances might include rush orders, delays in design or fabric approvals. The end result is often excessive overtime to meet the necessary ship date. Please communicate such issues to the Company's Social Responsibility Team so the underlying cause can be addressed.

## Optional Assistance

Frequently social compliance violations are caused by other factors in the factory. Excessive overtime may be caused by late planning and expedited orders from customers or inefficient

production planning in the factory. Recordkeeping issues might be caused by inconsistent control of documents. Health and safety violations may be caused by a lack of understanding of requirements or limited safety resources. We encourage factories to find help identifying and eliminating the underlying problems. It is our belief that if the systemic issues are corrected, not only will the social compliance rating improve but the factory operation (delivery, profit, etc.) will also improve. Below is a list of some firms that provide assistance to factories.

Please note that:

- Consulting assistance CANNOT be from the same company as the third-party audit firm (this includes a separate division of the same company). This is to prevent any conflict of interest involving payment of consulting service and the result of an audit.
- The companies listed are not in a specific order. We do not give any priority to one firm over the other.
- The factory is responsible for any and all charges incurred for consulting services.
- This is not a complete list of service providers. Other firms may be used. This list is provided in the case that the factory does not know where to find assistance.

Firm	Contact	Phone	e-mail
<b>ICG</b>	Mary Ann Llanes	1.256.454.1081	<a href="mailto:maryann.llanes@ic-group.com">maryann.llanes@ic-group.com</a>
<b>Intertek</b>	David Downie	1.732-403-0470	<a href="mailto:David.downie@intertek.com">David.downie@intertek.com</a>
<b>Bureau Veritas</b>	Pearline Gordon	1.716.505.3336	<a href="mailto:Pearline.gordon@us.bureauveritas.com">Pearline.gordon@us.bureauveritas.com</a>

## Subcontracting

Suppliers are not allowed to subcontract the Company's production without written permission from the Company's Social Responsibility Team. Any subcontractor must go through the normal enrollment and approval process and meet the acceptance standards before production can begin.

Upon discovery of unauthorized subcontracting, the subcontractor and the primary factory will be subject to review of the Company's standards. Depending on the result of the review, penalties will be assessed, including but not limited to, charge backs and destruction of the goods.

I hereby certify that \_\_\_\_\_ has received a copy of the Company's Social Responsibility Factory Guide and will comply with the Company's Code of Conduct and C-TPAT requirements.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_