

BARKERS[®]

Estd. 1972

Supplier Code of Conduct

Barkers Code of Conduct

Since our establishment in 1972, Barkers has acquired an unmatched reputation in the New Zealand apparel industry for producing clothes that combine quality materials and classically tailored cut garments to create an effortless style. This success has been built on the principles of honesty, integrity, trust and pride in all our relationships with customers, suppliers and colleagues.

Adherence to these principles has been integral to our success. In accordance with these principles we have an obligation to ensure that those contributing to our success are in no way deprived of their human rights and legal entitlements. At Barkers we want to be sure that we are doing the right things to help protect the future interests of our customers, staff, stakeholders and local & international communities. We therefore commit to this Code of Conduct as the basis of all of our operations and business transactions.

Barkers are committed to the basic principles of human rights in accordance with the Universal Declaration of Human Rights, and other applicable United Nations instruments, and the Conventions of the International Labor Organization (ILO). This Code of Conduct outlines the internationally acceptable standards of employment that shall be ensured and protected under all circumstances by Barkers and our business partners.

Barkers will endeavor to ensure that all suppliers and business partners meet this goal. Any breaches that we become aware of will be sanctioned within the scope of our influence.

This Code of Conduct provides a set of minimum standards only, National legislation or legal requirements which are more stringent than those in this Code of Conduct will in all cases take precedence and shall be observed by Barkers and its business partners. All business partners must guarantee the observation and protection of the minimum standards in this Code of Conduct for each and every person working in their companies, regardless of the type of employment.

Obligations of our business partners

Barkers strive to build continuing business relationships with all of our business partners. We therefore expect that our business partners operate in accordance with the Barkers tenets of honesty, integrity, trust and pride. Thus, respect of this Code of Conduct and its contents is an essential component of conducting business with Barkers. All suppliers must therefore comply with the minimum social requirements contained herein.

Communication

Business partners must ensure that this Code of Conduct is easily accessible to all employees and displayed in the workplace in the local language, and orally explained to those who are illiterate. Business partners must ensure that employees are aware of their rights and obligations under this Code of Conduct and the applicable local laws. Suppliers must communicate the contents of this code to all their direct business partners including raw materials and input suppliers, and provide adequate monitoring of the implementation of the stipulated standards.

Business partners must appoint persons who are responsible for the implementation of the standards of this Code and name them as contact persons to Barkers

Legal Compliance

In addition to the basic human rights outlined in this Code of Conduct, Barkers and all its business partners shall ensure full compliance with all domestic legal requirements.

Control

Barkers business partners commit to make all necessary efforts required to ensure compliance with this Code of Conduct and all applicable legal requirements. Business partners are obliged to disclose all documents, data and information that may be necessary for the verification of these efforts to Barkers, or a third party authorised by Barkers. Business partners will also make all facilities including raw materials and input suppliers are available for inspection to Barkers or a third party authorised by Barkers.

However, it is our goal to develop social performance in the production of goods for Barkers. Barkers reserve the right to terminate business relations whenever certain breaches of basic human rights, willful violations of the standard, systematic forgery and/or persistent lack of cooperation are found.

Basic Standards of Employment

1. Freedom of Association

- 1.1. It is the right of employees and workers to set up or join workers' organizations of their own choice (including unions) for collective bargaining.
- 1.2. When national law restricts the right to freedom of association and collective bargaining, employees and workers shall be allowed to form bodies for the representation of their interest and to enter into direct exchange with the employer (parallel means).
- 1.3. Workers representatives of trade union members are not discriminated against or penalized because of their membership or affiliation with trade unions and their legitimate activities.
- 1.4. Suppliers are prohibited from withholding employee identity documents, and employees are free to leave their employment after a reasonable notice period.

2. Working Atmosphere / Inhumane Treatment

- 2.1. All employees and workers must be treated with respect and dignity.
- 2.2. Any kind of corporal punishment, physical, psychological, sexual or verbal harassment and abuse, and any other form of intimidation are strictly prohibited.
- 2.3. Disciplinary measures have to be in line with national law and Internationally recognized human rights, whichever provides the greatest protection to the victim.
- 2.4. If workers have any concerns about their treatment in our factories, they can contact Barkers Supply Chain Manager, Mr Ming Gong directly via a confidential email ming@bmc.co.nz to highlight concerns about their working conditions. This is communicated to them via notices in their native language placed on noticeboards in the factories. The complaint can be made in their native language, and will be translated by Barkers. Any concern is investigated by Barkers Supply Chain Manager, and when applicable, corrective action taken.

3. Working Hours

- 3.1. Working hours are to be set in accordance with local law and afford the protection of health & safety and the welfare of workers.
- 3.2. In any case, workers must not work more than 48 hours in a regular working week.
- 3.3. Overtime must not exceed 12 hours per week on a regular basis, must be voluntary and compensated.
- 3.4. All employees and workers must take at least 24 hours off after 6 consecutive days of work.
- 3.5. Suppliers shall comply with national and local laws for worker entitlements to public and annual holidays.

4. Compensation

- 4.1. All employees and workers have to receive payment for work finished in regular working hours, which is at least equal to minimum wage levels, and when possible, the living wage for that location paid, whichever is higher.
- 4.2. Overtime work must be paid at a premium rate.

- 4.3. Other employee benefits such as workers insurances, accommodation or accommodation allowances, provision of meals or meal allowances in addition to the basic compensation payments is also encouraged.

5. Conditions of Employment

- 5.1. Employment must be based on a formal document such as a working contract or letter of appointment.
- 5.2. This document must detail the terms and conditions of employment including wages, period of payment, benefits, leave entitlement and period of notice.
- 5.3. Deductions from wages not provided for by Law shall not occur without the express permission of the worker concerned, and any disciplinary measures shall be recorded.

6. Health and Safety at Work

- 6.1. The workplace must not harm employees' or workers' health and safety.
- 6.2. A safe and hygienic working environment shall be provided.
- 6.3. Access to clean drinkable water, clean toilet facilities, and sanitary conditions for food preparation and storage must be provided.
- 6.4. Occupational health and safety practices have to be promoted, which prevent accidents and injury in the course of work or as a result of the operation of employer facilities. These safety practices and procedures must be communicated to the employees and workers.
- 6.5. The same principles apply to all social facilities and accommodation facilities if provided by the employer.
- 6.6. Suppliers shall provide personal protective equipment is available for workers use and they are trained to use it.
- 6.7. Safeguards on machinery must meet or exceed legal requirements.

7. Forced Labor

- 7.1. All employees and workers must take up and maintain their occupation with the company based on their own free will.
- 7.2. Any regulation which limits the employees' personal freedom of movement and any form of forced, bonded or prison labor is strictly forbidden.
- 7.3. Our factories are operating in accordance with the Modern Slavery Act 2015 in the UK, and the Slavery Act of 2014 in the USA.

8. Child Labor

- 8.1. All suppliers will be subject to Barkers Child Labor Free audit, and must pass this audit compliance to qualify as a Supplier to Barkers. Notwithstanding the Child Labor Free audit, every Supplier must comply with the following Code of Conduct as a minimum:
- 8.2. Child labor is strictly prohibited, as defined by ILO and UN conventions and/or by national law. The age of admission to employment shall not be less than the age of completion of compulsory schooling, and, in any case, not less than 15 years (or 14 where national law permits in accordance with ILO convention 138).
- 8.3. A business partner will be held directly responsible if violations to the prohibition of child labor are detected at their own production facilities.
- 8.4. Appropriate measures to improve the situation of the individuals must be taken immediately, considering the age, the social background and the education of the child in order to secure the child's wellbeing in future.
- 8.5. Regulations for the protection of young workers must be followed, and workers under the age of 18 must not be employed to work at night in accordance with ILO Convention 090.

9. Discrimination

- 9.1. All employees and workers have to be treated equally.
- 9.2. No discrimination is tolerated on the basis of gender, religion, age, race, social background, caste, nationality, ethnic and national origin, membership in workers' organisations, disability, sexual orientation, political affiliation, or any other personal characteristics.

10. Gender Inequality

- 10.1. The majority of workers in the garment industry are women. Barkers has developed a strategy to ensure women are not discriminated against in the workplace.
- 10.2. Sexual harassment is not tolerated in Barkers factories. This includes invitation or coercion to perform sexual acts, or rewarding workers for sexual acts, inappropriate contact or inappropriate use of power. Workers have a confidential helpline to Barkers Support Office and can report issues directly to us without having to raise it at the factory. This is communicated on noticeboards in the factories in workers local language. Any issue raised will be investigated immediately.
- 10.3. No wage disparity between men and women for the same role
- 10.4. No hazardous or night work for pregnant women
- 10.5. No discrimination based on a woman's pregnancy or marital status.
- 10.6. An employee cannot be terminated during her pregnancy, maternity leave, or breast-feeding period, which is until the baby is 12 months old. From the twelfth week of pregnancy the employee is entitled to paid leave for pre-natal check-ups. These appointments are managed through the local community health centre.
- 10.7. Paid maternity leave is available to all eligible workers and must meet the requirements of local laws. The length of leave differs depending on circumstances and the province the mother is in, but the minimum allowance for paid leave for the mother is 98 days. Male employees are also entitled to paid leave. Employees receive their full salary paid by the company for the period of their maternity leave.
- 10.8. If the employee becomes pregnant while on a fixed-term contract and that contract ends during pregnancy, the contract must be extended to the end of the breast-feeding period. Breast feeding mothers are allowed to have one hour of paid leave during work hours during the breast-feeding period. If the mother does not require this time they are entitled to accumulate this extra leave to use as vacation time.
- 10.9. All employees must be given the option to participate in maternity insurance. The benefit results in them receiving additional payment during maternity leave. This is managed by the Social Security Bureau where the women is registered.

11. Environmental Compliance

- 11.1. Barkers requires all Suppliers to adhere to the highest standards of Environmental compliance sustainable practices and minimize environmental impacts, including but not limited to – water usage, waste water treatment, solid waste disposal, hazardous chemical storage and disposal, air emissions.
- 11.2. At a minimum all Suppliers will comply with national and local environmental regulations and standards.
- 11.3. Work closely with Barkers to develop and improve our environmental impact by researching and developing new technologies for cleaner manufacturing of products, use of sustainable and ethical fabrics and components, reduced energy and emissions, reduce waste through innovative use of textile offcuts etc.

Cooperation and Development

In addition to these standards of employment, we expect our business partners to be cooperative and to demonstrate a willingness to support our activities to actively contribute to the development of their countries.

We are particular in our expectation but at the same time we are aware of the difficulties regarding the implementation of some of the standard requirements. In the first instance Barkers will work with the supplier and where possible support to remedy any breaches of this policy, or assist in attaining the required standard whether that support be financial or in the form of training etc. In the event that a

serious violation has made it may be necessary to terminate business with the supplier, we offer our support in finding solutions for difficult situations and for the development of the supplier to make re-establishment of business possible.

Furthermore we consider it to be a matter of prudence and fairness to grant reasonable periods for the development of a partner's performance towards compliance with this standard. During this period of development Barkers will strive to support and assist the partner's efforts to improve.

Worker Representation / Grievance Mechanism

Workers in our factories have the right to representation. They have the right to join trade unions or democratically elected worker representative groups of their choice, and to bargain collectively. Any discrimination to these workers will not be tolerated, and no payment or bonus can be offered to workers who do not belong to a union or worker group.

Workers are trained on their rights to form, join and organise workers collectives of their choice, and to bargain collectively with the company. In situations where unions are restricted by law, workers can freely elect their own representatives.

Barkers factories have functioning grievance mechanisms where workers can raise concerns anonymously, in their native language. All workers are trained on their rights and entitlements, and how to use grievance mechanisms. Training is provided by the company, and is managed through trade unions, or in cases where unions are restricted by law, this managed through worker representatives who are elected by workers. Workers can raise grievances through worker representatives, and regular meetings are held between management and unions or representatives. Minutes from these meetings must be kept and be available for review. This is thoroughly checked in our audits.

This Code of Conduct must be made available to all workers and displayed in readily accessible locations such as worker notice board, in their native language. Further all workers are to be informed and trained on their rights under this Code of Conduct, including the grievance process and how to anonymously raise any such grievance.

Any person who receives information on breaches of this standard or active infringement of the rights as set out and reinforced in this standard, shall contact directly and inform us as detailed as possible about violations.

Grievances should be directed in confidence to Barkers Supply Chain Manager – Ming Gong, and sent to the following email address: ming@bmc.co.nz , or call Ming directly on +64 21 110 9120.