



Declaration of compliance of Brands Fashion GmbH

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Introduction

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

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.



04.05.2022

Signature of the person responsible / date
Brands Fashion

Silke Rosebrock, Managing Director of

Environmental Policy

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 and no risk to human health.
 - 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.
 - We constantly increase the share of Fairtrade-certified cotton which supports organically cultivated cotton as well.
 - For all materials derived from animals (e.g. leather, down, wool) we make sure that our animal welfare policy is respected.
 - We encourage our suppliers to replace materials derived from animals by ethical and ecological alternatives such as recycled polyester or plant-based leather alternatives such as Piñatex
 - For products containing polyurethane the water-based alternative should be preferably used to eliminate DMF and the corresponding workplace and pollution risks.
 - Our aim is to constantly increase the share of recycled inputs as well as the recyclability of our textiles without creating trade-offs regarding quality or safety of our products.
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)
 - Since 2020 we have a Cradle to Cradle Certified™ Gold Collection
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.
 - REACH Regulation (EC1907/2006) for the production and use of SVHC chemical substances, and their potential impacts on both human health and the environment <https://echa.europa.eu/candidate-list-table>
 - Regulation- EU 2018/1513, amended Annex XVII to Regulation (EC) No 1907/2006 to restrict certain chemical substances for clothing and footwear <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32018R1513>

The German Supply Chain Act for protecting health and the environment is not yet applicable to us by law. However, we commit ourselves to fulfil the requirements accordingly.

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

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.

Brands Fashion compliance policies

1. Transparency

Transparency is the most relevant topic being part of our sustainability strategy and due diligence requirements.

Therefore, we oblige our business partners to disclose all processing steps involved in the manufacturing of products purchased by Brands Fashion on request. They are provided with a supply chain document via cloud and via e-mail and must fill it out for each article and order. Special efforts shall be put on indicating all wet processing facilities in the supply chain document (SCD). The following applies to the supply chain document (excel-sheet): If further/other processing steps are involved in the production of an article, the supplier must add a new row for each step. It is not allowed to delete rows. All identified wet processing steps must be marked accordingly in the given format.

Please note that we may communicate about the production facilities of our products on our website to enable our customers to track their products.

2. 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 precondition for any business relationship and major breaches of this code (defined as 'zero tolerance issues', please find definition on the next page) 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 amfori CoC can be found attached. For the full version we refer to "*amfori BSCI Code of Conduct - Public Document V. 1/2017*" (<https://www.amfori.org/sites/default/files/amfori-2020-03-05-amfori-BSCI-code-of-conduct.pdf>).

Zero tolerance issues are:

Child Labour

- Workers who are younger than 15 years old (or the legal minimum age defined by the country, e.g. 14)
- Workers younger than 18 who are subjected to the worst forms of child labour (forced labour, prostitution, pornography and illegal activities)

Bonded Labour and inhumane treatment

- Not allowing workers to leave the workplace against their will, including when they are forced to work overtime against their will
- Use of violence or the threat of violence to intimidate workers to force them to work
- Inhumane or degrading treatment, corporal punishment (including sexual violence), mental or physical coercion and/or verbal abuse

Occupational Health and Safety

- Occupational health and safety violations that pose an imminent and significant threat to workers' health, safety and/or lives

Unethical behaviour

- Attempted bribery of auditors
- Intentional misrepresentation in the supply chain (e.g. hiding production sites)

3. 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.

4. Subcontracting policy

We, Brands Fashion GmbH, do not accept that any orders are passed on without our approval. Any kind of subcontracting according to below 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

¹ ¹ 'Zero tolerance issues' can be found in the general buying terms of Brands Fashion or in ANNEX 5 of the BSCI manual 2018, (BSCI ZERO TOLERANCE PROTOCOL).

consequence result in monetary fines, refusal of goods or immediate termination of business relationship.

Any transfer of CMT (cut-make-trim) or sewing work will be concerned as subcontracting. Single manufacturing steps in regard 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.

There are nominated supply chains where all processing facilities including pre-production and finishing can only be changed after approval of Brands Fashion. If this is the case, it will be communicated separately.

Our goal is to establish stable supply chain pools which is why we appreciate if suppliers work with fixed pre-suppliers on a continuous long-term basis whenever possible.

5. Monitoring and remediation of child labor

The following activities are part of the Brands Fashion sourcing and compliance policy 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 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

² According to the definition of amfori BSCI

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. Grievance mechanism and remediation in production facilities

We ask our suppliers to provide a suitable and effective complaint channel within their factory or to participate in such channels. Every factory should have a formally defined internal process on how to handle grievances and systematically gather and assess data on a regular basis. Those data must be provided on request.

For any harms that a supplier has evidently caused or contributed to, we expect the management to provide systematic assistance and remediation. In cases where Brands Fashion has evidently caused or contributed to harms, we ask our business partners to inform us accordingly so we can investigate and enable adequate remediation in reasonable cases.

We recommend Annex 4 of the amfori BSCI System Manual (attached) as it provides guidance to amfori BSCI participants and their business partners on how to set up an effective grievance mechanism.

7. The RMG Sustainability Council, former The Bangladesh Accord on Fire and Building Safety 2.0

- 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.

In 2020 the work of the Bangladesh Accord on Fire and Building Safety in Bangladesh was handed over to the RMG Sustainability Council (RSC). The RSC will continue to work on factory inspections, remediation monitoring, safety training and an independent safety & health complaints mechanism available to workers in RMG factories.

We require our suppliers with production facilities located in Bangladesh to fully participate in the work of the RSC. 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.

9. Ban of cotton and textile products from Xinjiang

We commit to eliminate any risk of forced labor within our supply chains and ask the same from our business partners. Since cotton and textile products from Xinjiang might be related to forced labor conditions, we ask our suppliers and business partners to not source any cotton, yarn, textiles and/or finished products from Xinjiang region.

10. Animal Welfare Policy

We promote a sustainable and ethical way to run our business and as a result do not support any unethical treatment of animals during any part of the production process of wool, leather, down and other materials derived from animals. We believe that animals should be treated with respect and require the adoption of good animal husbandry, and the fulfilment of our animal welfare policy from all our suppliers.

Therefore, the supply of all our products derived from animals must be in compliance with the Five Freedoms of the Animal Welfare Councils (FAWC). The principles serve as the guiding principles and need to be fulfilled at all times when sourcing materials derived from animals.

We strongly commit to the Five Freedoms of the Animal Welfare Councils (FAWC) which are:

1. Freedom from hunger or thirst
2. Freedom from discomfort
3. Freedom from pain, injury or disease
4. Freedom to express normal behavior
5. Freedom from fear and distress

Due to a cruel practice common when sourcing merino wool, we would like to draw special attention to the issue of mulesing. Mulesing describes a method, where pieces of skin from the breech area of the sheep is cut off without the use of anesthesia. The method is used to avoid infections caused by the flystrike but leaves the sheep with acute pain and potential infection when the wound is not treated accordingly. Mulesing is therefore a highly unethical and cruel procedure.

We therefore require our suppliers to pay special attention to the issue of mulesing and source only mulesing-free merino wool. In order to ensure ethical sourcing of sheep wool, we require our business partners to respect the following rules in accordance to the FAWC:

- Ensure a transparent and traceable supply chain free of animal cruelty
- Preferred use of Global Organic Textile Standard (GOTS) or Responsible Wool Standard (RWS) for traceability
- Select reliable suppliers who reject mulesing and are certified by an authorized audit organization (like GOTS, RWS, ZQ)
- Focus on mulesing free regions (like New Zealand, South Africa or South America)

Furthermore, we as Brands Fashion:

- Cooperate with the Partnership for Sustainable Textiles to promote the sustainable wool
- Raise awareness for zero mulesed sheep wool textiles among our supply chain partner, customer and end consumers

Links to the recommended standards:

<https://global-standard.org/>

<https://textileexchange.org/standards/responsible-wool/>

<https://www.discoverzq.com/>

11. Environmental Management in production facilities

We appreciate if suppliers use sustainable resources and thereby contribute to less CO₂ emissions. We encourage you to monitor your emissions as defined by the Greenhouse Gas Protocol (GHG) into Scope 1, 2 and 3. The Global Organic Textile Standard (GOTS) for example offers a tool we recommend to collect, analyze and evaluate your CO₂ emissions and helps to identify high consumption that can be reduced. In order to increase the transparency for our customers, we ask you to share any data with us upon request.

For further details to the GOTS tool: <https://global-standard.org/news/version-2-0-of-gots-monitor-water-energy-launched?highlight=WyJ0b29sll0=v>

The production of any goods purchased by Brands Fashion must at least comply or exceed the legal requirements regarding waste management, handling and disposal of chemicals and other dangerous materials or emissions and effluent treatment. Next to the contents of our environmental and compliance policies all local and national environmental regulations shall be met.

The online platform BEPI aims to provide an environmental management system applied at producer level to develop cleaner production, which helps our business partners save money and protects the environment. This is a core value of our business. All business partners to be nominated by Brands Fashion need to disclose their supply chains in BEPI. To do so:

- Please register on BEPI platform (it is free of charge): <http://www.amfori.org/user/login>
- Please fill out carefully the self-assessment (SA) on the website.
- Please invite your business partner below (Tier-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.

11. Detox requirements for wet processing facilities (garment and shoes)

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

For more information about the DETOX campaign and the 11 hazardous chemical groups, please visit: <https://www.greenpeace.org/archive-international/en/campaigns/detox/fashion/about/eleven-flagship-hazardous-chemicals/>

Wet processing facilities (WPFs) are all facilities that involve processes within the supply chain where wastewater and/or sludge is discharged (as part of washing, dyeing, printing, coating, finishing, other). Upon request please share data on your WPFs pool. This includes all WPFs you as our business partner are using for all Brands Fashion orders. You will be asked to provide all information in a suitable template. We ask you to make sure that all wet processing

facilities (WPFs) involved in the manufacturing of products purchased by Brands Fashion comply with the following requirements:

- The intentional use of hazardous chemicals is strictly forbidden in all steps of the manufacturing process of textile products. As a member of the Partnership for Sustainable Textiles, we are committed to apply the MRSL according to ZDHC Standard and Brands Fashion RSL. All chemicals used need to be complied with the current ZDHC MRSL. If a specific customer has higher requirements, please use the highest level of conformity.
- Especially the use of PFCs, APEOs, Organotin compounds, Azo Dyes, Chlorophenols, SCCPs and Chlorobenzenes is not allowed for our products.
- All WPFs should be able to provide an up-to-date and a complete inventory of all used chemicals, at any time. If not available, we can provide you a format.
- From September 2020 onwards, Brands Fashion will gradually give all core suppliers (WPFs) the opportunity to use the innovative and time-saving digital inventory tool *the BHive* free of charge for up to 3 years. All production facilities (WPFs) to be nominated by Brands Fashion must download the app, register and ensure that an up-to-date and complete chemical inventory is always accessible for Brands Fashion. Please make sure to disclose your data to Brands Fashion.
- Please collect Safety Data Sheets (SDS) for all chemicals which are used for the product (according to GHS-Standard, ISO 11014 or Regulation (EC) NO. 1907/2006 REACH regulation) from the WPFs and send them to our sustainability department (sustainability@brands-fashion.com).
- Effective wastewater management including effective operation and maintenance of effluent treatment plant (ETP) is mandatory in all WPFs used for our productions (depending on the local system either own or communal ETP).
- Please communicate the Wastewater Guidelines from ZDHC to all your WPFs and put efforts in complying to at least the foundational level limits:

For more information about the Wastewater Guidelines, please visit:

<https://downloads.roadmaptozero.com/output/ZDHC-Wastewater-Guidelines>

- If required by our customer a wastewater and sludge test (WST) has to be performed and submitted for all WPFs used in the particular production process.
 - 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://wwwen.ipe.org.cn/>), which is a database for environmental information.
- A good WST can always have a positive effect on order placement.

For more information about Wastewater and Sludge Tests, please contact

sustainability@brands-fashion.com

12. Responsible Purchasing Practices in times of supply chain disruption

Major disruptions like COVID-19 put global supply chains at risk. During such challenging times, partnership is more important than ever. We believe that long-term partnership is the key to strengthen business relations. Nowadays more than ever.

We, Brands Fashion, commit to generally continue with due diligence and responsible purchasing practices even in times of crisis, as much as possible. This involves:

- not cancelling/withdrawing orders
- not paying less or asking for discount on produced orders
- not asking for reduced price taking advantages of the situation

Further it is important for us to regularly communicate with our local business partners, especially producers to understand the challenges they are facing and how supply chains and production are affected by that. Therefore, we ask our business partners to consider related guidelines recommended by the Brands Fashion headquarter or assigned partners. Without any exception we expect that necessary measures are implemented to keep the people working in supply chains producing for Brands Fashion as safe as possible. Whenever requested by us, we would kindly ask our business partner to provide information on the current situation and any actions taken in the for Brands Fashion involved supply chains.

13. Closing remarks

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).

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

Date, signature and company stamp

List of annex

The following documents are annexed and part of the declaration of compliance:

- *amfori BSCI Code of Conduct*
- *amfori annex 4: How to Set Up a Grievance Mechanism*

Updates

Version	Date of update (dd/mm/yyyy)	Part updated
9	04.05.2022	Environmental policy, compliance policies
8	29.04.2021	Compliance policies, annex
7	20.08.2020	Environmental policy
6	20.07.2019	Introduction, environmental policy
5	07.05.2019	Introduction, compliance policies. Document was renamed in "Declaration of compliance"
4	25.05.2018	Environmental policy
3	08.01.2018	Compliance policies, annex
2	07.05.2017	Environmental policy
1	01.01.2017	Code of Business 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.



Fair remuneration

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



Occupational health and safety

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



Special protection for young workers

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



No bonded labour

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



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.



Decent working hours

Our enterprise observes the law regarding hours of work.



No child labour

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



No precarious employment

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



Protection of the environment

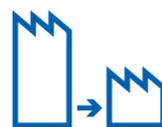
Our enterprise takes the necessary measures to avoid environmental degradation.

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.

Annex 4: How to Set Up a Grievance Mechanism

This annex of the [amfori BSCI System Manual](#) provides guidance to amfori BSCI participants and their business partners on how to set up an effective grievance mechanism.

Additionally, it provides guidelines for auditors, as a complement to [Part III of the System Manual](#), [The amfori BSCI auditing implementation guidelines](#).

PRINCIPLES THAT A GRIEVANCE MECHANISM SHOULD INCLUDE

The principles that a grievance mechanism should incorporate are described in the table below. Understanding and respecting these principles will help business enterprises to:

- Develop and maintain an effective grievance mechanism
- Handle grievances in a mature and effective manner

Principle	Elements to Include
Legitimacy	<p><i>All the parties involved should recognise the grievance mechanism as legitimate. Particularly, workers should feel that they are able to raise their grievances without fear of victimisation or negative consequences. Key elements that make a grievance mechanism legitimate include:</i></p> <ul style="list-style-type: none"> • Consultation: Before a grievance mechanism is set up (or a procedure is revised), there should be consultation on the draft mechanism between management, workers, and workers' representatives. • Management briefings: Once it is implemented, all managers, supervisors, and workers need to be fully briefed so everybody is made aware of the procedure, roles, and responsibilities. • Training: Training should be given to managers, supervisors, and workers and their representatives, particularly those that will have a more active role in investigation, facilitation, and decision-making. • Consistent procedure: Sticking to the agreed upon procedure ensures the legitimacy of the process and the outcomes. Exceptions should be avoided.

<p style="text-align: center;">Accessibility</p>	<p><i>Internal and external stakeholders should know that the mechanism exists and how to use it. Key elements that make a grievance mechanism accessible include:</i></p> <ul style="list-style-type: none"> • Visibility: Copies of the mechanism’s procedure should be displayed on all notice boards that are seen by workers, as well as in workshops, changing rooms, and other areas where workers gather. To reach external stakeholders, including the information on a business enterprise’s website is a good practice. • Availability (hard copy): When it is set up, workers should be given a ‘hard copy’ of the mechanism procedure as well as the necessary forms. • New hire orientation: When new workers are hired, ensure an information session is conducted to explain how the mechanism works. This information is particularly important when hiring young workers, seasonal workers, and/or migrant workers. • Information sessions: The content of these information sessions should at least include the following: what a grievance is, how to raise one, where to get the necessary forms, where to hand in forms, and where to go for information on the mechanism. • Translations: Translation into different languages or the use of visuals may be needed to guarantee accessibility.
<p style="text-align: center;">Transparency</p>	<p><i>Internal and external stakeholders should be able to see that the mechanism is working. Key elements that make a grievance mechanism transparent include:</i></p> <ul style="list-style-type: none"> • Confidentiality: Transparency does not mean disclosure of names and practical details about the grievance. Keeping personal and other crucial details confidential is a must to protect the grievant and other stakeholders. • Publication: The following information can be published (without revealing sensitive details): the date of the complaint, the description of the complaint (in general terms), the investigation and conciliation measures taken, the final resolution, and the date of the resolution.

Dialogue	<p><i>The mechanism should aim at getting people to talk to each other so that they can agree on the nature of the problem and solutions that are acceptable to all parties concerned. Key elements that make a grievance mechanism dialogue-driven include:</i></p> <ul style="list-style-type: none"> • Understanding cultural differences: Every culture has a different understanding of the key elements of a grievance. For example, there are different ways of understanding what an offence is, what dialogue means, and what satisfactory remedy means. These culture differences can only be assessed and handled with respectful engagement and listening. • Training on conciliation: At least the person in charge of receiving the grievances should be trained in conflict management in the workplace, conciliation, and mediation. • External support: Seek external support from consultants or stakeholders who specialise in conflict resolution as well as the topic of concern.
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BASIC CONTENT

A grievance can be defined as any concern, unhappiness, or discontent that a worker might have in the workplace.

Grievances can be related to:

- **Infrastructure:** For example, the working room does not have sufficient lighting or ventilation, or the space assigned to the worker is not sufficient to safely conduct the work.
- **Personal relations:** For example, a supervisor has used physical or verbal harassment, or there is a conflict between co-workers.
- **Contractual rights:** For example, payment is systematically delayed, there are illegal deductions, or overtime is not paid at the premium rate or is paid in a lower amount than initially agreed.
- **Human and labour rights:** For example, a worker has suffered discrimination based on gender, religion, or place of origin; a worker has been punished because of attending a trade union meeting; or the water available during working time is not drinkable.
- **Customary rights:** For example, requested time to pray or to participate in community activities has not been allowed.

Workers' grievances may also be related to issues other than what is described above in the five categories. In such cases, workers may still lodge the grievance internally while seeking outside assistance. A workers' representative can be a good source of information.

BASIC GRIEVANCE MECHANISM PROCEDURE

The effectiveness of the grievance mechanism is part of the amfori BSCI audit scope. At a minimum, the grievance mechanism procedure should ensure that workers have:

- **Access to supervisor:** The possibility to hold an open and constructive meeting about a grievance with their immediate supervisor or manager can prevent escalation of the problem.

- **The right to appeal:** An escalation channel to a more senior manager to challenge a decision made by their supervisor or manager can add impartiality.
- **Access to support:** Workers should have the right to be accompanied by a fellow worker of her/his own choice, or by a union representative (for unionised facilities), when attending a meeting to discuss a grievance. Access to support can make workers more comfortable with the process.

The questions below can help to assess the soundness of the grievance mechanism procedure:

Who can lodge a grievance? A good grievance mechanism procedure must ensure that **all workers** regardless of their roles or seniority can lodge a grievance. Additional channels for external grievances should be created.

How is a grievance lodged? A good grievance mechanism procedure must describe the preferred mechanism for filing a grievance and specify if a specific grievance form is needed (see example below).

Usually, the first stage is to make a verbal complaint to someone (e.g. verbal complaint to the direct supervisor). The escalation of the complaint to a higher level of management (or the person in charge of the grievance mechanism) occurs most often through a grievance form (see below). Although both verbal and written systems may work, for the sake of transparency, business enterprises are encouraged to have workers use a written grievance form.

The grievance mechanism procedure should keep track of the nature of the grievance, the nature of the investigation, and remediation steps.

Workers may seek the support of a fellow worker, or the workers' representative, to raise the concern on their behalf. This is another legitimate way of raising a grievance that can ensure it is not rejected or ignored by the manager or person in charge of the grievance mechanism.

Who collects the grievance forms? In general, it is recommended that the worker should lodge the grievance with her/his immediate supervisor or manager.

If the grievance is raised about her/his own supervisor or manager, the grievance will need to be addressed to the person in charge of the grievance mechanism.

It is also recommended that business enterprises appoint somebody well trained to deal with grievances and that workers are aware of who that person is. If not, workers' grievances should be processed through the business enterprise's existing management structure.

Appointing a person to deal with grievances enforces:

- **Transparency and predictability:** Everyone in the business enterprise knows from the beginning who is supposed to learn about a grievance first.
- **Efficiency:** The grievance does not get lost throughout the different departments in the business enterprise, and it can be addressed immediately.

STEPS FOR HANDLING GRIEVANCES FROM WORKERS

Step 1: Acknowledge Grievance

The supervisor or person in charge of the grievance mechanism should acknowledge receipt of the grievance form in writing with a simple statement.

Simple statement: A simple statement is all that is necessary at this point. Include the date of receipt and commit to the timing for follow up. For example:

“Grievance number 3/2018 was received on 13/03/2018. The worker will be contacted within 10 days to proceed to the next steps.” The statement should be signed.

Timeframe: The grievance mechanism procedure should aim at solving grievances as quickly and effectively as possible. However, the timeframes should be realistic and not create false expectations, as resolution may vary depending on the complexity of the grievances.

Step 2: Analysis

The supervisor or the person in charge of the grievance mechanism should:

- Analyse the issue
- Try to identify the root cause(s) of the problem
- Identify the potential solutions
- Assess the cost and feasibility of potential solutions
- Make the necessary arrangements to resolve the problem (or remediate)

This analytical approach:

- Identifies the most feasible solutions
- Identifies the most appropriate solution for the specific type of grievance

For example, a grievance against the conditions of the workplace infrastructure will require a different approach and timeline for finding the solution than a grievance related to personal relations with a supervisor or co-worker.

Producers can use the table below to help to analyse a grievance:

Grievance Category	Questions to answer			
	Do I know the potential root cause?	Is the potential solution feasible?	Do I have the leverage?	What is the cost of the correction? The cost of the remediation?
	Do I need more information? Who should I contact to get it?	By when?	Who can help me?	Is it affordable? What are the alternatives?
Infrastructure related				
Personal matter				
Contract related				
Human and labour rights				
Customary rights				

Step 3: Mediation

Once the analysis of the grievance is completed, the supervisor or person in charge of resolving the grievance should call the worker for a meeting. The invitation for a meeting can be extended orally or

in writing. The advantage of a written invitation is the documented proof. However, depending on the context of the complaint or the business enterprise's procedures, a written form may not be an option.

Regardless of whether the invitation to the worker is written or oral, it should communicate:

- The day of the meeting
- The place
- Who else will be present (if applicable)

The worker should also be informed of her/his right to come to the meeting with a fellow worker of her/his free choice or the workers' representative. He/she may also choose to invite somebody from outside the business enterprise, such as a trusted community stakeholder.

During the meeting, the person in charge will provide the background (see steps 1 and 2) and present the reasoning behind the analysis. The worker should be given the chance to contribute at every step with explanations, and he/she should provide feedback on whether the analytical process has been consistent and accurate.

Eventually, the person in charge will present the potential solution and he/she will seek the worker's reaction and approval. Minutes should be taken at this meeting.

Step 4: Closing and Publication

Ideally, during the mediation meeting, an agreement is reached on the corrective or remediation measures to be taken, as well as the timeframe for the implementation of these measures. After the meeting, the solution for the grievance should be posted on the notice boards to inform workers, with full respect of the involved parties' privacy.

Publication of the solution, respect for the procedure's timeframe, and implementation of the corrective measures in due course are crucial for maintaining the credibility of the grievance mechanism among the workers.

Step 5: Appeal

Disagreement on the analysis and proposed corrective actions, as well as any delay in the implementation of agreed upon corrective measures, are grounds for appeal. In addition, the worker may raise an additional complaint if the worker believes he/she has been victimised or harassed in the way that his/her grievance has been addressed.

The management should investigate the worker's complaint immediately. Misuse of the grievance mechanism to victimise or harass workers should be disciplined (including dismissal of the supervisor or manager), as this behaviour compromises the integrity of the mechanism. The worker may seek other channels of appeal outside the business enterprise. What is possible depends on the national laws and the different arbitration processes and platforms available in the region to address workers' complaints.

Finally, the relevant labour laws may define legal dispute mechanisms.

USE OF A GRIEVANCE FORM

Grievance forms should not be complicated documents, but they should:

- Allow the workers to describe the actual grievance
- Allow the business enterprise to track the investigation, conciliation, and remediation steps, when applicable
- Be available to all workers at the production site

Copies of the forms should be left in places where workers can access them easily and privately (e.g. changing rooms, the workshops, and other places where workers spend a lot of time). An identification number may be assigned to the grievance (e.g. number / year). This practice will facilitate tracking both the investigation process and the communication process without actually revealing the identity of the worker or the nature of the complaint.

The grievance form may also contain a list of possible grievance examples to help workers describe the issue. Below is a sample grievance form:

Grievance number: n/yyyy					
Submitted by:					
		First name	Last name	Job title	Date
CATEGORIES		Description (please be as specific as possible):			
<input type="checkbox"/>	Infrastructure				
<input type="checkbox"/>	Personal Relations				
<input type="checkbox"/>	Contractual Rights				
<input type="checkbox"/>	Human Rights				
<input type="checkbox"/>	Labour Rights				
<input type="checkbox"/>	Customary Rights				
For administrative use only:					
Received by:					
		First name	Last name	Job title	
		Date		Signature	
		grievance received			

COMPLAINTS FROM LOCAL COMMUNITY

Business enterprises may have a procedure to receive grievances from the local community. The steps described above for grievances from workers, as well as the grievance form, may be valid (or require

small changes) to address grievances from local communities. Business enterprises should ensure that local community members are aware of their rights and the related channels to lodge grievances.