

ETHICAL SOURCING POLICY

The Fashion Biz Ethical Sourcing Policy applies to all facilities that produce goods or provide services for the Fashion Biz Group of Companies or any of its subsidiaries, business units, or agents.

Fashion Biz is committed to sourcing products and services in an ethical and responsible manner, and considering the welfare of workers, health and safety and potential environmental impacts. The Fashion Biz Ethical Sourcing Policy is based primarily on Ethical Trade Initiative Base Code (ETI), conducting business ethically, manufacturing responsibly and demonstrating environmental consciousness. The policy details the minimum requirements that suppliers must meet in order to conduct business with the Fashion Biz Group of Companies.

Fashion Biz encourages suppliers to adopt procedures and practices that go beyond the minimum requirements set out in this Policy.



1. POLICY REQUIREMENTS

- All suppliers are required to agree to the principles in the Fashion Biz Ethical Sourcing Policy and as set out in their Trading Agreement with Fashion Biz.
- All suppliers agree to provide Fashion Biz and its local QC teams access to all facilities, information and documentation to enable verification and compliance to this Policy.
- If suppliers are unable to demonstrate a commitment to comply with the Fashion Biz Ethical Sourcing Policy, Fashion Biz reserves the right to terminate the Trading Agreement, and all current purchase orders.
- Suppliers must complete a self-assessment (see Fashion Biz Ethical Sourcing Self-Assessment Questionnaire) and Fashion Biz may, at its discretion, require an independent audit of a supplier's compliance with this policy. Audits must be carried out at supplier cost by Fashion Biz's recommended providers – SGS, Intertek, Bureau Veritas, or Fair Working Conditions (FWC).
- Fashion Biz will also mutually recognise the below current (no older than 12 months or if currently undergoing an audit) Ethical Sourcing (ES) audits in lieu of an independent audit of a supplier's compliance to this Policy:
 - SA8000;
 - Business Social Compliance Initiative (BSCI);
 - Supplier Ethical Data Exchange (Sedex), ETI/SMETA;
 - Worldwide Responsible Accredited Production (WRAP).

2. LEGAL REQUIREMENTS

- All suppliers must fully comply with the principles in this Policy. Suppliers must also fully comply with the legal requirements of the countries in which they operate in addition to all elements of this Ethical Sourcing Policy (including all local laws and regulations regarding labour, health, safety, immigration, the environment and animal welfare.)
- If a supplier is unable to comply with the Fashion Biz Ethical Sourcing Policy and is found to have committed critical breach(es) (or, is otherwise found to have critical breach(es) in its supply chain), including but not limited to:
 - Child Labour;
 - Forced or Bonded Labour;
 - Prison Labour;
 - Bribery;
 - Active, systemic discrimination, harassment or inhumane treatment;
 - Unauthorised subcontracting;
 - Knowingly breaching applicable legislation; or
 - High risk health and safety hazards such as locked exits or structural damage,then Fashion Biz reserves the right, at its absolute discretion, to terminate its supply arrangements with the supplier and all current purchase orders.
- If any non-compliance with this Policy is identified the supplier must take all necessary steps within the timeframe stipulated by Fashion Biz to rectify the non-compliance. Fashion Biz may verify that remedial actions taken by the supplier are appropriate to rectify any non-compliance with this Policy.

3. MODERN SLAVERY

- Suppliers must comply with all applicable anti-slavery and modern slavery laws and must not engage in any modern slavery practices, including using forced, bonded, involuntary labour or human trafficking.
- Suppliers must comply with all modern slavery reporting requirements stipulated by applicable modern slavery laws. Suppliers must confirm in writing that they have complied with all relevant reporting requirements and provide any other information or evidence of such reporting to Fashion Biz on request.
- Suppliers must not be convicted or investigated in relation to any practice that amounts to modern slavery practice, or be publicly named by any organisation alleging the Supplier has engaged in modern slavery practices.
- Suppliers must ensure that employment is freely chosen, workers can leave their employment after reasonable notice, freedom of movement is respected and workers are not required to lodge deposits or identity papers with suppliers.
- Suppliers must procure (so far as is reasonably practicable) that its officers, workers, employees, agents, sub-contractors and any other persons who perform services for or on behalf of it in connection with the relevant supply arrangements with Fashion Biz comply with the above.
- Suppliers must immediately notify the Fashion Biz Ethical Sourcing Manager (ethicalsourcing@fashbiz.com.au) upon becoming aware of any incident, complaint or allegation that the Supplier or any entity in its supply chain has engaged in modern slavery.

In this Clause 3 and wherever referred to elsewhere in this Policy, "modern slavery" means any activity, practice or conduct that would constitute an offence in relation to slavery, forced labour, involuntary servitude, debt bondage, human trafficking, and other slavery-like exploitation as prohibited or defined as a modern slavery offence under all applicable anti-slavery and human trafficking laws, statutes and codes from time to time in force. For the avoidance of doubt, modern slavery includes any conditions or practices similar to those prohibited under applicable laws, statutes, regulations and codes.

4. CHILD LABOUR SHALL NOT BE USED

- Suppliers must 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, moral and mental development.
- Suppliers must be able to verify the age of all employees to ensure no child labour is used. All suppliers shall comply with the minimum legal working age in the country in question or by the ETI clause 4, whichever is higher.
- Suppliers must develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child and must implement effective systems to prevent the use of child labour in the future.

5. EMPLOYMENT IS FREELY CHOSEN AND FORCED LABOUR SHALL NOT BE USED

- Suppliers must not engage in forced, prison, bonded or involuntary labour.
- Suppliers will ensure that employment is freely chosen, and workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

6. NO HARSH NOR INHUMANE TREATMENT IS ALLOWED

- Workers shall be treated with dignity and respect. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited

7. DISCRIMINATION

- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

- Suppliers acknowledge that workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- Suppliers are required to adopt an open attitude towards the activities of trade unions and their organisational activities.
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

9. WORKING CONDITIONS ARE SAFE AND HYGIENIC

- Suppliers must ensure that a safe and hygienic working environment is provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- Personal Protective Equipment (PPE) must be supplied and worn by workers where required. Workers must be trained in the use of PPE. Safeguards on machinery must meet or exceed local laws
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- The company observing the code shall assign responsibility for health and safety to a senior management representative.

10. CONTRACT LABOUR REQUIREMENTS (IF ANY) ARE ON EQUAL BASIS

- Suppliers that recruit or employ foreign contract workers shall ensure that these workers are treated fairly and on equal basis with its local workers.

11. WAGES AND BENEFITS

- Suppliers must ensure that wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher.
- All workers shall be provided with written and understandable 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 time that they are paid.
- Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.
- Overtime will be remunerated at a premium rate if legally required or at a minimum, regular hourly compensation.

12. WORKING HOURS ARE NOT EXCESSIVE (BASED ON ETI)

- Including any overtime, workers must not work above the maximum hours per week or per month as stipulated by local laws, or where local laws do not exist, a total of 60 hours in any 7 day period, as per ETI clause 6.5.
- Workers must have at least one day off in 7 days or two days off in every 14 days.
- Overtime must be voluntary, not be excessive or demanded on a regular basis and must be compensated as prescribed by local laws.

13. REGULAR EMPLOYMENT IS PROVIDED

- To very extent possible work performed must be based on recognised employment relationship established through national law and practice.
- Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

14. ENVIRONMENT

- Suppliers must comply with local and national environmental laws and regulations, ensuring no impact on the health of the local environment and community.
- Suppliers must use reasonable endeavours to comply with international standards on environmental protection and have programs for continual improvement.
- Suppliers must ensure safe disposal of waste and safe use of and disposal of chemicals, and maximise recycling.
- Suppliers must not source any materials (including raw materials) originating from conflict countries. Fashion Biz Suppliers must attest to the fact that they and their sub-suppliers do not (knowingly) source cotton fibre produced in Uzbekistan or China's Xinjiang Uyghur Autonomous Region.
- No traces of the following chemicals can be used in manufacturing of Fashion Biz products. If chemicals are regulated in the country of destination, levels should be at permissible limits as stated in the laws of the country of destination:
 - Alkylphenols;
 - Phthalates;
 - Brominated and Chlorinated Flame Retardants;
 - AZO dyes / Formaldehyde;
 - Organotin Compounds;
 - Perfluorinated Chemicals;
 - Chlorobenzenes;
 - Chlorinated Solvents;
 - Chlorophenols;
 - Short Chain Chlorinated Paraffins;
 - Heavy Metals: Cadmium, Lead, Mercury and Chromium.

15. SUB-CONTRACTING AND SUPPLY CHAIN

- There must be no sub-contracting unless previously approved. Such arrangements must be documented and available for review by Fashion Biz or an independent auditor, including but not limited to records of sub-contractor's names and locations. Fashion Biz considers sub-contracting to mean:
 - Sites contracted by Fashion Biz's direct suppliers to produce products in partial or in its final form;
 - Sites that significantly contribute to the final form of the product;
 - Sites that apply branding to product;
 - Service providers contracted by Fashion Biz's direct service provider to deliver any service in substitution of direct provider.
- Suppliers must have adequate policies and procedures in place for properly managing sub-contracting to ensure that sub-contractors operate in accordance with applicable laws, regulations and the Fashion Biz Ethical Sourcing Policy.

16. BUSINESS INTEGRITY

- Suppliers must engage professional business ethics in all dealings.
- Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise.
- Suppliers must notify the Fashion Biz via email immediately should any form of conflict of interest becomes apparent.

17. MANAGEMENT SYSTEMS, DOCUMENTATION AND POLICIES

- Appropriate documentation and evidence is in place to ensure effective ethical management practices.
- Appropriate policies are developed to ensure effective management of ethical issues.
- Without prejudice, where non-compliances to this Policy are identified, these must be remedied within appropriate timeframes, and verified by Fashion Biz to ensure appropriate actions have been taken.



Harmesh Khatri
(Fashion Biz Director)