

# WE FASHION CODE OF CONDUCT FOR SUPPLIERS

This WE Fashion Code of Conduct (Code) outlines the social, safety and environmental principles (Principles) that WE Fashion requires each supplier to meet. WE Fashion is a member of Business Social Compliance Initiative (BSCI). Therefore the principles of the BSCI Code of Conduct form an integral part of this Code.

Producing products with respect for people and planet is an important part of WE Fashion's corporate values and Corporate Social Responsibility Strategy (CSR). WE Fashion is committed to establish a culture of respect for internationally recognized principles and guidelines which include the International Bill of Human Rights (i.e. the UN Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. WE Fashion requires suppliers to share this commitment.

This Code applies to all suppliers and all subcontractors providing products to WE Fashion.

The Principles are an integral component to our sourcing strategies, and are used to evaluate factory performance. WE Fashion will take appropriate action upon notification when these Principles are violated in any way by any suppliers and/or sub-contractors.

The WE Code of Conduct binds our contract factories to the below stated minimum principles which are key in meeting our goals.

## GENERAL PRINCIPLES

### (A) General Legal Requirements

Suppliers and factories shall obey with all applicable national laws and regulations including (a) laws relating to employment, discrimination, the environment, safety and health, and (b) laws relating to the import of products, including country of origin labeling, product labeling, and product testing, in addition to all contractual requirements and (c) any other laws. If a supplier/factory is of the opinion that national laws and regulations set a different standard of protection or are in conflict with one or more Principles as set out in this Code such supplier and/or factory shall discuss this with WE Fashion prior to deviating from this Code.

### (B) BSCI Code of Conduct Compliance

Suppliers and factories shall comply with the BSCI Code. Suppliers are required to prove compliance by delivery of a valid audit report and/or certification. If results showing less than full compliance the supplier must take the prescribed corrective actions without delay. The period of time the partner has to implement these corrective actions will be agreed upon during the audit with the auditor, but the time may never exceed twelve months.

### (C) Transparency

Supplier and factories shall inform WE Fashion of the location of all business premises used for the production of goods for WE Fashion. Supplier guarantees that the manufacture of goods for WE Fashion is carried out exclusively at the locations indicated (see Annex 2). This includes own production locations, but also sub-contractors and sub-suppliers for dyeing, ironing, printing, embroidering and finishing that are used for WE Fashion production.

Suppliers updates WE Fashion on any changes in their factory base and updates the CSR department accordingly prior to making such changes.

#### **(D) Internal Management Systems**

Supplier shall implement the necessary internal management systems to ensure compliance to this Code. Supplier shall extend the Principles through its own supply chain. The internal management system at suppliers and sub-contractors includes:

- commitment to this Code,
- an internal monitoring system,
- continuous worker training and education
- a worker-complaints mechanism
- involvement of workers and their representatives in information exchange on workplace issues
- specific steps to make workers aware of their rights and responsibilities.
- ensuring compliance with this Code of every factory involved in the manufacturing of our products .

Suppliers ensure that all factories involved in production for WE Fashion, including sub-contractors, are enrolled in a valid and accepted auditing cycle.

In case a supplier or factory does not comply with this Code of Conduct, we will request corrective actions within a time frame decided by WE Fashion. Suppliers need to achieve improvements and implement corrective actions within the required timelines. If this is not to the satisfaction of WE Fashion, WE Fashion shall take appropriate action.

#### **BSCI CODE OF CONDUCT PRINCIPLES**

##### **1. The right of Freedom of Association and Collective Bargaining**

Suppliers and factories shall: (a) respect the right of workers to form unions in a free and democratic way; (b) not discriminate against workers because of trade union membership and (c) respect workers' right to bargain collectively.

Suppliers and factories shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, suppliers and factories shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

##### **2. No Discrimination**

Suppliers and factories shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

##### **3. Fair Remuneration**

Suppliers and factories observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder.

They shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance “in kind” is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours.

Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

#### **4. Decent Working Hours**

Suppliers and factories observe this principle when they ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. However, WE Fashion recognizes the exceptions specified by the ILO. The maximum weekly overtime accepted is 12 hours.

Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO.

In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, suppliers and factories shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

#### **5. Occupational Health and Safety**

Suppliers and factories observe this principle when they respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.

Suppliers and factories shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced.

The active co-operation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees.

Suppliers and factories shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. They shall take effective measures to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace.

They will seek improving workers protection in case of accidents including through compulsory insurance schemes.

Suppliers and factories shall take all appropriate measures within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including residential facilities to workers when these are provided by the employer as well as to protect against any foreseeable emergency. Factories shall respect the workers' right to exit the premises from imminent danger without seeking permission.

Suppliers and factories shall ensure adequate occupational medical assistance and related facilities.

They shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, factories shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

## **6. No Child Labour**

Suppliers and factories observe this principle when they do not employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply.

Suppliers and factories must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. This principle aims to protect children from any form of exploitation. Special care is to be taken on the occasion of the dismissal of children, as they can move into more hazardous employment, such as prostitution or drug trafficking. In removing children from the workplace, factories should identify in a proactive manner, measures to ensure the protection of affected children. When appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family.

## **7. Special Protection for Young Workers**

Suppliers and factories observe this principle when they ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle.

Where young workers are employed, suppliers and factories should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

Suppliers and factories shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

## **8. No Precarious Employment**

Suppliers and factories observe this principle when, without prejudice to the specific expectations set out in this chapter, (a) they ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers; (b) work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

Before entering into employment, suppliers and factories are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Suppliers and factories should aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in the migrants' home towns.

Suppliers and factories shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

## **9. No Bonded Labour**

Suppliers and factories shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. They will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners.

Suppliers and factories shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly. They shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Suppliers and factories shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse. All disciplinary procedures must be established in writing, and are to be explained verbally to workers in clear and understandable terms.

#### **10. Protection of the Environment**

Suppliers and factories observe this principle when they take the necessary measures to avoid environmental degradation, without prejudice to the specific expectations set out in this chapter.

Suppliers and factories should assess significant environmental impact of operations, and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimise adverse effects on the community, natural resources and the overall environment.

#### **11. Ethical Business Behaviour**

Suppliers and factories observe this principle when, and without prejudice to the goals and expectations set out in this chapter, they are not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive.

Suppliers and factories are expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices.

They should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain.

Furthermore, they should collect, use and otherwise process personal information (including that from workers, suppliers, factories, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

### **OTHER PRINCIPLES**

#### **12. Product conformity**

All goods delivered by suppliers and factories to WE Fashion should be in agreement with WE Regulations for Physical Performance, the WE Regulations for Chemical performance (RSL), the WE General Terms & Conditions of purchase and the General Delivery Instructions (GDI), to find at [www.we-supply-chain.com](http://www.we-supply-chain.com).

#### **13. Animal welfare**

WE Fashion does not accept any form of hars or cruel animal treatment, and we only purchase animal materials that are a by-product of slaughter. For animal materials we follow the UK Farm Animal Welfare Committee to ensure the welfare of animals used in our products. Suppliers and factories should only source animal materials from farms with good animal practices that comply with the requirements of the UK Farm Animal Welfare Committee. The welfare of animals kept by humans for the purpose of supplying raw animal material should at least have suitable and sufficient food and water, adequate shelter and a comfortable resting area, freedom of pain, injury and disease, be allowed the development of normal behavior by providing sufficient space, proper facilities and the company of the animal's own kind, and live in freedom from fear and stress.

#### **14. Responsible sourcing of materials**

WE Fashion aims to ensure raw materials in its products are not derived from practices or origins which violate our principles as defines under the animal welfare principles of this Code, from regions with serious human right violations or have higly negative impacts on the environment or the health of workers. We expect our suppliers and factories to respect these sourcing decisions and implement them throughout their supply chains.

Suppliers and factories will adhere to the following material restrictions for use in WE Fashion products:

- No use of cotton grown in Uzbekistan
- No use of sandblasting techniques
- No use of PVC
- No use of fur, angora wool, Astrakhan, Karakul, or exotic animal skin
- No use of down or feathers from live plucked animals
- No use of merino from mulesed sheep

If you have any comments on this WE Code of Conduct or you would like to report a violation of this WE Code of Conduct, please contact WE Fashion CSR Management at [supplychain@wefashion.com](mailto:supplychain@wefashion.com)

<b>Date</b>	<b>Company name</b>
<b>Name</b>	<b>Company Stamp/Seal</b>
<b>Email Address</b>	
<b>Signature of CEO</b>	

The WE Code of Conduct including the 5 Annexes needs to be signed by a duly authorised representative of Supplier. The WE Code of Conduct also needs to be signed by all factories producing goods for WE Fashion via supplier.

Please send the documents to [supplychain@wefashion.com](mailto:supplychain@wefashion.com)

Utrecht, March 2016



Joris Aperghis  
CEO  
WE Europe BV

**This WE Code of Conduct is part of the WE Supplier Declaration, together with 5 Annexes:**

Annex 1 – Supplier Profile

Annex 2 – Factory Details

Annex 3 – Factory Evaluation Form

Annex 4 – New Supplier Form

Annex 5 – Gifts and Hospitality Policy