



Vendor Code of Conduct

Service | Humility | Integrity | Respect | Trust

Specialty Fashion Group (ASX-SFH), is Australasia's largest specialty women's fashion retailer and has an expanding international portfolio of stores. Through our diverse brands we make women everywhere look good and feel great. Our newest brand Rivers has also allowed us to broaden our footprint into value footwear and menswear.

SFG's purpose is to be a global market leader that changes the perception of fashion. Our aim is to meet the needs of our customers at the same time as helping to inspire them through our ideas, trends and tastes.

Our Values – SHIRT

Service: I'm caring and responsive to our customers, both internal and external

Humility: I value and recognise my colleagues equal contribution to SFG's success. I'm a team player and am modest and approachable

Integrity: I'm honest and ethical in all my work and interactions

Respect: I treat all people with dignity and respect

Trust: I am open and honest when communicating with people

This Code of Conduct defines Specialty Fashion Group's **Rules of Engagement** in the following areas:

- Social Responsibility
- Ethical Sourcing Policies
- Environmental Compliance
- Standards Compliance
- Product Safety Compliance
- Animal Welfare Compliance



SOCIAL RESPONSIBILITY

Specialty Fashion Group (**SFG**) is committed to supplying our customers the highest quality product at the best possible price in the fastest possible time. We are also dedicated to ensuring standard working conditions in our partnership factories. We are endeavouring to develop long-term relationships with our vendor to ensure the best possible outcomes for all involved. We believe in sharing our technical expertise with our supply partners and investing for the future. Better working conditions improve the efficiency of the entire supply chain. Workers who are paid and treated fairly in healthy and safe environments are more productive, deliver a higher standard of quality for our customers and, in turn, create increased value for the mutual benefit of all supply chain partners.

This Code of Conduct (**Code**) is designed to be fair, achievable, and easy to check. It sets out the social, environmental and standards compliance policies that apply to our entire supply chain including each premises used by our business partners to supply product sold in our stores. To create a "common language" for effective collaboration, this Code adopts the standards set out in the fundamental conventions of the International Labour Organisation (**ILO**).

As a vendor to SFG, your factories and dormitories (and those of your vendor and subcontractors) must adhere at all times to these principles and values and act strictly within local laws in the country of manufacture and all Australian and New Zealand laws for the importation of goods. SFG will not permit subcontracting to cottage or home workers. All your subcontracts must be with registered factories. SFG reserves the right to publically disclose all factories used in the manufacture of SFG goods.

We recognise that there are cultural differences and we do not wish to impose Western standards on our manufacturing partners. However, since we are choosing to ask for your partnership in our production process we insist on the strictest compliance with the generally accepted international standards set out in this Code.

OPEN AND HONEST RELATIONSHIP

We want this to be a long term partnership and will ensure that our communication with you is honest, clear and as expedient as possible. Our head office in Australia and our offshore offices and agents are there to guide and support you to help facilitate the production process efficiently and effectively.



YOUR RESPONSIBILITIES

As a valued supply chain partner, you must:

- ensure that each of your vendor involved in the manufacture of our garments knows about and complies with this Code.
- conduct periodic compliance audits in accordance with prudent industry practice, applying the standards set out in this Code.
- keep accurate records showing the actions taken to comply with this Code.
- provide all information requested by SFG to confirm such compliance in a timely manner.
- remedy any compliance issue as soon as reasonably possible after identification or notice of the same by SFG.

[If you believe that your company is unable to comply with any of the requirements in this Code you must notify SFG before accepting any order from us.]

HUMAN RIGHTS COMPLIANCE

We expect all our partners to work with us to uphold basic human rights and compliance standards and require that they do not participate in any violation of them.

These basic human rights include, but are not restricted to, the following fundamental freedoms and rights:

- **freedom from discrimination (ILO Convention 111)** - We employ and deal with all workers fairly and without discrimination regardless of their race, religion, sex or disability. We do not discriminate against individuals who wish to exercise their legitimate rights.
- **freedom from slavery or servitude (ILO Conventions 29 & 105)** – We oppose forced labour, prison labour and bonded labour (people forced to work until they have paid off a debt). We never confiscate identity papers, forbid workers to leave facilities or coerce workers with threats of violence or non-payment.
- **freedom of association (ILO Conventions 87 & 98)** – We believe in freedom of expression and freedom of thought when exercised in accordance with local laws. All workers have the right to form and join groups for the support and advancement of their occupational interests. We ensure that the voice of workers are fairly heard and taken into account.
- **freedom from invasion of privacy (ILO Convention 183)** – We respect the right of each worker to privacy and never engage in invasive conduct such as body searches or unwanted pregnancy testing.
- **Living wage (ILO Convention 95 & 131)** – All workers in the factory of our partners must be paid wages and benefits that should, at a minimum, be enough to meet basic needs for living and meet national legal standards.



Under NO circumstances can any child labour, forced labour or prison labour be used in the manufacture of our garments.

Forced or prison labour (ILO Conventions 29 & 105) is involuntary work in breach of the freedom from slavery or servitude described above.

Child labour (ILO Convention 138 & 182) is the employment of anyone under 16 years or younger than the age for completing compulsory education in the country of manufacture (whichever is higher). Every child has the right to develop physically and mentally to her or his full potential and we expect our business partners to take all reasonable steps to confirm the age of all workers and uphold the fundamental protections set out in the *United Nations Convention on the Rights of the Child*.

SOCIAL COMPLIANCE

We expect that all our partner vendor and factories will guarantee on behalf of their workers:

- the right to rest and leisure.
- the right to an adequate and safe standard of living in provided accommodation (if required).
- the right to training to perform required tasks within the workplace.
- the right to participate in the community.
- a safe and healthy workplace.
- the right to work, equal pay (ILO Convention 100) and the right to join a trade union if desired or available.
- the right to collective bargaining.
- the right to refuse any dangerous or unsafe work.



Ensuring Safe Working Conditions (ILO Convention 155 and Recommendation 164)

We ask that all factories and vendor shall fairly compensate their employees by providing wages and benefits that are consistent with local laws and standards.

Factories must:

- Maintain reasonable employee work hours in compliance with local standards and applicable local laws (ILO Convention 1 and 116).
- Establish and implement occupational health and safety policies, practices and training programs that are consistent with fundamental ILO requirements.
- Provide work environments with adequate lighting, ventilation, clean drinking water and toilet facilities.
- Establish factory safety committees with worker participation.

LIVING WAGE

SFG encourages our vendors to pay above minimum wage to workers with the ultimate goal of paying a living wage.

SFG is actively involved in dialogue with other retailers and NGO's in Australia to pursue a unified approach in working towards a living wage.

Living wage is broadly defined as:

The wage which should enable the worker to provide for him/herself and his/her family not merely the basic essentials of food, clothing and shelter but a measure of comfort including education for children, protection against ill health, requirements of essential social needs and a measure of insurance against more important misfortunes and provision for old age. The required amount of income should be obtainable within normal working hours.

A living wage would allow individuals and their families to work themselves out of poverty, which is unlikely for a worker paid minimum wage. The process starts with all vendors paying above minimum wage to all their workers.

ETHICAL SOURCING POLICIES

SFG insist on the boycott of cotton originating from Uzbekistan

SFG has signed the following pledge with "Responsible sourcing network" and we ask that no vendor engages or purchases cotton fibre, or raw material from Uzbekistan for the production of any goods.



Company Pledge against Forced Child Labor in Uzbekistan Cotton

We, the undersigned companies are working to ensure that forced child labor does not find its way into our products. We are aware of reports documenting the systemic use of forced child labor in the harvest of cotton in Uzbekistan. We are collaborating with a multi-stakeholder coalition to raise awareness of this very serious concern, and press for its elimination.

As a signatory to this pledge, we are stating our firm opposition to the use of forced child labor in the harvest of Uzbek cotton. We commit to not knowingly source Uzbek cotton for the manufacturing of any of our products until the Government of Uzbekistan ends the practice of forced child labor in its cotton sector. Until the elimination of this practice is independently verified by the International Labour Organization, we will maintain this pledge.



The Bangladesh Accord Foundation has provided the information on this signatory supplier list as of 1st October 2013 "as is" without any representations or warranties, express or implied.

The Bangladesh Accord

SFG has joined the Bangladesh accord in a commitment to the safety of workers in factories used. We require all factories to comply, at a minimum, with the fire and building safety standards outlined by the accord. All SFG factories will be publicly disclosed as part of this agreement.

The terms of the accord are outlined and published on the following website and are available to the public: www.bangladeshaccord.org

"The Accord is an independent agreement designed to make all garment factories in Bangladesh safe workplaces. It includes independent safety inspections at factories and public reporting of the results of these inspections".



Make Fashion Traffik Free Protocol

SFG has signed the Make Fashion Traffik Free Protocol. By signing this protocol SFG acknowledges that human trafficking is present within the cotton, textile and garment supply chain and we are intent on eliminating human trafficking from our business. We have committed to the following:-

1. **Transparency** - trace all vendor within our supply chain from cut, make and trim stage back to sourcing of raw material.
2. Ensure there is no trafficked labour used to make our products throughout our supply chain from the cut, make and trim stage back to the sourcing of raw materials.
3. Auditing through a robust social compliance programme
4. Public reporting

The protocol was created by **Stop The Traffik** an independent charity and advocacy group focussed on preventing human trafficking. They will be monitoring our progress as we work with our vendors towards the protocol goals.

It is a requirement of SFG that you engage only with vendor that do not use forced or slave labour and who can report full traceability of all goods and services.

SFG will be conducting audits of all tiers of our supply chain – from farm to garment or accessory. You will be required to disclose all sources and ensure a robust audit process is already in place that meets out social accountability standards set out in this code of conduct.



**MAKE FASHION TRAFFIK
FREE PROTOCOL**



ENVIRONMENTAL COMPLIANCE

CONCERN FOR THE ENVIRONMENT

We are committed to protecting the environment and ask that our factories and partners also engage in the implementation of the sustainable supply chain principles:

REDUCE | REUSE | RECYCLE

SFG will favour factories and vendor that share our commitment to the environment.

PACKAGING

We encourage all vendors to reduce any excess packaging such as polybags, wrapping paper or additional cartons. Illegal logging is endangering the world's climate and environment, which may lead to deforestation and the loss of biodiversity.

We ask for the reuse of any packaging or products that can be safely incorporated into the supply chain such as hangers and boxes.

We ask that all products are supplied in a recyclable state (including by being free of staples, strapping and tacks) and that they use fully recyclable, non-toxic materials wherever reasonably possible.

USE OF TECHNOLOGY

We encourage the inclusion of the latest technology into our operation as much as reasonably possible. As well as giving a competitive edge the incorporation of technology saves time, waste and use of excessive resources. This leads to less material wastes and saves the environment.

ENERGY CONSERVATION

We ask that our partners and factories engage in the worldwide push to reduce carbon emissions and that at all times there is an emphasis on efficient energy use.

The carbon footprint of clothing is calculated and measured over a products life from manufacture to disposal. Not only including the energy and resources used in growing the crop and then the production manufacturing and transportation of the clothes but also the washing and drying of the garment. To further conserve resources we ask for support in the procurement of fibres that require light washing, reduced dry cleaning and can be line dried.



TEXTILE PROCESSING

We seek partnerships with vendors who are actively trying to reduce over processing and reduce the use of water and harsh chemicals in the production process. An emphasis on the utilisation of environmentally sound chemicals and fibres is encouraged in all partners and strict adherence to waste management is required.

All processing of textiles and waste management systems used must comply at a minimum to local laws

TRANSPORTATION OF GOODS

We ask that our factories and vendor are mindful of limiting the transportation of goods. Excessive movement of goods or the movement of goods without full container load (or freight consolidation) is both energy inefficient and costly. We endeavour to work alongside our vendor to help consolidation of freight and movement wherever possible.



STANDARDS COMPLIANCE

QUALITY STANDARDS

Quality in workmanship and fabrics is crucial to the success of our relationship. We expect that you will focus on quality at every level of the manufacturing process from yarn to fabric to cutting to sewing. Our AQL factory audit is 2.5. We also randomly inspect our local distribution centre.

All shipments that do not make this standard may be cancelled either at the factory or in our warehouse.

All factories and vendor take full responsibility for the final quality of goods manufactured by them on behalf of SFG and their retailers. Factories and vendor are obliged to ensure that the product produced fulfils the requirements of the Purchase Order, the SFG Vendor & Quality manuals and the Technical Pack specific to the product supplied by either the buyer or QA department.

Any and all inspection certificates signed by SFG or their agents are only for the purpose of allowing merchandise to be shipped and do not release factories or vendor from the responsibility.

QUALITY STANDARDS

Specialty Fashion Group has the following sets of manuals that outline our Quality Requirements.

- Our Process
- Quality Assurance
- Sizing and Measurements
- Fabric and Testing
- Packing
- Shipping & Logistics

We ask that all vendors and factories familiarise themselves with these manuals. Our QA departments in Australia and our local offices and agents will help you follow the processes. Acceptance of our purchase order indicates that you have reviewed the SFG manuals and that manufacturing will meet or exceed the requirements.



RIGHT OF INSPECTION

To ensure quality and compliance with our standards we reserve the right to regularly conduct factory evaluation visits and to conduct (either by SFG personnel or an appointed agent) pre-production, inline and final inspections.

Your acceptance of our order authorizes access to your manufacturing facility as required. You shall also ensure that access is extended to your vendor and subcontractors.

Inspection audits undertaken under this Code will be based on SA8000 standards taking into account applicable ILO conventions and recommendations, UN conventions and local laws.

INTEGRITY

As a valued supply chain partner, we expect you to comply with applicable laws regarding bribery and corruption.

If you are faced with an improper request from any government official (including a request for a "facilitation payment" to secure an approval or customs clearance), we ask that you notify us of the incident immediately so that we can work together to find a legally compliant solution.

In your dealing with SFG and our staff, we expect at all times that you will maintain a high level of integrity and honesty in our business relationship. Any payment, gift or commission to any of our employees or agents will result in immediate cancellation of our order/s and termination of future orders. We will not tolerate any hidden commissions, gifts or monies paid to an SFG team member given to them with a view to procuring business or favours. We alone are responsible for the remuneration and payment of our agents, buyers and QA teams.

INTELLECTUAL PROPERTY

Specialty Fashion Group retains the intellectual property and copyright of all designs used in the manufacture of their goods. These are not to be reproduced or resold.

CONFIDENTIALITY

The information, samples and technical sheets we share with our vendor and factories are confidential and may not be shown or given to or reproduced in any form with anyone outside SFG. You may not use this information to undertake direct business with other parties.



PRODUCT SAFETY COMPLIANCE

AZO DYES BAN

The Australian Government has classified AZO dyes as a serious carcinogenic poison. We require that no vendor uses AZO dyes in the manufacture of any goods.

SANDBLASTING BAN

Sandblasting has been directly linked to respiratory and other medical conditions and puts factory workers at unnecessary risk. We ask that no vendor uses sandblasting during the production of any goods. Our vendor can use either hand sanding or potassium permanganate spray to achieve the same finish as sandblasting.

CONFLICT MATERIAL BAN

Conflict Materials refer to natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from or result in the commission of serious violations of human rights, violations of international humanitarian law or violations amounting to crimes under international law. Conflict Materials are often exploited and trade in countries or areas where there are armed conflicts including the Democratic Republic of the Congo (DRC), Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia, Angola, Congo, Colombia, Cote d'Ivoire, Afghanistan and any other countries or areas of conflict. We require that no vendor uses any Conflict Materials that contribute to the manufacture of SFG goods. Our vendor should document their efforts to determine the source of the relevant materials.

FABRIC & TESTING POLICY

The SFG Fabric and Accessory testing policy and standards are set out in Section 6 of the SFG Vendor Manual 2016Jan. Please ensure that you are familiar with these fabric and accessory standards. All fabrics, accessories and other features such as prints & embroidery must meet these standards.

SFG assumes that all fabric and accessories used in its products will meet the stipulated standards and will ask for evidence in the form of relevant test reports only if any issue arises.

Testing and approval of test reports may be requested for certain products, for example program lines. This will be confirmed at the time of purchase order

All testing must be performed in an accredited testing lab and official test report issued. The SFG Vendor Manual lists the required certification and the laboratories to which testing should be limited.



ANIMAL WELFARE COMPLIANCE

ANGORA BAN

SFG insist on the boycott of the use of Angora. We require no vendor uses Angora Yarn in the production of any goods. Our vendor must also ensure that recycled yarns (mainly used in boucle / tweeds or textured woven fabrics) do not contain any Angora content.

FEATHERS & DOWN POLICY

If the goods you supply to SFG contain feathers or down, you must ensure that:

- the feathers or down should be a by-product of birds raised for their meat;
- animal welfare and husbandry should follow local guidelines or if there are no local guidelines the International Finance Corp (IFC) guidelines for Animal Welfare should be followed; and
- there are NO live plucking or force feeding practices.

AUSTRALIAN MERINO WOOL

We ask that no vendor engages or purchases for production of any goods Australian Merino wool from farms where mulesing is practised. Only bales of wool with a Non Mulesing (NM) or Ceased Mulesing (CM) status should be purchased for production of SFG goods. Our vendor must produce an AWTA ITWO combined certificate including the mulesing status for the wool batches purchased for production of SFG goods. Vendor should also demonstrate how the bales of wool purchased for SFG goods are traceable throughout the production process to ensure the integrity of SFG goods.

REAL FUR BAN

SFG ban the use of real fur. We require that no vendor uses real fur in any production of goods.



Vendor Declaration

On behalf of [insert full legal name of vendor or factory name in English (and in Mandarin or other relevant local language in brackets)] ("**Vendor**"), I declare as the validly appointed and authorised legal/authorised representative of the Vendor, that we have read, understood and will act and conduct the business of the Vendor as outlined by this document:

.....
Signed (and affix company chop if applicable)

.....
Name of Authorised Representative

.....
Position

.....
Date