



**FASHION BIZ**  
LTD

**CODE OF VENDOR  
CONDUCT**

# FASHION BIZ LTD. CODE OF VENDOR CONDUCT

Fashion Biz Ltd maintains a long standing commitment to purchase products from vendors, suppliers, subcontractors, agents, subsidiaries and affiliates who maintain the highest ethical labour standards for their employees, respecting the laws and culture in which they operate.

Though Fashion Biz Ltd. acknowledges the different cultural environments, legal and ethical systems exist in the countries which they manufacture; this Code sets forth the basic requirement in doing business with Fashion Biz Ltd. This Code is based on internationally accepted labour standards, including the *International Labour Organization's (ILO) core conventions* and the *Universal Declaration of Human Rights*. We hold our business partners and their affiliates to these same standards and actively seek partners who share our beliefs. The Code provides as well the foundation for our ongoing evaluation and monitoring of factory's employment practices and environmental compliance.

## I. Workplace Standards and Practices

All contractors must operate workplaces and contract with employers whose workplaces adhere to the following minimum standards and practices.

**1.1 Compliance with Laws:** Factory operates in full compliance with all applicable laws, rules and regulations, including those relating to labour, worker health and safety and the environment.

The factory allows also Fashion Biz Ltd. and its representative unrestricted access to its facilities and to all relevant records at all times, whether or not notice is provided in advance.

**1.2 Environmental Compliance:** Factory must share Fashion Biz Ltd.'s commitment to the protection and preservation of the global environment and the world's finite resources and conduct business accordingly. Factory needs to comply with environmental laws and regulations; where such requirement is less rigorous than Fashion Biz Ltd.'s standards, factories are encouraged to follow the standards as below:

- A. Have an environmental management system (EMS) that demonstrates environmental commitment;
- B. Publicly disclose environmental impacts and activities through regular reporting;
- C. The factory stores hazardous and combustible materials in secure and well ventilated areas and disposes of them in a safe and legal manner;

**1.3 Ethical Principles:** Factory must be committed in the conduct of their business to a set of ethical standards that are compatible with those of Fashion Biz Ltd. We expect our business partners to be law-abiding as individuals and to comply with legal requirements relevant to the conduct of their businesses.

- A. Factories must not engage in corrupt or unethical practices such as paying bribes in exchange for jobs, preferential treatment, falsifying documents, etc.;

- B. No unauthorized subcontracting. This includes any work performed by workers offsite, including but not limited to work performed in homes. All subcontracting arrangements must be pre-approved for monitoring of worker rights and workplace conditions.
- C. Factories must not engage in practices designed to circumvent national or local tax laws, wage, benefit, labour, health and safety, environmental or any applicable legislation, including this Code.
- D. Factories must maintain only one set of complete and accurate working hours and payroll documents and other records that represent true working conditions.

**1.4 Employment Standards:** Fashion Biz Ltd. will only do business with vendors and their affiliates whose workers are in all cases voluntarily present at work, not at risk of physical harm, fairly compensated, and not exploited in any way. The following guidelines must be followed:

- A. **Wages and Benefits:** Factories must pay wages and overtime premiums in compliance with all applicable laws.
  1. Workers are paid at the least the minimum legal wage.
  2. The factory pays overtime and any incentive rates that meet all legal requirements.
  3. The factory provides paid annual leave and holidays as required by law .
  4. Factories should provide workers with pay slips for each pay period that show regular and overtime hours worked, regular and overtime rates and wages, allowances, bonuses and legal or contractual deductions. Pay slips should be in languages workers understand.
  5. The factory shall not adjust or terminate workers' contracts for the sole purpose of avoiding the provision of benefits.
  6. Workers should be aware of their benefits and understand how their wages are calculated.
- B. **Working Hours:** Factories shall set working hours in compliance with all applicable laws. Fashion Biz Ltd. recognizes the fact that overtime is often required in garment production; factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions.
  1. Working hours must not exceed 48 hours of regular work plus 12 hours of overtime, for a maximum of 60 hours per week, unless otherwise permissible under local law.
  2. Workers may refuse overtime without any threat of penalty, punishment, dismissal or retribution. Overtime must be voluntary.
  3. Workers must be afforded at least one day off in seven.
  4. Where a country's legal code stipulates the regular workday, workweek, rest days, breaks, and /or holidays, factory's schedules must be in compliance with the law.

5. Factories must record all employee working hours completely and accurately. Time records for all workers must be available for review by employees.

### **C. Labour:**

**1. Child Labour:** The labour of children cannot be used. Factory shall only employ workers who meet the applicable minimum legal age requirement or are at least **16 years** of age, whichever is greater. We define “child” as younger than **16 years** of age or the compulsory age for school attendance. Laws on restrictions for employees of certain ages must be followed.

A. Every worker employed by the factory is at least **16 years** of age and meets the applicable minimum legal age requirement. If the minimum legal age is higher under local law, the higher age applies.

B. The factory complies with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working conditions.

C. The factory encourages and allows eligible workers, especially younger workers, to attend night classes and participate in work study programs and other government –sponsored educational programs.

D. Factory must have age-verification procedure that is effectively implemented; every personnel file contain copies of the identified document such as birth certificate, national ID card, or school certificates submitted by the applicant. In countries where official documents are not available to confirm the exact date of birth, the factory confirms age using appropriate and reliable assessment method.

E. Only persons at or above the age of **16** may be present in the production areas. Only in the case of a guided tour, conducted by an appropriate factory employee, may persons under the age of **16** enter the work areas.

**2. Forced Labour:** Factories shall not use any prison, indentured or forced labor.

A. The factory does not use involuntary labour of any kind, including prison labour, debt bondage or forced labour by governments.

**3. Foreign Contract Labour Requirement (if only applicable):** Factories that recruit or employ foreign contract workers shall ensure that these workers are treated fairly and on equal basis with its local workers.

A. Factory has the responsibility and the accountability for ensuring foreign contract workers receive full disclosure and then sign employment contracts in their home countries;

B. Foreign contract workers can return home for any reason and at any time without fear of reprisal and without extraordinary debt.

C. Factory must pay the same minimum wage to foreign contract workers in the same job category as local workers

D. Factory must allow workers full and complete control of their earnings and must not withhold any “guarantee money, bonds” or recruitment fee sums from pay otherwise due to foreign contract workers.

E. Factory and its representatives must not accept any reimbursements, kickbacks or other amounts from any recruitment agency or other persons involved in the recruiting process.. The factory must not charge back or accept reimbursement from any foreign contract worker to recover any fees paid in the recruitment of hiring of said worker.

F. Factory must allow workers full control of their passport and similar documents. If worker may choose to allow factory to keep his / her documents, this must be done in writing and must not be a condition of employment.

G. The factory must make available to Fashion Biz Ltd. or its representatives upon request current list of all foreign contract workers employed at each facility, including the date of arrival, contract term and anticipated date of return.

**4. Fair and Equal Treatment:** Factories shall employ workers on the basis of their ability to do the job and not on the basis of race, color, sex, religion, political opinion, nationality, social origin, social status, indigenous heritage, disability, age, marital status, capacity to bear children, pregnancy, sexual orientation, genetic features or any other status of the individual not relevant to the ability to perform the job.

A. The factory hires, employs, promotes, terminates, and provides access to training and retirement to workers without regard to race, color, sex, religion, political opinion, nationality, social origin, social status, indigenous heritage, disability, age, marital status, capacity to bear children, pregnancy, sexual orientation, genetic features, and membership in worker’s organizations including unions or political affiliations.

B. The factory pays workers wages and benefits without regard to race, color, sex, religion, political opinion, nationality, social origin, social status, indigenous heritage, disability, age, marital status, capacity to bear children, pregnancy, sexual orientation, genetic features, and membership in worker’s organizations including unions or political affiliations.

**5. Freedom of Association and the Right to Collective Bargaining:** Workers are free to join associations of their own choosing, and free to decide how their interests are best represented in the workplace. Factories shall not interfere with workers who wish to lawfully and peacefully associate, organize and bargain collectively. The decision whether or not to do so should be made solely by the workers.

A. Factory must respect employees' rights to freedom of association; they must not impose punitive actions against workers in supporting unions such as threatening, penalizing, suspending, terminating workers exercising those rights. Any action that suppresses freedom of association is prohibited, and may be an act deemed illegal in some countries' labour codes.

B. If freedom of association and / or the right to collective bargaining are restricted by law; workers shall be free to develop parallel means for independent and free association and collective bargaining.

C. Factories should not prohibit or impede individual unions from affiliating with larger regional, national, or international unions or federations.

D. Workers' organizations have the right to conduct their activities and elect their representatives without factory interference such as the presence of factory management or factory representatives at organizing meetings.

**6. Humane Treatment:** Factories shall treat all workers with dignity, and shall not use corporal punishment or any other forms of physical and psychological coercion.

A. The factory does not engage in or permit physical acts to punish or coerce workers;

B. The factory does not engage in psychological coercion of any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.

## 1.5 Working Conditions

**A. Occupational Health and Safety:** The workplace must be safe and healthy based on the recognized standards of the International Labour Organization (ILO) and national laws. Factory should provide training on workplace safety practices.

1. The factory complies with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.

2. Work surface lighting in production areas is sufficient for the safe performance of production activities. Work areas with detail work such as quality checking, warehouse documentation should have higher levels of illumination.

3. The factory is well ventilated – there are windows, fans, air conditioners or heaters in all work areas for adequate circulation, ventilation and temperature control.

4. There are sufficient clearly marked exits allowing for the orderly evacuation of workers in case of fire or other emergencies. Emergency exit routes are posted and clearly marked in all sections of the factory.

5. Aisles, exits and stairwells are kept clear at all times of work in process, finished garments, bolts of fabrics, boxes and all other objects that could obstruct the orderly evacuation of workers in case of fire or other emergencies. The factory indicates with a **“yellow box”** or other markings that the areas in front of exits, fire fighting equipment, control panels, and potential fire sources are to be kept clear.
6. All doors and exits are kept accessible and unlocked during all working hours for orderly evacuation in case of fire or other emergencies. Exit doors must open outside (in the direction of egress), and require no special operation.
7. Exit signs should be in brightly colored letters no less than 7 inches or 18 cm. high and be illuminated, photo-luminescent, or battery operated.
8. Emergency exit routes should be marked on floor with photo-luminescent paint, panels or strips.
9. Appropriate fire extinguishers must be located in highly visible, accessible locations within quick and easy reach of every worker and installed near flammable materials. Fire extinguishers are regularly maintained and charged, display the date of their last inspection and are mounted on the walls and columns throughout the factory.
10. Fire alarms are on each floor and emergency lights are placed above exits and stairwells.
11. Evacuation drills are conducted at least annually and record of drills should be maintained.
12. Machinery is equipped with operational safety devices and is inspected and serviced on a regular basis.
13. Appropriate personal protective equipment (PPE), such as masks, gloves, goggles, ear plugs, aprons and rubber boots – is made available at no cost to all workers and instructions in its use is provided.
14. The factory provides potable water for all workers and allows reasonable access to it throughout the working day.
15. The factory places at least one well - stocked first aid kit on every factory floor and trains specific staff in basic first aid. The factory has procedures for dealing with serious injuries that require medical treatment. Kits should not be under locked key. Recommended contents are the following: bandages, medical tape, antiseptic; latex gloves, absorbent pads; scissor and burn treatment.
16. Factory should maintain an up-to-date written record of injuries, including minor injuries, and a description of circumstances, injuries and treatment. Injuries can also be sorted by department to focus on how injuries can be reduced.
17. The factory maintains throughout working hours clean and sanitary toilet areas and places no unreasonable restrictions on their use. Toilets should be cleaned at regular intervals.



**B. Dormitory (if applicable):** Factory must provide residential facilities for their workers in clean, safe and healthy condition

1. Dormitories must be in compliance with local housing laws and regulations, occupancy requirements, and health and safety laws, sanitation, risk protection and electrical, mechanical and structural safety.
2. Sleeping quarters are segregated by sex.
3. The living space per worker in the sleeping quarters meets both the minimum legal requirement and the local industry standard.
4. Workers are provided with their own individual mats or beds.
5. Dormitory facilities are well ventilated. There are windows to the outside or fans and / or air conditioners and / or heaters in all sleeping areas for adequate circulation, ventilation and temperature control.
6. Workers are provided their own storage space for their clothes and personal possessions.
7. There are at least two clearly marked exits on each floor, and emergency lighting is installed in halls, stairwells and above each exits.
8. Halls and exits are kept of obstructions for safe and rapid evacuation in case of fire or other emergencies.
9. Directions for evacuation in case of fire or other emergencies are posted in all sleeping quarters.
10. Fire extinguishers are placed in or accessible in all floors of the dormitory.
11. Hazardous and combustible materials used in the production processes are not stored in the dormitory or in buildings connected to the sleeping quarters.
12. Fire drills are conducted at least every six months and records are kept in place.
13. Dormitories must have an audible fire alarm that can be heard in all parts of the building.
14. Sleeping quarters have adequate lighting, well maintained, clean and dry.
15. Sufficient toilets and showers are segregated by sex and provided in safe, sanitary, accessible and private areas.
16. Potable water for drinking should be available on each floor.
17. Dormitory residents must not be restricted in their movements beyond what they agree is reasonable given legitimate concerns for their safety or consideration for the privacy of other residents. There must be no unreasonable restrictions, such as deposits.



## **II. Monitoring, Enforcement and Compliance Management**

Fashion Biz Ltd. recognizes that an effective and responsible monitoring and enforcement mechanism are crucial to the successful implementation of this Code of Conduct. Factories shall provide designated Fashion Biz Ltd. compliance auditors with physical access to all vendors' facilities where products are made, in whole or in part. The factory must fully cooperate with the assessment process by providing access to accurate documents and allowing free access to all workers, including home workers.

Factory must not coach workers or threaten or harass them for speaking to the compliance auditors. Factory must allow the compliance auditors to speak with workers confidentially.

Workers must have the opportunity to notify Fashion Biz Ltd. anonymously on any workplace quality violations, and they must not receive any retribution for doing so.

If Fashion Biz Ltd. establishes that any factory has violated this Code, Fashion Biz Ltd. at its discretion either terminates its business relationship and/ or require factory to implement a Corrective Action Plan (CAP). If Corrective Action Plan has been advised but no action was taken, Fashion Biz Ltd. will suspend order placement of future orders and may terminate current production.

Fashion Biz Ltd. encourages factories to create their internal monitoring system to ensure adherence to this Code in a consistent manner.

# AGREEMENT

Vendor and factory must ensure that the management and staff has read and understood the requirements of this Code and effectively communicates the terms of this Code to its workers.

These terms are not subject to negotiation or vendor revision. In order to do business with Fashion Biz Ltd., vendor / factory must accept these terms in whole by signing below. Fashion Biz Ltd. will not be bound by any handwritten or typed changes to this Agreement not specifically approved by Fashion Biz Ltd. in writing.

By signing this Agreement, the vendor / factory certifies that the production facility complies with all requirements contained herein and will continue to be in compliance as long as the vendor / factory is producing goods for Fashion Biz Ltd.

Name of Vendor: \_\_\_\_\_  
Please Type or Print

Name and Title  
Of Authorized Signatory: \_\_\_\_\_  
Please Type or Print

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Company Chop: \_\_\_\_\_