CODE OF PRACTICE

WORKING CONDITION STANDARDS FOR SUPPLIERS, SUB-CONTRACTORS AND SERVICE PROVIDERS

The Clarks Code of Practice (Version 3 – 2026) has been approved by Clarks Sustainability Governance Committee.

The document summarises the minimum working condition standards that we expect our suppliers to adhere to in the production of all Clarks products.

Policy Owner	Dick Liu / ESG Manager
Complaints mechanism	
Effective from	01 April 2024
Review frequency	Annually
Next review date	01 April 2027

PREAMBLE

Clarks is committed to the high standards of social and environmental performance. We seek to protect workers in our supply chain from exploitation and harm. We expect all our business partners to treat their employees and those they have dealings with fairly and with respect.

We require our business partners to abide by all applicable laws and regulations, including those regarding human and labour rights, workplace safety and worker compensation and treatment and to uphold the conventions of the United Nations. Our human rights due diligence approach is rooted in the UN Guiding Principles on Business and Human Rights[1] and our assurance standards encompass the ILO Core Conventions for decent work.

We seek to develop long-term relations with suppliers who share our commitments and demonstrate adherence to this Code of Practice. In line with the UN Guiding Principles, we also seek to support the actions required to create improved conditions, through our Supplier Working Conditions team. However if a supplier does not take effective action in a timely manner, withdrawing our business remains the final sanction.

As used in Clarks Code of Practice the term "Supplier" includes but is not limited to vendors, agents, licensees, factories, sub-contractors, services, material and component suppliers.

As part of Clarks commitment to transparency we will publish information on the suppliers and partners we work with on our own website and through other media as we deem appropriate. This information will include at least the name, address and the type of production or services undertaken at each facility.

SCOPE

These standards apply to all production, storage and non-production areas of a factory including on or off-site factory provided accommodation (dormitory), canteen, material, and finished goods stores and to any service providers or subcontractors contracted to provide services at the facility.

The supplier is responsible for the human and labour rights of all those working on the facility premises whether employed directly by them or not. The standards apply equally to all groups of employees working at the facility, including but not limited to permanent, temporary, seasonal and agency workers, legally accepted young workers (minors), part-time, shift and migrant workers; regardless of how their payment is determined.

STANDARDS

The standards set out below are the minimum standards we expect our suppliers to adhere to in the production of all our products. Where there is any difference between these requirements and national or local legislation and regulation then the higher standard or requirement shall apply.

MANAGEMENT

Clarks requires all suppliers to work openly and actively towards compliance with the standards set out in Clarks Code of Practice which forms part of the terms and conditions of trade for Clarks.

Suppliers will only use facilities that have been approved by Clarks in the production of Clarks products including for the provision of materials or components to be used in them. All facilities used must be in accordance with Clarks Permitted Sourcing Countries.

A supplier will not provide, use, or rely on the use of falsified documents or records for legal compliance or for meeting the requirements of Clarks Code of Practice.

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[1] Available online: https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

Unrestricted access will be provided to Clarks, or our designated representatives, to all areas of factories and to workers where Clarks products, materials or components may, are or have been produced.

Suppliers must establish appropriate management systems to ensure they meet and maintain the standards set out in Clarks Code of Practice and support the process of continuous improvement.

CHILD LABOUR

No children under 15 years or the minimum school leaving age of the country where it is higher are to be employed or engaged in the production of Clarks products.

The Supplier must have effective procedures for age verification as part of the recruitment process and a documented policy and effective procedure for the remediation of any child found to be in their employment which is at least equivalent to Clarks Child Labour Remediation Plan.

Young workers (defined as those being less than 18 years of age but beyond the legal required minimum age for employment in respective countries) must be afforded appropriate protections as required by local law that at least include not working overtime, not working at night or in hazardous conditions and be provided with regular health checks.

EMPLOYMENT CONDITIONS

Workers will only be employed on the basis of negotiated, legal, written contracts and are provided with a copy of it in a language or format they understand. The illegal use of fixed-term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.

Employees must be able to freely resign without prejudice or penalty by giving the contractually or legally required period of notice.

Suppliers shall only employ or use workers with a legal right to work in the country.

Suppliers must ensure that third party employment agencies used for the provision of labour meet all legal and regulatory requirements and the standards set out in Clarks Code of Practice.

To every extent possible, work performed must be on the basis of recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub- contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the illegal use of fixed-term contracts of employment.

FAIR TREATMENT

Employees must be treated with respect and dignity. No worker will be subject to any physical, sexual, psychological, or verbal harassment, violence, exploitation, or abuse.

No employee shall be subject to any discrimination in employment, including hiring, salary, benefit, advancement, discipline, termination, or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, pregnancy, maternity or social or ethnic origin.

GRIEVANCE

All suppliers must establish a grievance policy in line with Clarks guidelines. Suppliers must ensure workers have access to an operational grievance mechanism, and that access is open to all workers without discrimination, including agency and contract workers.

Retaliation or reprisal is absolutely prohibited. Suppliers must ensure that workers using such a mechanism do so without fear of retaliation or reprisal.

Grievance mechanisms must provide for effective and timely remediation.

FORCED LABOUR

All work must be conducted on a voluntary basis, and not under threat of any penalty or sanctions. The Supplier shall not use any form of forced labour, including bonded labour, human trafficking, involuntary prison labour or modern slavery.

Suppliers must adhere to the key principles:

Every worker should have freedom of movement – the ability of workers to move freely should not be restricted by the employer through physical restriction, abuse, threats, and practices such as retention of passports and valuable possessions.

No worker should pay for a job – fees and costs associated with recruitment and employment should be paid by the employer, not the employee.

No worker should be indebted or coerced to work – workers should work freely, aware of the terms and conditions of their work in advance and paid regularly as agreed.

All workers should be provided free and unrestricted access to potable water and clean toilet facilities.

FREEDOM OF ASSOCIATION

Workers have the right to form and join trade unions and bargain collectively without prior authorization from suppliers' management. Suppliers shall not interfere with, obstruct, or prevent such legitimate activities.

Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers shall not hinder alternative forms of independent and free worker representation and negotiation, in accordance with international labour standards.

Clarks encourages suppliers and partners to establish effective communication practices that involve workers and their representatives in meaningful dialogue on workplace issues to ensure workers are aware of their rights and responsibilities and that these are met. Where necessary appropriate training should be provided to ensure all levels can participate effectively in this process.

WAGES

Payment for all hours worked must be in cash or into the worker's bank account at rates that at least meet the legal minimum standard. Payment must be regular, prompt and made in full without any disciplinary deduction or deductions not provided for by national law without the expressed permission of the worker concerned.

Workers shall be provided all benefits required by national and local law including paid leave and contributions for all social insurances.

Overtime shall be paid as a minimum at least at the rate (or premium rate) required by national or local law.

All workers shall be provided with written and understandable information about their employment conditions in respect of wages before they enter into employment and about the particulars of their wages for each pay period when they are paid.

WORKING HOURS

Working hours should comply with local legal requirements and in any event the working hours including overtime must not exceed 60 hours per week on a regular basis. The working of overtime must be on a voluntary basis.

Clarks conditionally accepts more than 60 hours in a week in the peak season so long as it does not exceed 12 hours per day, 6 days per week for a total of 72 hours in a week and is limited to no more than 17 weeks distributed throughout a one-year period.

Workers must have at least one rest day of a period of at least 24 consecutive hours, in every 7-day period.

HEALTH AND SAFETY

Suppliers shall comply with all applicable laws, regulations and standards for health and safety and shall take all reasonable precautions to ensure that the working conditions, facilities, including dormitories where provided by the Supplier and equipment are safe, hygienic and not detrimental to the health of workers.

This must include the regular monitoring of risks and hazards that may impact the safety or health of workers including, but not limited to risks associated with the structural integrity of the facilities, fire, electrocution, physical harm and hazards associated with exposure to noise, dust and chemicals.

Workers must have the right to remove themselves from imminent serious danger without seeking permission.

BUILDINGS

All buildings used by a supplier must be structurally sound and used only for the purpose for which they were constructed. The supplier must have and be able to provide all the required certificates to demonstrate the safety of the building, including for any additions or alterations made since the initial construction.

The factory should have sole use of all production and storage buildings to ensure the health and safety of employees and to prevent other significant reputational risk to Clarks from the management of the site or the operation of other businesses within the building.

Where provided, dormitory or accommodation buildings must be separated from the workplace.

ENVIRONMENT

Suppliers shall comply with all applicable laws and regulations regarding the protection and preservation of the environment.

In line with Clarks' Environment Policy, suppliers shall adopt environmental management practices to

- minimise the use of fossil-fuel derived energy & other natural resources such as water;
- maximise the use of renewable energy;
- minimise emissions & waste (to air, water and land) and control such emissions to comply with applicable levels or thresholds as stated under relevant laws and regulations to prevent detrimental impact on people, communities, habitats, wildlife and water resources
- maximise reuse & recycling when possible
- manage & minimise adverse impacts on the environment.

Suppliers should actively identify and manage climate-related and wider environmental risks to their operations and supply chains. Such risk management should involve the building of resilience, adaptation planning, and emergency environmental incident response planning.

SUPPLY CHAIN MAPPING AND TRACEABILITY

Suppliers shall gain and maintain visibility into all tiers of its own supply chain for Clarks' products through the discovery of each entity at every stage of the production process and source of raw material. Additional data and certification requirements apply for specific materials as specified in Clarks' Raw Materials Sourcing Policy.

Suppliers must comply with all applicable laws and regulations in relation to supply chain transparency and traceability, including deforestation-, conversion- and exploitation-free sourcing. Suppliers are liable for losses or costs incurred in relation to any product deemed non-compliant in relation to traceability and proof of raw material origin by a regulator in an end market known to the supplier.

Suppliers shall validate the tiers in its own supply chain for Clarks' products by tracking each transaction and collecting and verifying the related commercial documentation between each entity. This information will be made regularly available to Clarks and on request, who may use such information (within data privacy laws) for reporting to meet compliance requirements, and for transparency to consumers.

Suppliers shall cooperate with any third-party service provider or auditor instructed by Clarks to support in product traceability. Additionally, suppliers are expected to collaborate with Clarks to enhance supply chain transparency, including through the sharing of best practice and open communication.

Suppliers shall alert Clarks, or any third party as designated by Clarks, of any changes to its supply chain relating to Clarks products, or any challenges in gaining and maintaining visibility across its supply chain. Any specification of materials/components (and their suppliers) as stated on Clarks specification sheets must not be deviated from in any way without prior approval (and spec change form approval) from Clarks.

Any suspected errors will be constructively investigated. Any suspected fraudulent activity in pursuit of providing Clarks with product traceability will be investigated and where confirmed will lead to corrective measures and possibly contract termination.

The above requirements do not apply to confidential or proprietary information related to the product and do not apply to Intellectual Property (IP) protected products except where regulatory compliance might require this.

ETHICAL BUSINESS

We expect all our business partners to maintain high standards of integrity and encourage suppliers to share our commitment to the principles of the Clarks Code of Business Ethics. Suppliers will comply with all applicable anti-bribery and anti-corruption laws and regulations and shall not offer bribes, gifts, discounts or other unlawful or unethical payments or compensation in dealings with public officials or individuals in the private sector, including Clarks employees or representatives to influence any act or decision or otherwise to secure a business advantage.

To ensure that Clarks is not directly or indirectly associated with any form of money laundering, a sanctioned country or individual, suppliers will be subject to periodic compliance checks. Suppliers undertake to not have any direct or indirect business relationship or dealing that may be a form of money laundering or with any country or individual that is subject to sanction

Suppliers undertake to comply with all relevant Clarks policies, including but not limited to Raw Materials Sourcing Policy, Clarks Anti-Bribery and Corruption Policy (External agents/intermediaries), Clarks Modern Slavery Policy, Clarks Modern Slavery Remediation Policy, Clarks Supplier Grievance Policy and Clarks Child Labour Remediation Guidelines as published on Clarks website.

COMMUNITY

Suppliers are encouraged to engage either directly or through collaboration in projects that improve the social wellbeing and environmental resilience of their workers and their workers' families and communities. We expect suppliers to engage constructively with Clarks in exploring potential initiatives.

SECURITY

Clarks requires all finished goods suppliers to comply with Clarks security requirements (in line with C-TPAT requirements) to make sure all the merchandise sent out of their factory are safe for the destination country and shall ensure that no non-manifested cargo should not be sent to the destination country at any point of time.

IMPLEMENTATION

All suppliers and partners are obliged to inform Clarks of all facilities used in the production or storage of our products. This includes all owned or sub-contracted facilities where any production operation or storage is undertaken. Any change to these or additional facility proposed to be used for Clarks production must be approved by Clarks prior to their use for any bulk production.

We monitor suppliers' adherence to the standards set out in Clarks Code of Practice through audits as well as informal visits and assessments. Suppliers are expected to support and co-operate in the undertaking of all audit and assessment activities by Clarks, or our designated representatives, whether they are announced, semi-announced or unannounced. Where feasible, audits will be undertaken as unannounced or semi-announced to ensure the conditions assessed as closely as possible reflect those on a normal working day.

Clarks expects all our suppliers and partners to be transparent and honest in the information they provide. We seek to work with our suppliers to achieve sustainable improvements in working conditions. We expect ethical behaviour, as set out in Clarks Code of Business Ethics from our own employees and our designated representatives. Any breaches of that should be immediately reported to Clarks via ethics@clarks.com.

Where an audit or monitoring identifies any gaps between the standards set out in this Code of Practice and the actual conditions the supplier will be required to complete and provide an Improvement Action Plan to show how they will take timely and effective action to ensure sustained improvement. This will identify the root cause for the finding, the action to be taken, the action owner and the time frame for it to be completed. Failure by a supplier or partner to take appropriate action may ultimately lead to a reduction in or loss of business with Clarks. Clarks encourages and supports suppliers to establish effective management systems to ensure they meet the working condition standards set out in Clarks Code of Practice.

The working conditions and improvement actions as assessed through audits are used in both the operational and strategic assessment of suppliers and inform Clarks sourcing and buying decisions.

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SUPPLIER DECLARATION

I acknowledge that I have received, and I confirm that I have reviewed and understand the Clarks Code of Practice, and that I am in or working towards full compliance with these standards.

SUPPLIER NAME		
SUPPLIER ADDRESS		
REPRESENTATIVE NAME		FACTORY STAMP
TITLE/POSITION		
REPRESENTATIVE SIGNATURE		
DATE		