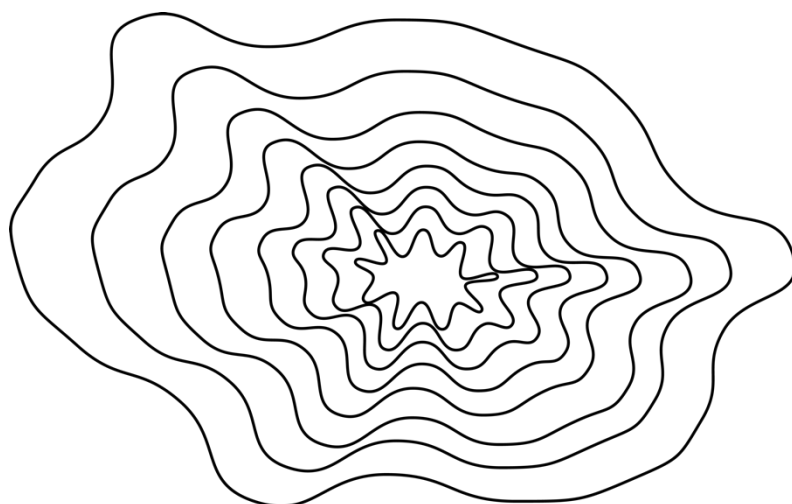


RENEWCELL

Supplier Code of Conduct

Renewcell
November 2021

Version	Date	Changes	Page
1.0	2019-09-15	First issue	
2.0	2020-06-23	Changes to 6.4	
3.0	2021-08-27	New template	
4.0	2021-11-08	Updated + Anti corruption added	



Re:NewCell AB (publ)
Reg. No. 556885-6206
sourcing@renewcell.com

Cardellgatan 1
114 36 Stockholm
Sweden

1. INTRODUCTION

RE:NEWCELL's business concept is to offer sustainable textile-to-textile recycled materials to the fashion industry. This means that our products must be manufactured in a way that is environmentally and socially sustainable. We have a responsibility towards everyone who contributes to our success. We are therefore committed to working closely with our suppliers and business partners to achieve a long-term, sustainable social and environmental standard in the factories that manage RE:NEWCELL's feedstock and in the operations of other business partners.

1.1 Purpose This Supplier Code of Conduct specifies what we require from our suppliers, their subcontractors and other business partners with regards to human rights, workers' rights, environmental responsibility and anti-corruption, in order to fulfil our commitment to our Board of Directors, to our employees, to our customers, to our shareholders and to other stakeholders.

1.2 Scope This Supplier Code of Conduct is applicable to all suppliers, their subcontractors and other business partners that do business with RE:NEWCELL registered in Sweden, corporate organisation number 556885-6206, or any other company, wholly or partly owned, directly or indirectly, by RE:NEWCELL. It is the responsibility of RE:NEWCELL's suppliers and other business partners to inform their subcontractors about RE:NEWCELL's Supplier Code of Conduct and to ensure that these are implemented in every factory and workplace that produces or otherwise handles goods or performs services for RE:NEWCELL.

1.3 Foundation and legal compliance We base our requirements on internationally agreed standards such as the Universal Declaration of Human Rights, The UN Convention on the Rights of the Child and applicable ILO Conventions, UN Global Compact as well as national legislation.

Suppliers and other business partners must, in all their activities, follow the national laws in the countries in which they operate. Should any requirement in this Supplier Code Code of Conduct conflict with the national law in any country or territory, the law must always be followed. In such cases the supplier must notify RE:NEWCELL immediately, before signing this Code. However, RE:NEWCELL's requirements may go beyond the requirements set out in national law.

This Supplier Code of Conduct is drafted and valid in the English language. Where there are different translated versions of this document these shall be considered translations of convenience only and the English version will prevail in any case of discrepancy.

2. HUMAN RIGHTS AND LABOUR RIGHTS

Suppliers and other business partners shall always support and promote the respect for human rights, and ensure workers' rights of fair terms and conditions of employment and a safe and healthy workplace.

2.1 Child Labour According to the UN Convention on the Rights of the Child, a person is a child until the age of 18. RE:NEWCELL recognises the rights of every child to be protected from economic exploitation and hazardous working environments.

RE:NEWCELL does not accept any form of child labour. No person shall be employed at an age younger than 15 (or 14 where the national law so allows) or younger than the legal age for employment if this age is higher than 15. The company must take the necessary preventive measures to ensure that it does not employ anyone below the legal age of employment.

2.2 Young workers All legal limitations on the employment of persons below the age of 18 years must be followed. Young workers shall never perform any task that is likely to be hazardous or harmful to their health or physical, mental, spiritual, moral or social development, such as working heavy machinery or work the night shift. Work must also not interfere with their education.

2.3 Forced labour We do not accept any forms of forced, bonded or unpaid labour, nor any forms of modern slavery, such as trafficking, prison labour or illegal labour in the production of goods or services for RE:NEWCELL. Employers must never withhold salaries, require deposits, or seize workers' personal possessions or identity documents. Fees in connection with employment must never be borne in whole or in part by the employee. Workers employed through an agent or contractor are the responsibility of RE:NEWCELL's supplier and other business partners, and are thus covered by this Code. All workers shall enjoy freedom of movement, i.e. the right to leave the work area after working hours, and be free to terminate the employment contract.

2.4 Discrimination and harassment No employee shall be discriminated against in employment or occupation on the grounds of sex, race, colour, age, pregnancy, sexual orientation, religion, political opinion, nationality, ethnic origin, disease or disability. Practises such as forced pregnancy tests or virginity tests are never tolerated.

Every employee shall also be treated with respect and dignity. Under no circumstances do we accept the of humiliating or corporal punishment, and no employee shall be subject to physical, sexual, psychological or verbal harassment or abuse.

2.5 Terms of employment

Employment contract

All employees are entitled to a written employment contract, in a language that they understand, stipulating the employment terms and conditions. The employer has a responsibility to ensure that all employees are aware of their legal rights and obligations.

Remuneration

Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity-Wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the employee. RE:NEWCELL's minimum requirement is that employers shall pay at least living wages, the prevailing industry wage or the wage negotiated in a collective agreement, whichever is higher.

All other types of legally mandated benefits and compensations shall be paid. No unfair deductions are allowed, and the employee has the right to a written specification of how the wage has been calculated.

Working hours and leave

Ordinary working hours must not exceed the legal limit and shall never exceed 48 hour per week. Overtime hours must not exceed the numbers allowed by the law of the country. If such limits do not exist, overtime work should not exceed 12 hours per week, and compensated in accordance with the law. Where national law does not regulate overtime compensation, overtime shall be compensated at a premium rate. Piece-rate work should not be exempted from the right to overtime compensation.

Employees are entitled to at least one day off in every seven-day period. The employees shall be granted and correctly compensated for any types of paid leave to which they are legally entitled. Examples of such leave include annual leave, maternity/parental leave and sick leave.

2.6 Health and safety We require our suppliers and other business partners to make employees' safety a priority at all times, and actively work to prevent, minimise or eliminate potential health and safety incidents in the workplace. Unsafe buildings are not accepted.

Work environment

The premises must be regularly maintained and cleaned and must provide a healthy working environment. The work space shall be organised in a way that is suitable from a work environment perspective and provide sufficient light and ventilation. Workers shall be provided with appropriate personal protective equipment and additional safety equipment where necessary. Workers shall have access to potable drinking water, clean, lockable and gender separate toilets and suitable break rooms.

Fire Safety

Emergency exits on all floors must be clearly marked, well lit and unblocked all the way out of the building. Evacuation through emergency exits must always be possible during working hours. Everyone working on the premises, including managers and guards, must be regularly trained in how to act in case of fire or other emergency. Regular evacuation drills for all employees are required; evacuation plans and fire fighting equipment must be in place.

Accidents and First Aid

The employer must work proactively to avoid accidents causing harm to any employee in the workplace. Relevant first aid equipment must be available and where legally required a doctor or nurse should be available during working hours. Accidents and fatalities shall be documented by the employer and corrective actions should be implemented to prevent future incidents.

Worker accommodation

If a company provides housing facilities for its employees, the requirements regarding fire safety and cleanliness should also cover the dormitory. The dormitory must be separated from the workplace and have a separate entrance. Employees should have free access to the dormitory.

2.7 Freedom of association and collective bargaining All employees have the right to form or join associations of their own choosing, and to bargain collectively. RE:NEWCELL does not accept disciplinary or discriminatory actions from the employer against employees who choose to peacefully and lawfully organise or join an association. In countries where national law limits the freedom of association and collective bargaining, employees shall be allowed to freely choose worker representatives to speak on their behalf.

2.8 Migrant workers Migrant workers shall have exactly the same entitlements as local employees.

3 ENVIRONMENT

The environment is an increasing concern globally and RE:NEWCELL expects its suppliers and other business partners to act responsibly in this respect and actively work to reduce their negative environmental impact. In particular, we are concerned about how the handling of textile waste contributes to climate change, water stress and the use of chemicals. Suppliers and business partners must observe the precautionary principle

3.1 Environmental permits and legal compliance The company must have the relevant environmental permits and licences for its operations and comply with all applicable environmental laws and regulations in the country of operation. The Supplier shall have established procedures for notifying local authorities in case of environmental emergencies.

3.2 Greenhouse gas emissions Suppliers shall minimise emissions by identifying and managing greenhouse gas emissions from their operations, making continuous efforts to align with the Paris Agreement. Fossil fuel free transportation should be prioritised to the furthest extent possible.

3.3 Water management and wastewater treatment Water is a scarce resource in many parts of the world and should be used as efficiently as possible. All outgoing wastewater from wet processes must be treated before it is discharged. The treated wastewater quality must meet the requirements in local legislation or the BSR guidelines, whichever is stricter. Business for Social Responsibility (BSR) has coordinated a working group consisting of a number of companies that have developed an industry standard for wastewater quality. The water risk management process shall in place and be accurately documented and shared with RE:NEWCELL upon request.

3.4 Use of chemicals and other hazardous substances The textile waste shall not contain any chemicals above the Reporting Limit threshold in the Restricted Substances List published by the Affirm Group (<https://www.affirm-group.com/affirm-rsl/>). When chemicals or other

hazardous substances are used, the supplier shall ensure safe handling, storage and disposal of the substances.

3.5 Waste Management and recycling Waste shall be minimised to the furthest extent, and when possible, reused or recycled instead of wasted. Any waste must be taken care of in a responsible manner and in accordance with local law.

3.6 Energy Suppliers shall minimise the use of energy, and renewable energy should be prioritised to the furthest extent possible.

4. ANTI-CORRUPTION

RE:NEWCELL recognises that corruption undermines the access to human rights, labour rights and environmental protection and is a barrier to the achievement of environmentally and socially sustainable business.

We do not tolerate any form of corruption, regardless of geographic location. Suppliers and other business partners must abstain from participating in any kind of corruption and unethical business conduct, such as bribery, facilitation payments, embezzlement, nepotism, illegal tax management or money laundering.

5. MONITORING AND ENFORCEMENT

5.1 Enforcement We expect our suppliers and other business partners to be transparent, actively do their utmost to achieve our standards, cooperate fully in follow-up processes and not intentionally mislead us or conceal information.

In order to maintain compliance with RE:NEWCELL's Supplier Code of Conduct, local labour laws and environmental laws, it is important that RE:NEWCELL's suppliers and other business partners have the necessary policies and management systems in place.

5.2 Follow up and corrective action. Any breaches of RE:NEWCELL's Supplier Code of Conduct must immediately be reported to RE:NEWCELL's management.

In order to follow up suppliers' compliance with our requirement, we reserve the right to distribute questionnaires to our suppliers. Questionnaires must be answered and returned to RE:NEWCELL within 15 working days. We also reserve the right to make unannounced visits to all units handling goods or services for RE:NEWCELL, at any time, ourselves or through an appointed third party. During audits we require unrestricted access to all areas of the premises, to all documents and to all employees for interviews. We also demand the right to provide employees with contact details for RE:NEWCELL.

RE:NEWCELL's audits aim to identify gaps between the requirements in this Supplier Code of Conduct and the actual practices and conditions in the workplace. The audited company will be given the opportunity to propose and implement a corrective action plan. RE:NEWCELL will follow up the implementation of the plan and verify that non-conformities have been remedied. A supplier failing to undertake sustainable improvements within the stipulated time frame would seriously damage its relationship with RE:NEWCELL. Unwillingness to cooperate or repeated

serious violations of RE:NEWCELL's Supplier Code of Conduct and local law may lead to reduced business and ultimately termination of the business relationship with RE:NEWCELL.

5.3 Supply Chain RE:NEWCELL's Supplier Code of Conduct applies only to our direct suppliers, other business partners and handlers of goods or services for RE:NEWCELL and their downstream subcontractors. However, we encourage our suppliers and other business partners to impose social and environmental requirements upstream in their supply chain, for example on suppliers of raw materials. Examples of such requirements include banning the use of forced labour and child labour, chemical restrictions and treatment of wastewater.

SIGNATURE

Name

Title

Company