1. Introduction

Workwear Group (WWG) as part of The Wesfarmers Industrial and Safety (WIS) businesses are committed to the social, environmental and financial sustainability of the communities in which we live and operate. This policy aims to educate our suppliers about how we do business to ensure a mutually successful business partnership. This Ethical Sourcing Policy details the minimum requirements that suppliers must meet in order to conduct business with WWG.

In addition to the requirements of this policy, WWG requires all suppliers and their respective supply chains at all times to:

a. act professionally, with integrity and deal in a fair and appropriate manner;
b. demonstrate leadership in ethical sourcing;
c. comply with all local laws and regulations in the relevant location;
d. provide transparency within supply chain and access to all facilities manufacturing WWG products, including authentic documentation; and
e. demonstrate a positive attitude towards continuous improvement.

2. Policy

WWG requires our suppliers and their supply chain to meet the requirements of this policy. This policy establishes a chain of custody approach to ethical sourcing.

This Ethical Sourcing Policy is based on WWG’s commitment to respecting the core labour standards established by the International Labour Organization (ILO), protecting and respecting human rights as set out in the United Nations - Universal Declaration of Human Rights. It also encompasses core beliefs of WWG around conducting business ethically, manufacturing responsibly and demonstrating environmental consciousness.

To that end, WWG have joined the Bangladesh Accord to support the factories that we place business with to improve the safety of the working environment for their workers. This audit program focuses on Fire, Structural and Electrical Safety specifically.

WWG’s suppliers engaged as part of WWG Global Sourcing and Own Brands Program, must participate in the Ethical and Social Compliance (ESC) audit program or agreed alternate process in order to be allocated purchase orders.

WWG’ domestic (Australia and New Zealand) suppliers are required to sign a declaration that they comply and commit to the requirements of this policy, and that they have enforced the
requirements of this policy in their respective supply chains. WWG reserves the right to require domestic suppliers manufacturing branded products to participate in the ethical and social compliance audit program or agreed alternate process in order to be allocated purchase orders.

3. Policy Breaches and Non-Conformances

WWG will not tolerate critical breaches of this Ethical Sourcing Policy, nor a supplier’s unwillingness to take action and comply. This will result in WWG immediately ceasing all future orders and payments, and deregistering the supplier. All WWG businesses and other Wesfarmers divisions will be notified of any deregistered suppliers through the Wesfarmers Ethical Sourcing Forum.

Breaches of this policy are to be resolved within timelines agreed by WWG through the implementation of corrective actions plans. A supplier will be required to develop and implement a corrective action for any identified breaches and non-conformances or for other reasons deemed relevant by WWG. If corrective actions are not implemented and resolved within the agreed timelines, then the supplier will be deregistered.

WWG reserves the right to deregister a supplier as a result of suspected non-conformances at WWG’s discretion.

Ethical Sourcing Code

1.0 Legal Compliance

WWG requires that all suppliers are clearly aware and comply with the minimum legal requirements of the countries and regions in which they operate. It is the suppliers’ responsibility to ensure that they keep abreast of changes to laws and regulations that may impact their status of compliance and that corrective actions are taken to bring them into a state of compliance.

In the event of a conflict between the standards outlined in this Ethical Sourcing Policy and the local law and regulations, the stricter requirement must be followed.
2.0 Labour and Human Rights

Child labour

- Suppliers shall not use child labour. Child labour is defined as work that deprives children of their childhood, the opportunity to attend school and fulfil their potential and that is harmful to their physical and mental development;
- Suppliers will comply with the minimum employment age defined by National Law or by ILO convention 138 whichever is the higher;
- Hazardous work and work at night/night shift must not be undertaken by anyone under the age of 18;
- Suppliers must be able to verify the age of all employees to ensure that no child labour is used; and
- No children are allowed in any work areas of a factory even if they are not engaged in work.

Forced/bonded Labour

- Suppliers shall not use forced, bonded or prison labour;
- Employment shall be freely chosen and workers shall be free to leave their employment after the mutually agreed notice period has been served;
- Workers will not be required to lodge deposits or identity papers with suppliers nor have their movements restricted; and
- Any disciplinary measures must be fully recorded.

Wages and benefits

- Wages and benefits paid for a standard working week and any overtime hours worked must meet as a minimum national or industry standards, whichever is the higher;
- In countries where it is legal to pay a worker by piece rate instead of by the hour, the worker must receive a wage equal to or above the minimum wage;
- Employee benefits under labour and social security law shall not be avoided through the use of labour-only contracting, sub-contracting, home-working arrangements, fixed term contracts or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment;
- All workers must be provided with written and easy to understand information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each and every time that they are paid;
• Deductions from wages as a disciplinary measure are not permitted;
• Wages shall be paid in a timely manner; and
• It is expected that records will be accurate, up to date and available at any time for audit purposes.

Working hours

• Working hours must comply with applicable local laws;
• Overtime shall be voluntary, shall not exceed maximum hours as per local laws, shall not be demanded on a regular basis and must be compensated as per prescribed laws;
• Workers must be provided with an adequate number of complete days off; and
• It is expected that all overtime hours are accurately recorded and available at any time for audit purposes.

Working Conditions and Workplace Safety

• Workers shall be provided with a safe and hygienic working environment that does not expose them to health and safety risks that may cause injury or death. Safety encompasses fire, electrical, structural, mechanical and chemical hazards and consideration is given to the relevant product category, any specific hazards, regulations and/or best practices;
• Supplier must ensure safe building, plant, or systems of work, including adequate, unlocked, accessible, and clearly marked emergency exits;
• Workers shall receive regular health and safety training to perform their jobs in a safe manner and such training shall be repeated for re-assigned and new workers;
• Personal, protective equipment and machinery safeguards shall be supplied and workers trained in their use;
• Conditions and amenities provided in all production facilities, toilets, meals areas and accommodation if applicable, must be safe and hygienic consistent with all applicable laws and regulations and/or industry best practices in order to avoid preventable work related accidents, injuries and illnesses, must not have restrictions on access; and
• Potable water shall be freely available for workers.

No Discrimination

• All conditions of employment must be based on an individual’s ability to do the job, not on the basis of personal characteristics, such as age, race, colour, nationality, gender, religion, marital status, sexual orientation, maternity status, disability or political beliefs; and
• Suppliers must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination or any other inappropriate workplace behaviour.

No Harassment, Abuse and inhumane treatment

• Workers shall be treated with dignity and respect. In particular, factories will provide a workplace free from harassment, which can take many forms, including physical, sexual, verbal or visual behaviour that creates an offensive, hostile, or intimidating environment.

Freedom of Association and the right to bargaining are respected

• Suppliers acknowledge that workers have a right to freedom of association and to bargain collectively;
• Where the rights to freedom of association and collective bargaining are restricted under local laws, suppliers will not hinder the development of alternative means of independent and free association and bargaining;
• Workers have a right to join or form trade unions of their choosing so long as such groups are legal in the country of operation; and
• Workers have the ability to approach management on issues of concern on their own or through worker representatives.

3.0 Conducting Business Ethically

Anti-Bribery and Corruption

• Suppliers and manufacturers must demonstrate a high degree of professionalism and have a close affinity with WWG business ethics. In particular, honesty, fair dealing and the proper treatment of workers are required at all times;
• Bribes, favours, gifts, benefits, facilitation payments, secret commission, or similar unlawful or improper payments, in cash or kind, are strictly prohibited whether given to obtain business or otherwise; and
• Suppliers should notify the appropriate contact at WWG as soon as any form of conflict of interest becomes apparent.

Sub-contracting

• After a purchase order has been placed with a supplier, sub-contracting of the order to unauthorised factories is not permitted without prior approval from WWG; and
• Suppliers must be transparent and advise the appropriate contact at WWG of the need to utilise a sub contracted facility to complete orders. The nominated sub-contractor must undergo a WWG ESC audit and a quality audit at the supplier expense and be approved to proceed with the order.

**Intellectual property and confidentiality**

• Supplier shall not use WWG’s or others’ intellectual property in an unauthorised way; and
• Supplier shall sign confidentiality agreement in respect to WWG intellectual property in the form of development samples, designs, moulds, patterns and technical specifications.

**4.0 Environmental Impact**

Suppliers must comply with local and national environmental laws and regulations at a minimum;

• Suppliers shall maintain internal or certified management systems to plan, document, measure, monitor, regularly review and improve their environmental performance;
• Suppliers shall identify and assess environmental hazards arising from their processes and activities and effectively manage the risk to ensure no impact on the health of the local environment and/or community; and
• Suppliers must provide Forest Stewardship Council (FSC), Programme for Endorsement of Forest Certification Scheme (PEFC), or other WWGe agreed chain of custody documentation for the source of paper and/or timber used in products sold to WWG.

**5.0 UNACCEPTABLE MANUFACTURING PRACTICES**

WWG believes products must be developed, sourced and manufactured under acceptable conditions for all employees by suppliers who take responsibility for all elements of their supply chain.

**Restricted and Banned Substances**

There are many chemicals and finishes that may be used in manufacturing processes that are restricted or banned due to potentially harmful side effects to the end wearer of the products. These restricted and banned substances may also have an adverse effect on the workers handling them and the environment during the course of the manufacturing process.
WWG requires suppliers to comply with European Union (EU) Registration, Evaluation, Authorisation and Restriction of Chemical Substances (REACH) regulations set for banned, restricted/substances of high/very high concern to protect our customers wearing our products and those making our products for us.

Sandblasting

Treating denim and similar product types to make a garment look worn or faded is a common practice within the clothing industry and one method that has been frequently used is sandblasting.

Sandblasting can be extremely damaging to workers’ health as the large amounts of silica dust generated during the process can cause silicosis, a potentially lethal pulmonary disease which is caused when workers inhale the tiny particles of silica.

The WWG stand on sandblasting is -

- The use of sandblasting as a treatment on any of our products is banned
- Suppliers will be monitored to ensure that this ban is being upheld.
- Any product found to have received a sandblasting treatment will be rejected.
- Product found post shipment with evidence of sandblasting will be rejected and claimed against the supplier.

Uzbekistan cotton

Uzbekistan is one of the largest exporters of cotton in the world. For decades, forced and child labour have been used in Uzbekistan working in appalling conditions to harvest cotton.

In line with our Labour and Human Rights Policies, the use of Uzbekistan cotton in WWG products is banned. WWG Suppliers must attest to the fact that they and their sub suppliers do not (knowingly) source cotton fibre produced in Uzbekistan.
CHRIS JONES

GROUP GENERAL MANAGER

10 MARCH 2016