



CODE OF ETHICS & CONDUCT

V. 2025



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A. CODE OF ETHICS AND CONDUCT

Aligned with the United Nations Sustainable Development Goals (SDGs)

1 RELATIONSHIP WITH SUPPLIERS

MO is committed to conducting business responsibly and ethically, ensuring that all operations exceed legal requirements and contribute to the broader goals of sustainable development, as defined by the **United Nations Sustainable Development Goals (SDGs)**. This includes promoting economic growth, reducing inequalities, ensuring responsible consumption and production, and fostering fair labor practices.

Recognizing the challenges and risks in our supply chain, we have established this Code of Conduct to inform our suppliers and subcontractors of the **minimum ethical, social, and environmental requirements** that must be upheld throughout the business relationship, both locally and globally.

Our objective is to create long-term value through ethical and trustworthy relationships while avoiding conflicts of interest or improper practices that could undermine our reputation or the interests of stakeholders.

We expect suppliers and service providers to comply with these standards, with reasonable time allowed for necessary adjustments where applicable. Transparency is the foundation of a trusting relationship; therefore, suppliers are required to promptly report any situation that may compromise compliance with this Code so that we can work together to resolve issues effectively.

This Code of Conduct reflects international standards, including the **Universal Declaration of Human Rights**, the **International Labour Organization (ILO)** conventions, and guidelines from the **Ethical Trading Initiative** and **ISO 26000** on Social Responsibility.

A.1.1 GENERAL PRINCIPLES

MO acknowledges that the sustainability of our business relies on maintaining relationships of trust and respect with suppliers, recognizing them as strategic partners in value creation.

We commit to conducting business based on the following principles:

- **Ethics** – Acting with integrity and fairness.
- **Transparency** – Open and honest communication.
- **Good Faith** – Fulfilling commitments responsibly.
- **Accuracy** – Providing truthful and clear information.
- **Respect** – Upholding human dignity and rights.
- **Professionalism** – Maintaining high standards of conduct.
- **Confidentiality** – Protecting sensitive information.
- **Commitment** – Meeting contractual and ethical obligations.
- **Health and Safety** – Providing and promoting safe working conditions.
- **Cooperation** – Improving processes and services through collaboration.

Supplier Expectations

Suppliers, as key players in the value chain, are expected to:

- Adopt and comply with applicable legislation and regulations.
- Demonstrate openness to innovation and flexibility to meet customer needs.
- Continuously improve processes and services.
- Promote responsible and sustainable business practices.
- Ensure that subcontractors uphold the same ethical and sustainability standards.
- Report any ethical breaches or compliance risks promptly.

A.1.2 INTEGRITY AND FAIR TRADING

Unfair or fraudulent business practices are strictly prohibited. MO is committed to fight corruption, money laundering, and unethical conduct, contributing to fair global trade practices.

Suppliers must:

- Comply with the **Foreign Corrupt Practices Act** and international anti-corruption regulations.
- Adopt internal controls to prevent corruption and fraud.
- Maintain transparent and accurate records of business activities and financial performance.

Be available for audits and inspections when required.

A.1.2.1 COUNTERFEITING

Counterfeiting is illegal and strictly prohibited. Any supplier involved in counterfeiting will face immediate termination of the business relationship. This includes refusal to accept counterfeit goods and potential legal action to protect MO intellectual property.

A.1.3 RELATIONSHIP WITH MO ASSOCIATES

Suppliers' interactions with our employees and associates must reflect the highest standards of integrity and fairness.

Suppliers must not:

- Offer gifts, entertainment, or incentives to our employees.
- Engage in any activity that creates a conflict of interest.
- Tolerate or engage in bribery, corruption, or unethical practices.

A.1.3.1 BRIBERY

Bribery, in any form, is strictly prohibited. Suppliers must ensure that all transactions and interactions with MO and its representatives are conducted with integrity and compliance with applicable laws. Any breach of this principle may result in the immediate termination of the business relationship.

A.1.4 CONFIDENTIALITY

Suppliers must protect the confidentiality of all information obtained through business relationships. This includes safeguarding internal data, trade secrets, and proprietary information.

Information may only be shared with third parties when explicitly authorized in writing by MO management.

A.1.5 MONITORING | UNAUTHORIZED SUBCONTRACTING

We expect suppliers to operate transparently and uphold consistent ethical and environmental standards across their supply chain.

Supplier Requirements

- Suppliers must disclose all production units and obtain prior written consent before subcontracting.
- Subcontractors must adhere to the same ethical and sustainability standards outlined in this Code of Conduct.
- Audits and inspections may be conducted at any time, announced or unannounced, to ensure compliance.
- Suppliers must maintain complete and accurate documentation for auditing purposes.

A.1.5.1 DENIAL OF ACCESS

Denial of access to production facilities, records, or employees during an inspection is a violation of this Code. In such cases, MO will investigate the issue and take appropriate action, including potential termination of the business relationship.

A.1.6 ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

MO is committed to advancing the following **UN SDGs** through our supply chain practices:

- **SDG 1:** No Poverty – Promoting fair wages and economic opportunities.
- **SDG 5:** Gender Equality – Ensuring equal opportunities and fair treatment for all genders.
- **SDG 8:** Decent Work and Economic Growth – Promoting fair labor practices and safe working conditions.
- **SDG 10:** Reduced Inequalities – Ensuring non-discrimination and equal opportunities.
- **SDG 12:** Responsible Consumption and Production – Encouraging sustainable sourcing and production.
- **SDG 13:** Climate Action – Promoting environmentally responsible practices.

Suppliers are expected to actively contribute to these goals by implementing responsible business practices and collaborating with MO to enhance sustainability performance.

A.1.7 COMPLIANCE AND CONSEQUENCES

Non-compliance with this Code of Conduct may result in corrective action, including suspension or termination of the business relationship. Suppliers

are encouraged to report any violations or concerns through the established reporting channels.

A.1.8 CO-OPERATION AND WHISTLEBLOWING CHANNEL

Any breaches of MO Code of Ethics and Conduct must immediately be reported through the following channels:

- E-mail: mo-provedoria@mofashion.com
- MO Whistleblowing & Anticorruption Office:
Sonae Maia Business Center, Edifício 2E
Lugar do Espido – Via Norte
4470-177 Maia, Portugal

2 WORKING CONDITIONS

A.2.1 CHILD LABOUR

Any form of child exploitation is prohibited. This refers to work that:

- Is mentally, physically, socially, or morally dangerous and harmful to children.
- Interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

According to the UN Convention on the Rights of the Child, a person is a child until the age of 18. The hiring of workers under 18 shall occur only in cases of risk-free work.

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.

With reference to the UN Convention on the Rights of the Child, MO definition of "risk-free work" includes:

- Work which exposes children to physical, psychological or sexual abuse.
- Work underground, underwater, at dangerous heights or in confined spaces.
- Work with dangerous machinery, equipment and tools or carrying heavy loads.
- Exposure to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations damaging to health.
- Work for long hours, night work, and unreasonable confinement to the premises of the employer.

The supplier agrees to comply with all applicable child labour laws and to maintain records proving the date of birth of each employee.

A.2.2 FORCED LABOUR

MO suppliers must not in any circumstances use any type of slave or forced labour, nor be related to any activities that involve the trafficking of human beings, namely the transports, recruitment, transfer or receipt of persons through threats or fraud.

We will not tolerate the demand of any financial guarantees from workers. It will not condone that their original identification documents are confiscated or accept any retention from their salaries, benefits or any other form of cohesion to force or oblige them to provide labour.

Suppliers shall ensure that contracts for workers clearly convey the working conditions and are drafted in a language understood by the worker.

A.2.3 HEALTH AND SAFETY

Suppliers shall offer their employees working conditions that are safe and healthy, including any company housing in compliance.

At a minimum, workers shall be guaranteed:

- Clean toilets, washbasins and showers (on dormitories), access to drinking water and, when applicable, sanitary facilities for the storage of food.
- Any or all dormitories provided are clean, safe, and comply with the worker's basic needs. Its access is free at all time.
- Emergency exits on all floors clearly marked, well-lit and unblocked all the way out of the building. Evacuation through emergency exits must always be possible during working hours.
- A representative of the management appointed to be responsible for the health and safety of all staff and for the introduction of health and safety measures within its companies and/or production units.

- Regular training in how to act in case of fire or another emergency, regular evacuation drills and evacuation plans and firefighting equipment in place.
- A proactive work from suppliers to reduce, as much as possible the causes of danger which are inherent to work environments, in accordance with national social legislation.
- Relevant first aid equipment available and, where legally required, a doctor or nurse available during working hours.
- Regularly maintained and cleaned premises and a healthy working environment.

A.2.4 FREEDOM OF ASSOCIATION

Suppliers must respect the right of workers to choose whether to lawfully, peacefully and voluntarily form and join free trade unions and workers' associations of their choosing and to bargain collectively.

We do not accept disciplinary or discriminatory actions from the employer against employees who choose to peacefully and lawfully organize or join an association.

A.2.5 DISCRIMINATION AND DISCIPLINARY PRACTICES

We recognize and respect cultural differences and promotes equal opportunity, therefore it also requires that its suppliers do not use any form of discrimination in recruitment, remuneration, access to training, promotion, termination or retirement based on race, caste, religion, social class, nationality, ethnicity, illness, pregnancy, disability, gender, age, civil status, family responsibilities, sexual orientation, union membership or political affiliation.

Discrimination can lead to an underclass of workers who lack opportunities to develop and improve, or to earn enough to support themselves or their families. This problem can be deeply rooted in some countries or cultures.

Therefore, discrimination must be prohibited in any form, and all businesses must ensure that all hiring, compensation, promotion, termination, and retirement practices, as well as access to training, should be based solely on a person's ability to perform the job effectively. Compliance with laws regarding designated categories of employees, such as providing special treatment for the physically impaired, veterans, and protected minorities, is also essential.

A.2.6 HARASSMENT AND ABUSE

The suppliers of MO must agree to maintain a working environment free of harassment, threats and aggression.

We have a zero-tolerance approach to harassment and abuse. We are committed to creating a safe and respectful workplace for all employees and expects the same from its suppliers. Therefore, any form of harassment, whether physical, verbal, or emotional, is strictly prohibited. This includes, but is not limited to, sexual harassment, bullying, discrimination, and any behaviour that creates a hostile work environment. All employees and suppliers are expected to treat each other with dignity and respect.

We encourage anyone who experiences or witnesses' harassment or abuse to report it immediately to a supervisor or to our designated reporting channels. We will take all reports seriously and conduct prompt and thorough investigations. It will also take appropriate action against any employee or supplier found to have engaged in harassment or abuse, up to and including termination of employment or business relationship. Our commitment to preventing harassment and abuse extends beyond its own workplaces and into its supply chain. We expect its suppliers to maintain the same high standards of conduct and behaviour, and it will not hesitate to terminate the relationship with any supplier who violates this policy.

A.2.7 WORKING HOURS, COMPENSATION AND BENEFITS

MO suppliers shall pay their workers as provided in the respective labour laws of each country and must agree to comply with the maximum limit of working hours per week defined by legislation in effect.

They shall also guarantee that their workers enjoy days off, holidays and legally instituted bank holidays.

Workers shall receive, at least, the minimum wage in effect in their country and benefit from all the Social Benefits provided by law.

3 ENVIRONMENT

At MO, we recognize that environmental responsibility is fundamental to sustainable development and business success. Our environmental guidelines are designed to align with the principles of the United Nations Sustainable Development Goals, which provide a universal framework for addressing global challenges such as climate change, environmental degradation, and social inequality.

We expect all our suppliers to actively support and contribute to the following key SDGs through their business practices and operations:

- **SDG 6** – Clean Water and Sanitation: Efficient use of water resources, proper wastewater treatment, and water recycling initiatives.
- **SDG 7** – Affordable and Clean Energy: Adoption of renewable energy sources and increased energy efficiency.
- **SDG 8** – Decent Work and Economic Growth: Ensuring fair working conditions, respecting human rights, and fostering sustainable economic growth.
- **SDG 12** – Responsible Consumption and Production: Reducing waste, improving recycling, using sustainable materials, and adopting circular economy principles.
- **SDG 13** – Climate Action: Reducing greenhouse gas emissions, improving air quality, and increasing transparency in emission monitoring.
- **SDG 15** – Life on Land: Protecting biodiversity, ensuring ethical sourcing of materials, and safeguarding animal welfare.

By embedding these SDG principles into their operations, our suppliers will not only comply with our environmental requirements but also contribute to the broader global effort to create a more sustainable and equitable future.

A.3.1 LEGAL COMPLIANCE AND MANAGEMENT SYSTEM

Suppliers must have the relevant environmental permits and licenses for their operations. We strongly encourage the implementation of an environmental management system (e.g., **EMAS, ISO 14001, HIGG FEM** or similar) to ensure environmental issues are managed effectively and to contribute to the **sustainable development** of the supply chain (**SDG 12**).

A.3.2 WATER MANAGEMENT AND WASTEWATER TREATMENT

Water is a scarce and valuable resource that must be used efficiently (**SDG 6**).

- Suppliers must maintain written records of water consumption and adopt measures to reduce it where possible.
- Local regulations concerning wastewater discharge must be acknowledged and strictly followed.
- All wastewater from wet processes must be treated before discharge, with documented proof of the treatment system's efficiency.
- Suppliers must have a wastewater management system and provide supporting documentation and water quality test reports upon request.
- The implementation of **water recycling and reuse** systems is highly recommended to reduce environmental impact (**SDG 6**).
- For continuous improvement, suppliers should follow the **ZDHC Wastewater Guidelines**.

A.3.3 WASTE MANAGEMENT, LOCAL POLLUTION, AND AIR EMISSIONS

Suppliers must implement systems to control soil contamination and accidental pollution (e.g., handling of hazardous materials, use of retention tanks, etc.).

- Local laws regarding extraction systems for dust, odor control, and noise levels must be followed. If no local laws exist, the noise level at the nearest neighboring property must not exceed **60dB**.
- Suppliers are encouraged to implement measures **to reduce waste, facilitate reuse, and enable recycling** wherever possible, in line with the **circular economy** model (**SDG 12**).
- We are committed to mapping all greenhouse gas emissions from **Scope 1, 2, and 3** according to the **Greenhouse Gas Protocol (SDG 13)**.
- Suppliers must monitor emissions transparently and install filtering or removal systems for contaminants before release into the atmosphere.
- Suppliers are encouraged to increase the use of **renewable energy** sources and reduce their carbon footprint (**SDG 7, SDG 13**).
- Documentation and an accurate inventory of all emission sources and pollutants must be maintained.

A.3.4 CHEMICAL MANAGEMENT AND HANDLING

Suppliers must ensure that their top management is committed to:

- Defining and implementing safe chemical management practices.
- Controlling and banning restricted substances, in line with MO requirements and international regulations (**REACH, ZDHC MRSL**).
- Appointing a manager to oversee chemical management and handling.

Suppliers must have a detailed inventory of hazardous substances and ensure proper chemical purchase policies, storage conditions, risk analysis, training plans, and emergency procedures are in place.

- An **MSDS (Material Safety Data Sheet)** system and a program for recycling and recovery of by-products are strongly encouraged (**SDG 12**).
- Suppliers must comply with all chemical restrictions and limits outlined in MO **Quality Standards** and follow continuous improvement measures to meet **ZDHC MRSL** compliance.

A.3.5 ANIMAL WELFARE

We are committed to sourcing product materials responsibly, with respect for people, the planet, and animals (**SDG 15**).

All suppliers are expected to follow the best internationally recognized practices outlined in the **Five Domains of Animal Welfare**:

1. Nutrition
2. Physical environment
3. Health
4. Behavior
5. Mental state

It is strictly forbidden to use materials from vulnerable, threatened, or endangered species, as defined by **CITES** and the **IUCN**.

Suppliers must:

- Never use products from animals slaughtered solely for their skin, fur, or feathers.
- Only source raw materials from animals used for meat production, ensuring ethical treatment.
- Guarantee full traceability from the farm to the final product.
- Never source wool from **mulesed sheep**.
- Prohibit product testing on animals.
- Ensure down or feathers are not sourced from live-plucked or force-fed birds.

Suppliers must maintain full traceability of animal materials and provide supporting documentation upon request.

A.3.6 RESPONSIBLE SOURCING

We are committed to responsibly sourcing all fibers and materials used in our products (**SDG8, SDG 12, SDG 15**).

Suppliers must:

- Avoid using cellulosic fibers from ancient or endangered forests. We **only allow the use of Lenzing, LivaEco or FSC certified cellulosic fibers (SDG15)**.
- Prioritize certified organic and recycled fibers where possible (**SDG15**).
- Avoid sourcing cotton from regions with high risks of **child labor, forced labor, or human rights violations (SDG 8)**.
- Ensure that all wood, paper, and related products used for packaging come from FSC-certified sources, with a preference for recycled materials (**SDG15**).
- Actively reduce unnecessary packaging without compromising quality or function (**SDG12**).
- Eliminate the use of **PVC** and other non-recyclable plastics from packaging and switch to recycled plastics where possible (**SDG 12**).

Suppliers must be prepared to disclose information on the origin of all raw materials (fibers, chemicals, plastics, paper, etc.) and provide valid certifications for:

- **Recycled content** in products and packaging.
- **Recyclability** of products and packaging.
- **Responsible sourcing** of wood-based cellulosic fibers, bovine leather, and other materials.

⚠ Important: Our suppliers must be prepared to disclose information about the origin of all raw materials used (fibers, chemicals, plastics, carton/paper, etc.). To ensure full compliance, transparency, and traceability at every stage of the supply chain, MO suppliers must hold valid certifications for:

- Recycled content in products and packaging
- Recyclability of products and packaging (through material verification)
- Cellulosic fibers and paper/carton packaging

4 SUPPLIER SOCIAL AND ENVIRONMENTAL CERTIFICATIONS

At MO, we are committed to upholding the highest standards of social responsibility and environmental stewardship across our supply chain. While our internal audit team conducts regular assessments of supplier compliance, we strongly encourage our suppliers to pursue independent, third-party certification to validate their practices and drive continuous improvement.

A.4.1 PURPOSE AND SCOPE

This chapter outlines our expectations regarding third-party social and environmental audits for all suppliers and production partners involved in the manufacturing of our products.

The aim is to:

- Reinforce transparency and credibility of compliance efforts.
- Benchmark against international standards.
- Support suppliers in enhancing their social and environmental performance.

A.4.2 RECOMMEND CERTIFICATIONS

We recommend that suppliers obtain one or more of the following internationally recognized certifications or verifications:

- **Social Compliance**
 - SMETA (Sedex Members Ethical Trade Audit)
 - SA8000 (Social Accountability International)
 - BSCI (amfori Business Social Compliance Initiative)
 - WRAP (Worldwide Responsible Accredited Production)
 - Fair Trade Certification (when applicable)
- **Environmental Compliance**
 - ISO 14001 (Environmental Management Systems)

- Higg Index (Higg FEM – Facility Environmental Module)
- bluesign®
- OEKO-TEX® STeP
- ZDHC MRSL Level 1 or higher
- GOTS (Global Organic Textile Standard) – if applicable

A.4.3 TIMELINES AND VALIDITY

While third-party certification is not yet a mandatory requirement, we strongly encourage suppliers who are not currently certified—either socially or environmentally—to voluntarily initiate the audit process with an accredited body as soon as possible.

Once audited:

- Certifications must be kept valid and renewed in accordance with the issuing body's official timelines.
- A corrective action plan, if any preliminary non-compliances have been identified

A.4.4 ALIGNMENT WITH INTERNAL AUDITS

- Third-party audits do not replace internal audits conducted by our compliance team.
- However, valid third-party certifications may be considered in lieu of certain internal assessments depending on scope, audit depth, and recency.
- Suppliers who are certified are still subject to unannounced or follow-up internal audits.

A.4.5 CONSEQUENCES OF NON-COMPLIANCE (NON-MANDATORY)

Although third-party certification is not mandatory at this stage, suppliers who fail to demonstrate efforts toward independent validation may face:

- Limited access to future business opportunities.
- De-prioritization for new product developments.
- Potential placement on improvement plans, monitored by the compliance team.

A.4.6 SUPPORT AND COLLABORATION

MO is committed to building long-term relationships with suppliers and offers the following support:

- Guidance on selecting relevant certification schemes.
- Access to preferred audit partners or platforms.
- Review of audit reports and follow-up consultation.

Suppliers are encouraged to view this process not as a compliance burden but as a tool to increase market access, improve worker satisfaction, and build environmental resilience.