Declaration of compliance of Brands Fashion GmbH
Declaration of compliance
of Brands Fashion GmbH

Updated: 20.07.2019

As an internationally working company that operates in a resource-intensive industry which is repeatedly criticized for its impact on people and the environment, we are aware of our social responsibility.

In order to fulfil this responsibility Brands Fashion commits itself to the International Bill of Human Rights, the Guiding Principles on Business and Human Rights by the United Nations from 2011, the UN Convention on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination Against Women, the Conventions of the International Labour Organisation (ILO) and the OECD Guidelines for Multinational Enterprises.

We have identified the following vulnerable groups that might be affected by our operations considering the recommendations of the OECD: women, ethnic, religious and caste minorities, international and domestic migrant workers, indigenous people, home-based workers and community members.

In addition, a comprehensive risk analysis was conducted. Risks were identified that relate to the following areas: child labour, forced labour, discrimination, working time/overtime, occupational health and safety, freedom of association, collective bargaining, minimum wages, living wages, corruption, bribery, chemical management, water consumption, water pollution, greenhouse gas emissions. The enterprise aims at preventing and mitigating the associated risks and our actual impacts on human rights and the environment with increased priority.

Further Brands Fashion commits to establishing a grievance mechanism that is equally accessible to all parties affected by the enterprise operations. This mechanism shall especially provide a ‘safety net’ or backup system if factory-level systems cannot succeed in providing a proper remedy. If Brands Fashion identifies or receives information on any violation of the conventions listed above, this will trigger Brands Fashion’s internal protection procedures that include appropriate remediation of the violations to which Brands Fashion has evidently contributed.

We also want to make our contribution to the Sustainable Development Goals by the United Nations largely through our sustainable core business but additionally by supporting social and ecological projects outside of our business activities.

In order to put above mentioned norms and conventions into practice we have implemented the following set of rules we ask our employees and business partners to respect:

**Environmental Policy**

Our environmental policy provides the guidelines for environmental issues related to our business.

**Code of Business Conduct**

Our Code of Business Conduct sets a framework of certain nonnegotiable minimum standards of behavior in key areas all employees commit to.
Brands Fashion compliance policies (including code of conduct)

Our compliance policies describe the minimum social and environmental requirements we ask our suppliers to comply with.

Both the compliance declaration and policies are reviewed, updated and supplemented on a biennial basis. All stakeholders have constant access to the current version.

Signature of the person responsible / date 20.07.2019

Silke Rosebrock, Managing Director of Brands Fashion
Environmental Policy

Updated: 20.07.2019

Environment-oriented management is part of our company’s policy. In the consciousness of comprehensive responsibility, we are equally committed to economics and ecology. The following guidelines provide the framework for our environmental action:

1. We develop and manufacture products which affect the environment as little as possible.
   - We aim to increase the number of products that are certified, considering the requirements of OekoTex 100 as minimum standard.
   - A growing number of cotton products are manufactured according to the Global Organic Textile Standard (GOTS), the globally leading standard for textiles made of organic cotton, with prohibited use of genetically manipulated seed, synthetic pesticides, and insecticides, along with harmful dyes.
   - More and more we further use Fairtrade certified cotton which supports organically cultivated cotton as well.
   - Down is replaced by an ethical alternative such as recycled polyester or merino wadding that does not require a life pluck.
   - In our wool products we make sure that the welfare of the sheep is guarantees (e.g. mulesing-free).
   - In case of polyester we make use of material from recycled origin whenever.

2. We are focused on minimizing our CO² Emissions.

   Energy
   - We only use green energy from companies providing exclusively energy from 100% renewable sources.

   Transportation
   - Reduction of transport by air freight.
   - Awareness for adverse effects of air freight is created among customers. If air freight is nevertheless desired, this has financial disincentives.
   - In future we aim at compensating the CO²- emissions of remaining air freight by certified offset-projects.

   Mobility management.
   - Our car pool consists of electric vehicles and hybrid cars and our employees are offered sufficient charging stations at our headquarter.
   - Employees benefit from using a discount on the local traffic system which provides an incentive to choose public transport over their own car.
   - Business trips are recorded and evaluated and generated CO² emissions are compensated through a funded project.

3. We strive to minimize energy consumption, wastewater and waste. We use resources gently. Waste is recycled as much as possible.
   - Energy and water consumption are recorded.
   - We ensure that the electric light is switched off after leaving a room and the heating is lowered.
   - Waste is strictly separated.
   - Invoices are sent in digital form whenever possible.
• FSC® or SFI-certified paper (FSC® = Forest Stewardship Council®/SFI = Sustainable Forest Initiative) is preferably used for shipping materials, catalogs and others.

• By preference we use office supply in recycled quality.

4. Environmental protection is part of the company’s continuous improvement process and is a management responsibility.

5. Within several memberships and certifications we commit ourselves to environmental protection:

• Since 2009 we are certified according to ISO 9001
• We are member of NABU Germany (German Association for Nature Conservation)
• Since 2014 we are certified according to the Global Organic Textile Standard (GOTS)
• Since 2015 we are member of the Partnership for Sustainable Textiles and support the initiative on „Sustainable Chemical and Environmental Management in the Textile Sector in Asia“
• Since 2016 we are member of B.A.U.M. (the German Environmental Management Association)
• Since 2017 we are certified according to FSC and member of the Business Environmental Performance Initiative (BEPI)

6. It is the task of all managers to promote understanding, openness and sense of responsibility among employees, and to create the fundamentals for the practical implementation of these criteria.

• Internal trainings for colleagues contain environmental topics as integral part to make sure that environmental guidelines are respected accordingly.

7. We commit to comply with the applicable environmental laws and regulations as well as with the authorities; these are a minimum standard for us.

8. In environmental issues, we maintain a factual and trusting dialogue on all sides.

Signature of the person responsible / date 20.07.2019  
Ulrich Hofmann, Managing Director of Brands Fashion

Signature of the responsible person / date 20.07.2019  
Anna Johannsen, Sustainability Manager Brands Fashion
Code of Business Conduct

This Code of Business Conduct is binding for all employees of Brands Fashion GmbH. It sets a framework of certain nonnegotiable minimum standards of behavior in key areas all employees commit to.

Compliance with the law

All Covered Persons of the Company are required to comply with all applicable laws, rules and regulations. This compliance must never be compromised.

Human and labor rights

We respect internationally recognized human rights and support their observance. This includes a ban of any kind of child and forced labor and respects non-discrimination, the recognition of the freedom to associate, collective bargaining and social partnership, fair compensation, adequate working hours and paid leave.

Occupational health and safety

Compliance with all legislation to protect humans and the environment is of highest priority. This is applicable for our products as well as for our processes. We ask our employees to deal responsibly with natural resources and to protect the environment within the given work scope.

Fair competition

Agreements and concerted practices between competitors are prohibited if their objective or effect is to prevent or restrict competition.

Corruption

Corruption and antitrust violations will not be tolerated. We prohibit our employees from engaging in any form of bribery. While dealing with business partners, they must never demand or accept anything of value which could be understood as an attempt to influence business activities.

Conflict of interest

Employees are expected to act in the interest of Brands Fashion. Own personal demands should not in any way influence the professional task.

Data security

Brands Fashion declares to fully respect and protect the privacy of its employees. All personal data collected and held by the company will be processed fairly, transparently, carefully and in compliance with the locally applicable data privacy laws. Confidential employee information shall not be disclosed to anyone outside the company without proper authorization or unless required by law.

Buchholz, Germany, 01st January 2017
Brands Fashion compliance policies

Updated: May 2019

1. Code of conduct (CoC)

As member of the Business Compliance Initiative (BSCI) we commit ourselves and ask our business partners to respect and implement the code of conduct of the BSCI. It sets a framework of certain nonnegotiable minimum social and ecological standards we ask all of our business partners to commit to. We want human rights and laws on protection of labor, workplace safety and environment to be respected and applied for all parties involved in the manufacturing processes of our goods.

This involves all sub-contractors, pre-suppliers and applies regardless of the contractual basis of employment, explicitly including contract workers. The commitment to our CoC is a pre-condition for any business relationship and major breaches of this code (defined as ‘zero tolerance issues’, please find definition below) or basic human rights will lead to immediate follow-up and in severe cases to termination of business relations.

The Code of conduct is based on the conventions of the International Labour Organisation (ILO) and the relevant norms of the United Nations. National legal regulations being stricter than this code do apply in all cases. The full CoC can be found attached.

Zero tolerance issues are:

<table>
<thead>
<tr>
<th>Child Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers who are younger than 15 years old (or the legal minimum age defined by the country, e.g. 14)</td>
</tr>
<tr>
<td>Workers younger than 18 who are subjected to the worst forms of child labour (forced labour, prostitution, pornography and illegal activities)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bonded Labour and inhumane treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not allowing workers to leave the workplace against their will, including when they are forced to work overtime against their will</td>
</tr>
<tr>
<td>Use of violence or the threat of violence to intimidate workers to force them to work</td>
</tr>
<tr>
<td>Inhumane or degrading treatment, corporal punishment (including sexual violence), mental or physical coercion and/or verbal abuse</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupational Health and Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational health and safety violations that pose an imminent and significant threat to workers’ health, safety and/or lives</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unethical behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attempted bribery of auditors</td>
</tr>
<tr>
<td>Intentional misrepresentation in the supply chain (e.g. hiding production sites)</td>
</tr>
</tbody>
</table>
2. Violations of the code of conduct

The BSCI code of conduct sets a framework of certain minimum social and ecological standards we ask all of our business partners to commit to. However Brands Fashion is fully aware that customs and the mentality of our production partners might differ from ours. This may lead to a breach of our code of conduct which most likely will be determined during any kind of factory assessment e.g. in form of a third-party audit, internal assessment or factory visit by any representative of Brands Fashion.

Depending on the seriousness of the breach we ask the affected supplier to take necessary corrective actions in order to overcome the non-conformity. Only in severe cases, referring to the ‘zero tolerance issues’¹, we will immediately terminate the business relationship. Whenever possible we however prefer to encourage any remediation efforts over an immediate ending of the cooperation in terms of a long-term improvement progress.

3. Subcontracting policy

We, Brands Fashion GmbH, do not accept that any orders are passed on without our approval. Any transfer of CMT (cut-make-trim) or sewing work will be concerned as subcontracting. Single manufacturing steps in regards to the pre-production (e.g. dyeing, knitting, spinning, ginning) or finishing process (e.g. finishing, embroidery) fall not under this definition of subcontracting. However detailed and complete information on these pre-suppliers need to be provided and updated on request of Brands Fashion GmbH.

Any kind of subcontracting according to above definition needs to be approved in written form by the sustainability department prior to the production start. By this it shall be made sure that all factories involved in the manufacturing process of Brands Fashion goods respect our defined social and environmental requirements which can be found back in the code of conduct which is part of the general terms and conditions of purchase.

If any CMT or sewing unit is used without being approved beforehand this is understood as unauthorized subcontracting which means a violation of our requirements that might as a consequence result in monetary fines, refusal of goods or immediate termination of business relationship.

¹ Zero tolerance issues’ can be found in the general buying terms of Brands fashion or in ANNEX 5 of the BSCI manual 2014, Version 2 (BSCI ZERO TOLERANCE PROTOCOL).
4. The Bangladesh Accord on Fire and Building Safety 2.0 (post 2018)

- Applicable for production facilities in Bangladesh only-

Brands Fashion signed the Bangladesh Accord on Fire and Building Safety in 2013 and thereby committed to monitor and support its business partners in Bangladesh to work towards a safe and healthy Bangladeshi Ready-Made Garment Industry.

We require our suppliers with production facilities located in Bangladesh to participate fully in the Accord 2.0 programme involving initial inspections on building, fire and electrical safety, follow-up inspections and the Workplace Programme. Non-cooperation or fraud may lead to termination of business.

Besides we ask every supplier to maintain workers’ employment relationship and regular income during any period that a factory (or portion of a factory) is closed for safety reasons or for renovations necessary to complete such Corrective Actions for a period of no longer than six months. Workers who choose not to maintain their employment with the factory will have their employment terminated and be paid severance in accordance with relevant national law. For factory closures in excess of six months, workers will be paid either full severance benefits or six months regular income, whichever is greater. Failure to do so may trigger a notice, warning and ultimately termination of the business relationship.

5. Monitoring and remediation of child labor

The following activities are part of the Brands Fashion sourcing and compliance policy in order to monitor and avoid child labor in the supply chain:

- **BSCI membership and commitment of all suppliers to respect the BSCI code of conduct**
  
  Only tier-1-suppliers commit directly to Brands Fashion to respect the CoC by signing the general terms and conditions of purchase and thereby clearly declare to avoid child labor. However we ask them to select pre-suppliers who follow the required social and environmental standards in line with the BSCI CoC.

- **Audits according to the BSCI standard**
  
  We ask every manufacturing facility from a high-risk country² to regularly (every 1-2 years, depending on the overall audit result) conduct audits by an authorized third party audit company. Any finding on child labor will result in the BSCI zero tolerance protocol and asks for immediate remediation. Brands Fashion reserves the right to terminate the business relationship immediately in such a case.

- **On-site visits**
  
  If Brands Fashion or Triton compliance representatives conduct factory visits they observe if any young looking workers can be found on the production floor. If there is any assumption that workers might be underage the case is either directly discussed with the factory

---

² According to the definition of the BSCI
management or reported to the sustainability department of Brands Fashion which further addresses the issue.

- **Child labor detected**

  In case child labor is observed in a factory the following procedure comes effective:

  It has to be ensured that the child is removed from the factory immediately and put into a school close to the child’s place of residence. The school fee will be put in charge to the factory which consciously employed the child. A meeting with the parents will be initiated to understand the circumstances that might have facilitated the situation and raise the awareness for education if necessary. In the following weeks and months unannounced visits will be conducted to make sure that the child is not reemployed by the factory.

6. **Transparency**

   Transparency is the most relevant topic in regards to our sustainability strategy.

   Therefore we provide you with a supply chain document which we would like you to fill out and send back to us.

   Please note that we might communicate about the production facilities of our products on our website in order for our customer to track their products.

7. **Detox requirements for wet processing units (garment and shoes)**

   Detox is a commitment of brands and their production partners to eliminate the use and release of 11 hazardous chemicals groups from their global supply chain and products by 1 January 2020.

   For more information, please visit:


   We ask you to make sure that the wet processing units for Brands Fashion comply with the following requirements:

   - As a member of the Partnership for Sustainable Textiles we are committed to the MRSL and RSL according to ZDHC. If a specific customer has higher requirement, please use the highest.
   - Especially the use of PFCs, APEOs, Organotin compounds, Azo Dyes, Chlorophenols, SCCPs and Chlorobenzenes is not allowed for our products.
   - Please collect Safety Data Sheets (SDS) for all chemicals which are used for the product (according to GHS-Standard, ISO 11014) from the dye houses and send them to our sustainability department.
   - The dye house should have a chemical register/inventory list for all chemicals. If not available, we can provide you a format. Please note that we might request the register/inventory list at any time.
- Effective wastewater management including effective operation and maintenance of effluent treatment plant is mandatory in all wet-processing units used for our productions (depending on the local system either own or communal ETP).

- Please communicate the Waste Water Guideline from ZDHC to your dye mill and put efforts in complying to at least the foundational level limits:
  

- If required by our customer a water and sludge test has to be done
  
  - This should be done by Bureau Veritas, Intertek, SGS, TÜV Rheinland, if already available, it needs to be valid and according to the ZDHC MRSL.
  
  - Please upload the test on IPE-platform ([http://www.en.ipe.org.cn/](http://www.en.ipe.org.cn/)), which is a database of environmental information.

8. **BEPI (garment and shoes)**

BEPI aims to provide an environmental management system applied at producer level to develop cleaner production, which helps you save money and protects the environment. This is a core value of our business. All production steps will be mapped.

- Please register on BEPI platform (it is free of charge)
  
  - [http://www.amfori.org/user/login](http://www.amfori.org/user/login)

- Please fill out carefully the self-assessment (SA) on the website.

- Please invite your business partner below (pier 2) e.g. fabric supplier or dye house, if you are vertical, please add these production steps on the platform as “Units”. All production steps have to be mapped including the spinning mill. Each step is asked to fill out the SA as well.

The above requirements will be considered in our internal supplier evaluation which will be used to define our sourcing strategy and allocate orders accordingly.

In case of any comments or questions on the above described requirements and policies we ask you to get in touch with the sustainability department of Brands Fashion ([sustainability@brands-fashion.com](mailto:sustainability@brands-fashion.com)).

I hereby confirm that I have read, understood and accept the above information.

____________________________________

Date, signature and company stamp
As member of the Business Compliance Initiative (BSCI) we commit ourselves and ask our business partners to respect and implement the following amfori BSCI code of conduct.

**amfori BSCI Code of Conduct**

Our enterprise agrees to respect the following labour principles set out in the amfori BSCI Code of Conduct.

### amfori BSCI Principles

**The Rights of Freedom of Association and Collective Bargaining**

Our enterprise respects the right of workers to form unions or other kinds of workers' associations and to engage in collective bargaining.

**Ethical business behaviour**

Our enterprise does not tolerate any acts of corruption, extortion, embezzlement or bribery.

**No discrimination**

Our enterprise provides equal opportunities and does not discriminate against workers.

**Fair remuneration**

Our enterprise respects the right of workers to receive fair remuneration.

**Decent working hours**

Our enterprise observes the law regarding hours of work.

**Occupational health and safety**

Our enterprise ensures a healthy and safe working environment, assessing risks and taking all necessary measures to eliminate or reduce it.

**No child labour**

Our enterprise does not hire any worker below the legal minimum age.

**Special protection for young workers**

Our enterprise provides special protection to any workers that are not yet adults.

**No precarious employment**

Our enterprise hires workers on the basis of documented contracts according to the law.

**No bonded labour**

Our enterprise does not engage in any form of forced servitude, trafficked or non-voluntary labour.

**Protection of the environment**

Our enterprise takes the necessary measures to avoid environmental degradation.

### amfori BSCI Approach

**Code Observance**

Our enterprise is obliged to protect workers’ rights as mandated by the law and the amfori BSCI Code.

**Supply Chain Management and Cascade Effect**

Our enterprise uses the amfori BSCI Principles to influence other business partners.

**Workers’ Involvement and Protection**

Our enterprise keeps workers informed about their rights and responsibilities.

**Grievance Mechanism**

Our enterprise provides a system to collect complaints and suggestions from employees.

www.amfori.org
amfori BSCI Code of Conduct

The present amfori BSCI Code of Conduct version 1/2014 aims at setting up the values and principles that the amfori BSCI Participants strive to implement in their supply chains. It was approved by the Foreign Trade Association (amfori as from 1/1/2018) and overrules the BSCI Code of Conduct version 2009 in all its translations. The present amfori BSCI Code of Conduct consists of three major sections of information: a) Preamble, Interpretation, Our Values and Implementation, which apply to all Business Enterprises; b) Principles, which address more specifically the amfori BSCI Participants’ Business Partners and c) amfori BSCI Terms of Implementation, amfori BSCI Reference and amfori BSCI Glossary, which are integral parts of the Code and provide more detailed information on interpretation and implementation of the amfori BSCI.

The amfori BSCI Code of Conduct version 1/2014 enters into force on 1 January 2014. amfori BSCI monitoring against the principles of this Code will start in January 2015. Therefore, audits against the BSCI Code version 2009 will no longer be valid as of January 2015. The English version of this document is the legally binding one.

I. Preamble

The amfori BSCI (amfori BSCI) was launched by the Foreign Trade Association amfori, acknowledging that international trade is an essential vehicle for human prosperity and social economic growth.

This code of conduct (the amfori BSCI Code of Conduct) is a set of principles and values that reflect the beliefs of amfori BSCI Participants and the expectations they have towards their business partners.

The amfori BSCI Code of Conduct refers to international conventions such as the Universal Declaration of Human Rights, the Children’s Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain.

Business enterprises that endorse the amfori BSCI Code of Conduct are committed to the principles set out in this document and to meeting, within their sphere of influence, their responsibility to respect human rights.

amfori BSCI and its participants (amfori BSCI Participants) pursue a constructive and open dialogue among business partners and stakeholders in order to reinforce the principles of socially
responsible business. Furthermore, they see the building up of mature industrial relations between workers and management as being key for sustainable businesses.

II. Interpretation

In the amfori BSCI Code of Conduct, the terms “business enterprises” cover both amfori BSCI Participants and their Business Partners in the supply chain, particularly Producers.

The appendices referred to at the end of the amfori BSCI Code of Conduct (Terms of Implementation, amfori BSCI References and amfori BSCI Glossary) form an integral part of the amfori BSCI Code of Conduct. The amfori BSCI Code is to be read and interpreted in combination with them.

Every business enterprise has different Terms of Implementation to adhere to, depending on their role in the supply chain and on whether or not they are going to be monitored within the amfori BSCI.

III. Our Values

By endorsing the amfori BSCI Code of Conduct and communicating it to their supply chain, amfori BSCI Participants are guided by the following values:

- **Continuous improvement**: amfori BSCI Participants undertake to implement the amfori BSCI Code of Conduct in a step-by-step development approach. amfori BSCI Participants expect their business partners to ensure the continuous improvement of working conditions within their organisations.

- **Cooperation**: By working together and taking a common approach, amfori BSCI Participants will have a greater impact on, and better chance of improving working conditions in their supply chains. The value of cooperation is equally important in the relationship with the business partners in the supply chain, particularly those that need support in order to improve.
  
  Likewise, the spirit of cooperation is also critical in the relationship between business and affected stakeholders at different levels.

- **Empowerment**: A central aim for the amfori BSCI is to empower amfori BSCI Participants and their business partners, particularly in the case of producers who will be monitored, to develop their supply chains in a way that respects human and labour rights as well as to provide business units in the supply chain with the tools needed to improve working conditions in a sustainable manner. The development of internal management systems plays a critical role in bringing amfori BSCI principles to the heart of business enterprises’ culture.
IV. Implementation

The principles set out in the amfori BSCI Code of Conduct represent the aspirational goals and minimum expectations that amfori BSCI Participants have with regard to their supply chains’ social conduct.

Even though the aspirations will remain unchanged, the minimum expectations of the amfori BSCI Code of Conduct, which are translated into verifiable social standards, may change in line with changes in society.

amfori BSCI Participants commit to use reasonable endeavors to achieve the goals set out in the amfori BSCI Code of Conduct. While they cannot guarantee full observance of all their business partners at all times, amfori BSCI Participants commit to take reasonable measures to abide by the principles of the amfori BSCI Code of Conduct, particularly in those regions and or sectors where higher risks of non-observance of the amfori BSCI Code of Conduct exist. Needless to say, full observance is a process that takes considerable time, resources and effort; and gaps, shortcomings, failures and unpredictable occurrences will always remain a possibility. Nonetheless, amfori BSCI Participants commit strongly to the early detection, monitoring and remediation of all such failures in their supply chains and remain open to constructive engagement with stakeholders who are genuinely concerned with social compliance.

Code Observance

Obeying domestic laws is the first obligation of business enterprises. In countries where domestic laws and regulations are in conflict with, or set a different standard of protection than the amfori BSCI Code of Conduct, business enterprises should seek ways to abide by the principles that provide the highest protection to the workers and environment.

Supply Chain Management and Cascade Effect

amfori BSCI Participants acknowledge their capacity to influence social changes in their supply chains through their purchasing activities. They manage their relationships with all business partners in a responsible way and expect the same in return.

This requires a co-operative approach where every business enterprise, (a) involves its respective business partners; (b) takes all reasonable and appropriate measures in its sphere of influence, needed to implement the amfori BSCI Code of Conduct and (c) exchanges information to timely identify any challenge that requires mitigation.

amfori BSCI Participants and their business partners strive to further detail the root causes of any such adverse impact in human rights, particularly when sourcing from high-risk regions or sectors. So as to embed this responsibility, business enterprises should act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights impacts that may be detected in the supply chain.
For producers that will be monitored, internal management systems are particularly encouraged as an effective way to embed the amfori BSCI Code of Conduct in their business practices.

Terminating a business relationship or an individual contract with a business partner because of a struggle to implement the amfori BSCI Code of Conduct is considered a last resort. However, it may be necessary to terminate a business relationship or individual contract if the business partner fails to act in a manner consistent with the principles set out in the amfori BSCI Code of Conduct, and/or when the business partner is unwilling to undertake the measures needed to fulfill any of the obligations set out in and/or inherent to the amfori BSCI Code of Conduct.

Workers Involvement and Protection

Business enterprises should establish good management practices that involve workers and their representatives in sound information exchange on workplace issues, and allow for appropriate measures for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct. Business enterprises should take specific steps to make workers aware of their rights and responsibilities.

In addition, business enterprises are required to build sufficient competence among employers, managers, workers and workers representatives in order to embed these practices in the business operation successfully. Continuous education and training at each level of work is essential, particularly with regard to Occupational Health and Safety.

Business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Even where judicial systems are effective and well-resourced, grievance mechanisms may offer particular advantages such as speed of access and remediation, reduced costs and transnational reach.

V. Principles

amfori BSCI Participants expect all their business partners to observe the amfori BSCI Code of Conduct. Furthermore, any business partners that are monitored against the principles below are to show evidence that they take (a) all necessary measures to ensure their own observance of the amfori BSCI Code of Conduct and (b) reasonable measures to ensure that all of their business partners involved in the production process(es) observe the amfori BSCI Code of Conduct.

The rights of Freedom of Association and Collective Bargaining

Business partners 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.

Business partners 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, business partners shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

No Discrimination

Business partners 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.

Fair Remuneration

Business partners 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.

Business partners 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.

Decent Working Hours

Business partners 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, the amfori BSCI recognizes the exceptions specified by the ILO.

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, Business Partners 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.

**Occupational Health and Safety**

Business partners 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.

Business partners 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.

Business partners 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.

Business partners will seek improving workers protection in case of accident including through compulsory insurance schemes.

Business partners 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. Business partners shall respect the workers’ right to exit the premises from imminent danger without seeking permission.

Business partners shall ensure adequate occupational medical assistance and related facilities.

Business partners 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, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

**No Child Labour**

Business partners 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.

Business partners 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, business partners 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.
Special Protection for Young Workers

Business partners 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, business partners 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.

Business partners 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.

No Precarious Employment

Business partners 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, business partners are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners 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.

Business partners 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.

No Bonded Labour

Business partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour.
Business partners will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners.
Business partners shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly.
Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.
Business partners 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.
Protection of the Environment

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

Business partners 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.

Ethical Business Behaviour

Business partners 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.

Business partners 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.

Business partners 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, business partners, 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.

VI. Appendices

1. Terms of Implementation
2. amfori BSCI Reference: Compilation of International Standards relevant for the implementation of the Code such as ILO Conventions and Recommendations.
3. amfori BSCI Glossary

* * * * * *
Amfori is the leading global business association for open and sustainable trade. Our vision is of a world where all trade delivers social, environmental and economic benefits for everyone.

amfori
Av. De Cortenbergh, 172
1000 Brussels
Belgium
Tel: +32-2-762 05 51 Fax:
+32-2-762 75 06
info@amfori.org
www.amfori.org