

TEXCON

NORWEGIAN TRANSPARENCY ACT STATEMENT

This report is published pursuant to Section 5 (§ 5) of the Norwegian Transparency Act (2021) [for the year 2022].

A. About Texcon

Texcon is Norway's leading purchasing partnership for independent fashion stores. Being a Texcon member gives companies the foundation to build and run efficient and profitable businesses through access to financial benefits, product selection, group invoicing, expert advice and a like-minded community.

Texcon itself is a small organization with five employees that support our 207 members that have 320 stores between them.

Our Commitment

Texcon is fully committed to respecting fundamental human rights and decent working conditions as set out in the International Bill of Human Rights and the ILO's Fundamental Conventions. We recognize our responsibility beyond our direct operations and apply our human rights expectations to our suppliers and business partners with the goal to maintain a responsible supply chain.

Our human rights commitments and expectations, including those for our suppliers, subcontractors and business partners, are outlined in our Code of Conduct, last updated in November 2022. (Link: [Code-Of-Conduct](#)) We commit to regular updates of our Code of Conduct following continued dialogue with our business partners, to ensure the highest level of compliance. As part of this commitment we seek to support our members through educating them on human rights expectations and providing practical support where possible.

B. Governance of Human Rights

The CEO maintains ultimate responsibility for promoting human rights throughout Texcon. This responsibility is accordingly shared between relevant management and other employees to ensure good governance of human rights issues. This includes Board oversight of human rights-related matters amongst other sustainability goals. In addition to our Code of Conduct, we have developed an employee handbook (Personalhåndbok) that applies to Texcon and is made available to our members and a Health, Safety and Environment handbook (HMS håndbok) that address human rights-related issues.

We consider that the textile industry has an important part to play in achieving the UN Sustainable Development Goals and regularly review how we can best contribute to the social and environmental aspects of those goals.

Our commitment to responsible business conduct can be demonstrated by our membership and cooperation in the following initiatives: Handels Miljøfond; Grønnpunkt; Fretex's scheme for return of clothing from fashion stores; and Miljøfyrtårn). Although not strictly related to human rights, they demonstrate our belief that business is about more than profit and should be conducted in a way that has as little impact on people or the environment as possible. In addition, some of these initiatives, such as Miljøfyrtårn include relevant requirements, such as requiring members to update human rights policies. In such cases, we encourage our membership to join these initiatives.

Upholding Human Rights in Our Members/Supply Chains

Given the size of our operation and nature of our business, we have chosen to focus on human rights due diligence on our value chain. To do this effectively, we have engaged with our membership to educate them on the requirements of the Norwegian Transparency Act and to help them identify solutions and assistance in complying with the law.

Supplier Due Diligence

As a first step, we have begun to gather information from our suppliers and our members' suppliers to better understand their inherent human rights risk and how well they manage human rights according to the OECD Guidelines for Multinational Enterprises.

The data gathered will be used to inform our own high-level human rights assessment that will provide us with human rights issues that we should manage and support our members in managing as a priority. As a result of the data gathering, we have begun engaging more with suppliers, which has enabled us to educate them on our own expectations, as well as those of human rights frameworks. This should allow us to help our suppliers to improve their human rights management policies and procedures through the building of long-term relationships.

Data collected is shared across Texcon members to help them with their own human rights due diligence processes. Additionally, data collected in these processes provides Texcon with the relevant information to continue to assist our members with best practices in addressing relevant human rights issues within the apparel and fashion industry.

Supplier Code of Conduct

The Texcon Code of Conduct applies to all suppliers, subcontracts and other business partners. Furthermore, these business partners are responsible for informing their own subcontractors about Texcon's Code of Conduct, ensuring that the Code is respected throughout the supply chain.

We are in the process of ensuring that all vendors and business partners sign the Code of Conduct as part of the contract process. Ethical regulations are also explicitly included in the standard contract template.

Where human rights risks are flagged, we maintain a contractual right to audit. Though we first seek to improve practices where issues are found, in the case of a supplier's unwillingness to improve, we maintain a right to terminate supplier contracts on the basis of human rights abuses or other violations of our Code of Conduct.

Whistleblowing Mechanism

Texcon maintains a whistleblowing mechanism for employees to highlight information about breaches to our code of conduct and other unethical behavior. As a small company with five employees, we have put in place a mechanism where complaints can be raised through a designated email address. In addition, we have in place a mechanism whereby members can raise concerns confidentially to us. We recognize that our mechanism can be improved and will work to do this in the next reporting period.

C. Human Rights Due Diligence

Clothing/textiles has well-known issues within its supply chains. The human rights categories outlined in our Code of Conduct, and relevant to our industry, include:

- Forced labor/slavery
- Union organization and collective bargaining

- Child labor and children's rights
- Non-discrimination
- Health, environment and safety
- Wages
- Working hours

However, we are aware that our organization and our members may have different impacts, which is why we have begun gathering supply data as part of our human rights due diligence process. Once we have gathered a fuller picture of the data from our members and suppliers, we seek to conduct a high-level human rights assessment to identify priority human rights issues.

We will then focus on supporting our members in managing these issues and reducing any potential negative impact on people they may have.

D. Looking Ahead

Texcon is committed to the continued evaluation and improvement of our human rights due diligence processes. We view it as a continuous process and will support our members in their own human rights due diligence where possible. To that end, we will look to identify the best ways to help train our members and additionally how to distribute human rights standards across our membership network. As part of our human rights due diligence data collection, we will help them to identify specific suppliers with particularly good human rights performance and find ways to promote them throughout our membership network.

Acknowledging the importance of established grievance mechanisms, we seek to review what the best type of whistleblowing mechanism would be for our own operations as well as both our membership network and our wider supply chain and implement this.

E. Requests for Further Information

Requests for information regarding this Transparency Act statement or Texcon's human rights due diligence policies and practices at large can be made to Post@texcon.no