

DZ GROUP

ETHICAL CONDUCT & PRODUCT INTEGRITY GUIDE



CO **GUIDELINES** DI **TRUST** **LAWS** **SAFETY** OF **PARTNERSHIP**

HEALTH **POLICIES** **RIGHTS** **PROCEDURES** ETH **STANDARDS** CAI **INTEGRITY**

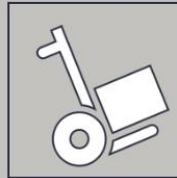
CO **TRANSPARENCY** NDUCI **COMPLIANCE**



**CODE OF
ETHICAL CONDUCT**



PARTNERSHIPS



SAFE MANUFACTURING



SOCIAL COMPLIANCE

CODE OF ETHICAL CONDUCT

DZ Group is committed to maintaining the highest ethical standards throughout our organization. Our Code of Ethical Conduct highlights the standards that we require our company and business partners to uphold. We follow guidelines that are internationally accepted as best practices for ethically managed companies. We feel it is important to meet these guidelines as it allows us to promote fair practices in the apparel industry and to attract like minded partners.

Our Code Of Ethical Conduct is made up of three core principles:

ETHICAL PARTNERSHIPS that are built on a foundation of transparency and trust.

ETHICAL AND SAFE MANUFACTURING and the preservation of health and safety.

ETHICAL SOCIAL COMPLIANCE and the protection of essential labor and human rights.

CODE OF ETHICAL CONDUCT

ETHICAL PARTNERSHIPS that are built on a foundation of transparency and trust.

DZ Group strives to build relationships that result in lasting partnerships. We seek to work with companies that value high morals and are thoughtful about how they manufacture and sell products. We take great pride in our company's reputation and work hard to offer fair and honest business dealings. We understand that transparency is key to maintaining a mutual trust between partners and to ensure that products are made responsibly. The following are some of the policies we follow that help DZ Group to sustain ethical partnerships:

BUSINESS INTEGRITY

- Commit to honesty and fairness in all business dealings and encourage transparency throughout the supply chain
- Do not tolerate or engage in bribery, corruption, fraud or any other unethical practices
- Provide goods that meet approved standards for safety and quality at fair prices

BRAND PROTECTION AND CONFIDENTIALITY

- Proprietary information, such as designs, prices, data, operations, finances and/or assets, will be kept confidential and only used in connection with relevant business dealings

LAWS AND REGULATIONS

- Abide by all local government and international laws and regulations to ensure protection of employees, products and consumers
- Licenses, permits and certifications are accurate and up to date

UNAUTHORIZED SUB-CONTRACTING

- Sub-contracting of any kind is not allowed unless prior written approval is granted

CODE OF ETHICAL CONDUCT

ETHICAL AND SAFE MANUFACTURING and the preservation of health and safety.

DZ Group and its partners are required to have established protocols in place to ensure compliance with local government safety and health regulations. These protocols should be clearly communicated to all employees and continually monitored and enforced. The following are some of the regulations DZ Group requires from all partners:

HEALTH

- Work areas should be properly lighted, ventilated, and temperature controlled
- Chemicals and hazard material are properly used, stored and disposed of following defined safe handling procedures
- Materials are provided to maintain good housekeeping to provide a hygienic work environment
- No alcohol or illegal substances are permitted in the workplace
- Compliance with local environmental laws and regulations including water usage, waste and chemical management

SAFETY

- Licenses, permits and certifications are accurate and are up to date
- First aid and medical care are readily available for all employees
- Appropriate personal protective equipment such as masks, gloves, goggles, and ear plugs are made available
- Ensure that confined spaces do not pose a danger to worker safety
- Stairs, platforms, and elevated floors are well protected to eliminate safety hazards
- Compliance with all laws regarding machine and equipment safety
- Accidents are reported, investigated and addressed with employees
- Management maintains an emergency response plan and provides training

CODE OF ETHICAL CONDUCT

ETHICAL SOCIAL COMPLIANCE and the protection of all essential labor and human rights.

DZ Group and its partners are required to have established protocols in place to ensure compliance with local government labor and human rights regulations. These entitlements should be clearly communicated to all employees and any violations should be reported and investigated. The following are some of the policies DZ Group requires from all partners:

LABOR RIGHTS

- Child labor is not permitted, employment age is no younger than the local legal age including apprentices and trainees
- Employee compensation is a fair living wage and benefits meet legal requirements
- Fair treatment related to human resource issues including hiring, training, development, promotion as well as disciplinary actions
- Freedom of association therefore allowing employees to establish and join organizations or bargain collectively

HUMAN RIGHTS

- Employment should be of free will, all forced labor is strictly prohibited
- Maintain an environment that is harassment free including verbal, physical and sexual
- Abuse, coercion, harassment and inappropriate disciplinary action is prohibited
- Prohibit discrimination of gender, age, religion, marital status, race, sexual orientation, disability, disease, pregnancy or political affiliation

STANDARDS
PROCEDURES
COMPLIANCE
SAFETY
GUIDELINES

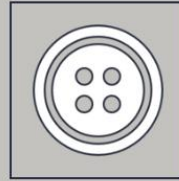
PRODUCTION

TRANSPARENCY
POLICIES
HEALTH
TRUST
PARTNERSHIPS
INTEGRITY
LAWS

INTEGRITY

PRODUCT INTEGRITY

Compliance SOP's



SUPPLIERS –
Trims and Accessories



MILLS –
Yarn and Fabric



FACTORIES –
Sewing and Knitting

PRODUCT INTEGRITY - Compliance SOP'S

SUPPLIERS, MILLS AND FACTORIES –

Our global network of providers are carefully selected as partners that share our core values so your products can be made ethically and with integrity. These relationships were built on honesty, commitment and respect for people and process in equal measure. Transparency is key in order to build new relationships and maintain old ones. We work closely with our partners to ensure their facilities and processes comply with our standards.

OUR QUALITY CONTROL TEAM ENSURES COMPLIANCE OF SOCIAL AND TECHNICAL STANDARDS ARE MAINTAINED THROUGHOUT THE PROCESS:

- New Supplier Audit Questionnaires are completed and validation of all information
- Regular on-site factory visits during development and production
- Daily monitoring and reporting of production processes throughout production until shipment
- Compliance Training for Management to ensure each customer's standards are understood and closely followed
- Quality Control Inspection Reports with corrective action plan follow up

PRODUCT INTEGRITY

Inspection SOP's



TOP INSPECTION



MID TERM INSPECTION



FINAL INSPECTOIN

PRODUCT INTEGRITY - Inspection SOP'S

TOP INSPECTION

Bulk garments in the size range are pulled from the beginning of the production line. A strict and detailed review of each size is performed against Pre-Production approved specs and comments. Workmanship, appearance, hand feel, density and measurements are examined. A TOP sample the sample size is pulled and inspected then sent to our customer to represent approved bulk production.

MID TERM INSPECTION

The Mid Term Inspection follows a 2.5 Acceptable Quality Limit for all major defects and 4.0 AQL for all minor defects. There is 0% tolerance for critical defects. Sample size varies based on lot size.

FINAL INSPECTION

The Final Inspection follows a 2.5 Acceptable Quality Limit for all major defects and 4.0 AQL for all minor defects. There is 0% tolerance for critical defects. Sample size varies based on lot size.

Source: ANSI/ASQC Z1.4

Lot or Batch size	Sample size Code Letter	Sample Size (Level-I)	Acceptable Quality level (AQL)					
			2.5		4		6.5	
			Ac	Re	Ac	Re	Ac	Re
2 - 8	A	2	0	1	0	1	0	1
9 - 15	B	3	0	1	0	1	0	1
15 - 25	C	5	0	1	0	1	0	1
26 - 50	D	8	0	1	1	2	1	2
51-90	E	13	1	2	1	2	2	3
91-150	F	20	1	2	2	3	3	4
151-280	G	32	2	3	3	4	5	6
251-500	H	50	3	4	5	6	7	8
501-1200	J	80	5	6	7	8	10	11
1201-3200	K	125	7	8	10	11	14	15
3201-10000	L	200	10	11	14	15	21	22
10001-35000	M	315	14	15	21	22	21	22

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www.dzgroup.com
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