

Ethical Trading Policy

Supplier's Code of Conduct
As @ 7th May 2019

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INTRODUCTION

Outland Denim is a boutique-clothing manufacturer that sells premium quality, ethically made garments to retailers and directly to the public. Many of Outland Denim's sewing staff are young ladies who have been rescued from human slavery and sexual exploitation and need a safe working environment to rebuild their lives and dignified work to apply their skills and gain confidence.

With the desire to affect further positive change, Outland Denim also commits to continuously improve all aspects of the supply chain with a vision to lead the industry with its social and environmental impact.

Transparency is key to keep our supply chains above reproach. The Outland Denim team seeks to work with integrity in every facet of manufacturing. All our suppliers will be shown on the Outland Denim website Our Supply Chain page as soon as they are confirmed and production starts. Outland Denim believes this is essential to strive for full transparency in our each aspect of our supply chain.

Our launch into the global marketplace coincides with the increasing consumer desire for goods produced by companies concerned with creating positive social outcomes, while remaining environmentally conscious. We give consumers the ability to showcase their humanitarian values through the jean label they wear.

OUTLAND DENIM CODE OF CONDUCT FOUNDATIONS

Outland Denim guarantees good working conditions and a healthy working environment for all employees. We also require this of our suppliers.

The Outland Denim Code of Conduct for Manufacturers and Suppliers defines minimum standards of ethical and responsible behavior that must be met by the manufacturers and suppliers of the products commercialized by Outland Denim in the course of its business. This Code is firmly based on the respect for Human and Labour Rights and has been set upon the foundations of The Ethical Trading Initiative Base Code and in turn, the International Labour Organisation's *Four Fundamental Principles and Rights at Work*.

These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. <http://www.ilo.org>

The ETI Base Code is an internationally recognised set of labour standards based on ILO conventions. It is used by ETI members and others to drive improvements in working conditions around the world. <http://www.ethicaltrade.org>

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www.ethicaltrade.org



Employment is freely chosen



Freedom of association and the right to collective bargaining are respected



Working conditions are safe and hygienic



Child labour shall not be used



Living wages are paid



Working hours are not excessive



No discrimination is practised



Regular employment is provided



No harsh or inhumane treatment is allowed

Outland Denim undertakes to allocate the appropriate resources so our employees, manufacturers and suppliers are acquainted with and understand this Code and are able to ensure its compliance.

The Code shall be applied to our own (Outland Denim) factory, all manufacturers, suppliers and their raw material suppliers, that take part in the growing, purchasing, manufacturing and finishing processes.

The Code is based upon the following general principles that define Outland Denim's ethical behaviour:

- All Outland Denim's operations are developed under an ethical and responsible perspective.
- All persons, individuals or entities, who maintain, directly or indirectly, any kind of employment, economic, social and/or industrial relationship with Outland Denim, are treated fairly, with respect, and with dignity.
- All Outland Denim activities are carried out in a manner that most respects the environment.
- All manufacturers and suppliers (production centers that are not property of Outland Denim Pty Ltd) fully adhere to these commitments and undertake to ensure that the standards which are set forth in the Code are met.

Outland Denim has confidence in its suppliers and manufacturers. Outland Denim is thankful that these suppliers already do much more for working conditions and the environment than the minimum requirements. We feel that the strength of relationship between Outland Denim and its suppliers will only strengthen and develop as the years go on. Outland Denim is privileged to align with suppliers leading the industry in their conduct on social and environmental matters, and we look forward to continuing to make factory and supply chain improvements with their support.

1. NO FORCED LABOUR

Outland Denim shall not allow any form of forced or involuntary labour in its own factory, their manufacturers or suppliers. There should be no discrimination in employment. The employer should treat all employees equally, regardless of their race, colour, sex, religion, political affiliation, trade union membership, nationality, social origin, or disabilities. In addition the employees should have the right to education, trainings and possibilities to develop their skills. Female workers should not be discriminated due to pregnancy or maternity leave and should be given equal access to employment. Manufacturers shall acknowledge the right of their employees to leave their employer after reasonable notice 1.

ETI 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

A common cause of forced labour is unethical hiring practices that can take place before workers enter the supply chain. We are aware some suppliers rely on third-party recruiters to secure contract workers from external countries. Outland Denim needs to be informed if this is the case. These recruiters may work through multiple recruiting agencies, including in the hiring country and the workers' home country, with each agency charging a fee to the workers in exchange for employment. By the time the workers have paid fees to all these agencies, the total cost can exceed many months' wages, forcing workers into debt. Outland Denim believes this is debt-bonded labor, and it is strictly prohibited in order to undertake any business with Outland Denim. All employers within the Outland Denim supply chain are responsible to closely monitor and care for all workers - especially migrant workers - to ensure employees are not in debt from securing their job. This also applies to any employees that have paid another worker, in order to secure a job. Employers are responsible to investigate and manage all cases of debt bondage within their supply chain.

To guard against these human rights risks, Outland Denim recommends adopting the following 3-pillar approach as the basis for an ethical recruitment program: While the 3-pillar approach should be implemented at the supplier level where migrant labor is most prevalent, buyers are also held accountable when cases of forced labor are found in their supply chains and, therefore, expected to incorporate these pillars into their supplier codes and contracts.

1. No Fees: Ensure that workers do not pay any fees (in whole or in part) for recruitment, job placement or other parts of the employment process. **If fees were charged to gain employment, the workers must be reimbursed for such fees.**

2. Written Contract: All workers must be given a written contract in their own languages at the point of recruitment, that outlines their rights and responsibilities.

3. No Retention of Documents or Deposits: Do not keep or withhold any documents (e.g. original identification papers or passports), monetary deposits or other collateral as a condition of workers' employment.

ILO Conventions Nos. 29 and 105 Forced labour and Human Trafficking for Labour Exploitation
<http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/presentation/wcms346426.pdf>

2. NO CHILD LABOUR

Outland Denim, its manufacturers and suppliers shall not employ minors. Outland Denim does not accept the economic exploitation of children. According to the UN Convention on the Rights of the Child, people are considered children until the day they turn 18 years.
<http://www.unicef.org.au>

In Cambodia, and some countries where Outland Denim suppliers are based, the legal working age is less. If a supplier has employees aged 15–18, they will be considered young workers and they must be treated with special consideration, with working hours and tasks adapted to their low age. For example, they must not do excessive overtime or night work. Young workers (or any workers) shall not work in hazardous conditions.

Outland Denim requires that suppliers have in place, a Child Labour Investigation and Remediation procedure that includes information on which specialised organisations will be

contacted to support the company in addressing and resolving situations of child labour if they should occur anywhere in the supply chain. Outland Denim may request copies of this procedure to ensure each supplier has a strong process to follow if this situation should occur. Upon request, Outland Denim is willing to support suppliers with examples and resources to build their own Child Labour Investigation and Remediation procedure.

Aspects related to prohibition of child labour will be developed according to Conventions 138 - on the minimum age for admission to employment and work - and 182 - on the worst forms of child labour, 1999 - of the International Labour Organization (ILO)

Aspects related to labour conditions for young workers will be governed by ILO Recommendation 190. <http://www.ilo.org/public/english/standards/relm/ilc/ilc87/com-chir.htm>

3. NO DISCRIMINATION

Outland Denim, its manufacturers and suppliers shall not apply any type of discriminatory practice with regards the compensation, access to training, promotion, termination of the employment agreement or retirement, based on race, caste, creed, nationality, religion, age, physical or mental disability, gender, marital status, sexual orientation and/or union membership or political affiliation. Outland Denim expands on its Gender Equality Policy [here](#).

Suppliers shall promote a culture of enabling a supply chain that includes equality, diversity and actively support programs that look to ensure a diverse worker base.

Aspects related to labour practices will be developed according to ILO Convention 111 - Discrimination

4. RESPECT FOR FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

ILO - The right of workers and employers to form and join organizations of their own choosing is an integral part of a free and open society.

Outland Denim, its manufacturers and suppliers shall ensure that their employees, without distinction, have the right of association, union membership and collective bargaining. No retaliation may arise from the exercise of such right and no remuneration or payment whatsoever may be offered to the employees in order to hinder the exercise of such a right. Likewise, they shall adopt an open and collaborative attitude towards the activities of Trade Unions.

Workers' representatives shall be protected from any type of discrimination and shall be free to carry out their representative functions in their workplace.

Where the rights to Freedom of Association and Collective Bargaining are restricted under law, the appropriate channels to ensure a reasonable and independent exercise of such rights must be designed.

Aspects related to freedom of association and collective bargaining will be developed according to ILO Conventions 87, 98 and 135.

5. NO HARSH OR INHUMANE TREATMENT

Outland Denim requires that employee safety, both personally and physically, is always top priority. The employer must provide a safe working environment.

Outland Denim, its manufacturers and suppliers shall treat their employees with dignity and respect. Under no circumstances shall physical punishment, sexual or racial harassment, verbal or power abuse or any other form of harassment or intimidation be permitted.

6. SAFE AND HYGIENIC WORKING CONDITIONS

Outland Denim takes responsibility to ensure that their working environments are safe and healthy. Outland requires its manufactures and suppliers to do the same.

All suppliers must make proper provision for the health and safety of their employees, contractors, visitors and those in the community who may be impacted by their operations. Suppliers must comply with applicable international and national laws and standards in relation to health and safety management.

Outland Denim, its manufacturers and suppliers shall provide a safe and healthy workplace to their employees, ensuring minimum conditions of light, ventilation, hygiene, fire prevention, safety measures and access to a drinking water supply. Workers shall have access to clean toilets facilities. Where necessary, facilities for food storage shall be provided.

Accommodation, where provided, shall be clean, safe and have adequate space for the occupants.

The employer should provide protective equipment where necessary and train workers to use it. The employer should also take steps to prevent accidents and minimize health risks. No hazardous equipment or facilities are permitted. Production facilities must have clearly marked exits and emergency exits. A fire alarm and fire extinguishers must be easily accessible on every floor. First aid equipment must be easily accessible and at least one person in each division should be trained in giving first aid. If an injury occurs at work, the employer shall fund all medical costs that are not covered by the insurance. Lighting, heating and ventilation systems shall be designed to ensure a good working environment.

Outland Denim, its manufacturers and suppliers shall provide their workers with regular training in the matter of health and safety at work. The company shall keep an appropriate record of the

training courses done. Likewise, they shall appoint a person in charge of health and safety within the Management, duly authorized and with the appropriate decision taking power.

Aspects related to labour conditions relation to work health and safety will be governed by ILO Convention 155.

7. LIVING WAGE

Employees directly employed by Outland Denim should receive a minimum of a living wage after full training has been completed and full-time employment has begun. Staff must either receive a living wage in monetary payments or the equivalent of a living wage by Outland Denim taking responsibility for subsidizing staff members living costs to support its employees.

All suppliers and manufactures associated with Outland Denim must strive to pay a living wage. The International Labour Organization (ILO) has defined a living wage as a basic human right under their conventions and recommendations to the Universal Declaration of Human Rights Article 23. (ILO Conventions 95 and 131, ILO recommendations 131 and 135).

All wages paid to employees of Outland Denim Suppliers and 3rd parties, must at least meet the legal minimum wage if there is one. Outland requires evidence of this. Wages for a standard working week should always be sufficient to meet the basic needs of workers and their families and to allow for some savings. Deductions from wages, which are not provided for by national law, are not permitted. Workers should be informed about how their wages are made up, including wage rates, pay periods and deductions from pay.

Wages shall be paid out regularly and be reasonable in relation to the amount of work. The workers, both directly employed by Outland Denim and its suppliers, should also be entitled to all legal social benefits.

ILO Conventions 26 and 131 will govern aspects related to payment of wages.

8. WORKING HOURS ARE NOT EXCESSIVE

Outland Denim, its manufacturers and suppliers shall adjust the length of the working day to the provisions of the applicable laws or of the collective bargain agreement applicable for the sector in question, if the latter affords greater protection for the workers.

Outland Denim, its manufacturers and suppliers should not make it compulsory for their employees to work in excess of 48 hours a week and workers shall be granted at least one day off for every 7 calendar day period on average.

Overtime should be voluntary, and working hours including overtime should not exceed 60 hours per week. Overtime should not be demanded on a regular basis and must always be paid at a premium rate, in accordance with the law.

All employees shall be entitled to contractual holidays and sick leave with no negative repercussions. All employees shall be entitled to parental leave without negative repercussions. Pregnancy may not under any circumstances be considered grounds for termination.

Working day related issued will be governed by ILO Conventions 1 and 14

9. REGULAR EMPLOYMENT

Outland Denim, its manufacturers and suppliers undertake that all the employment formulas they use abide by the applicable local laws. Thus, they shall not impair the rights of workers acknowledged under labour and social security laws and regulations by using schemes that have no real intention to promote regular employment in the framework of regular employment relationships.

10. TRACEABILITY OF SUPPLIERS AND RAW MATERIALS

Outland Denim, its manufacturers and suppliers should not assign any work to third parties without ensuring compliance with this code, or notifying Outland Denim. For suppliers to use third parties on products relating to an Outland Denim order, prior written authorization from Outland Denim must be given before manufacturing or production begins. Those who outsource any work should be responsible for the enforcement of the Code by these third parties and their employees.

Likewise, manufacturers and suppliers should apply the principles of this Code to any homemaker (or the like) involved in their supply chain, and should give transparency to the locations and working conditions of said homeworkers.

11. HEALTH AND SAFETY OF PRODUCTS SUPPLIED TO OUTLAND DENIM

Outland Denim, its manufacturers and suppliers are responsible for all products made by and supplied to Outland Denim, to comply with Outland Denim health and safety product standards so that the commercialized products do not entail any risk to customers.

12. ENVIRONMENTAL AND COMMUNITY AWARENESS

Outland Denim, its manufacturers and suppliers shall be duly committed at all times to protect the environment and shall comply with the standards and requirements of the applicable local and international Laws and Regulations.

Likewise, they commit to comply with environmental standards established by Outland Denim including, if applicable, the necessary measures to reduce and compensate such impact in order to apply said standards.

Outland Denim commits to providing transparent information about the practical ways it reduces its environmental impact, and requires its manufacturers and suppliers to do the same.

Outland Denim wants to lead the way with producing products in an environmentally conscious way as much as possible, and looks for suppliers that endeavor to do the same in all aspects of production. Outland Denim requires that their suppliers and sub-suppliers follow applicable legislation and regulations regarding the environment. We would like our suppliers to provide the related certificates to back their environmental processes. We require our suppliers to ensure that only non-hazardous materials are ever used in association with Outland Denim orders.

CHEMICAL

All manufacturing and wet-processing facilities must abide by the requirements the [ZDHC Manufacturing Restricted Substance List \(MRSL\)](#) Outland Denim has adopted. Final products and raw materials must meet the requirements of the [Apparel and Footwear International RSL Management \(AFIRM\) Groups RSL](#) Outland Denim has adopted. Outland Denim requires each supplier and its subsequent supply chain to meet the standards set by these chemical management lists. Outland Denim will ensure suppliers receive these lists and that both lists are regularly updated and checked against relevant research and legislation. Any suppliers that are not able to abide by the RSL and MRSL Outland Denim has adopted, must inform Outland Denim before this document is signed. **By signing this document a supplier declares they abide by the ZDHC MRSL, AFIRM RSL or equivalent.** Outland Denim requests RSL and MRSL documents from all suppliers.

COMMUNITY

Outland Denim has genuine commitment to community engagement across a number of sectors including NGO's, health, education, the environment and human rights. We seek to engage suppliers that share a passion for creating positive outcomes for local and international communities.

13. CONFIDENTIALITY OF INFORMATION

Outland Denim shall preserve the integrity of confidentiality of information relating to staff and their private details. Outland Denim requires suppliers to do the same.

Manufacturers and suppliers shall preserve the integrity and confidentiality of the information they may receive as a consequence of their commercial relationship with Outland Denim Pty Ltd.

The obligation of confidentiality will remain once the relation with Outland Denim is terminated and it will include the obligation to return any material related to the company held by the manufacturer or supplier.

14. LEGAL REQUIREMENTS

Outland Denim and all its suppliers and sub-suppliers must follow the national legislation and regulations in the countries where they work – as a minimum. If any of Outland Denim requirements contradicts national legislation, the law applies. If this occurs, the supplier must inform Outland Denim. The requirements Outland Denim makes in its Code of Conduct can be more far-reaching than the national legislation.

Outland Denim is working for improvement beyond the law, and it expects its suppliers to do the same.

15. CODE OF IMPLEMENTATION

Outland Denim, its manufacturers and suppliers shall implement and maintain programs to set in motion this Code. They shall appoint a senior member of Management who shall be responsible for the implementation and enforcement of this Code.

Outland Denim, its manufacturers and suppliers shall communicate the Code to all employees and those in any way involved in the Outland Denim Supply Chain.

A copy of the Code, translated into the local language, shall be displayed in accessible locations to all workers.

15.1 TRANSPARENCY

Outland Denim, its manufacturers and suppliers shall carry out their activities in an honest, upright and transparent way, keeping for these purposes an appropriate accounting records system that facilitates the traceability of their decisions, as a preventive measure versus any type of corruption, bribe and extortion that might arise.

Manufacturers and suppliers shall not manipulate or influence their workers, nor shall they forge any files or records in order to alter the verification process regarding compliance with this Code.

Our company persuades through prices, performance, quality and suitability of its products and services. We expect the same of our partners, manufacturers and suppliers. No personal advantages may be requested, assumed offered or granted for a preferential treatment in connection with the negotiation, placement or execution of an order. As a rule, no personal advantages may be offered or granted to officials, including officials from foreign states. As a rule, no gifts shall be granted or accepted. Exceptions apply only with generally customary occasional or advertising gifts and with gifts, which correspond to custom and politeness in a country.

Manufacturers and suppliers shall neither offer nor accept remuneration of any kind, which seeks, or may be perceived to seek, to affect the impartial judgment or the objectivity of such parties appointed by Outland Denim to carry out inspections and compliance audits in connection with this Code.

15.2 REFERENCE TO NATIONAL LEGISLATION, CONVENTIONS AND AGREEMENTS

The provisions of this Code constitute only minimum standards.

Should national regulations or any other applicable Law or any other commitments undertaken or applicable, including collective bargaining agreements, govern the same issue, the provision which offers greater protection for workers shall apply.

Outland Denim assumes, as part of its internal norms, the content of national and international Agreements and Conventions to which it has adhered, and that they are applied in its relationship with manufacturers and suppliers, committing to their promotion and compliance.

15.3 VERIFICATION OF COMPLIANCE

Outland Denim, its manufacturers and suppliers shall authorize third parties to monitor the appropriate enforcement of the Code. For these purposes, they shall provide the required means and the appropriate access to the facilities and documentation required to ensure this verification.

15.4 COMPLAINTS OR BREACH OF CODE

This Code is aligned with the principles and values that are included here in the Outland Denim Ethical Trading Policy (formerly known as the Supplier's Code of Conduct).

In this sense, and in order to ensure the enforcement of the Code of Conduct for Manufacturers and Suppliers, Outland Denim can act at its own initiative or following a formal complaint made in good faith by a manufacturer, supplier or other interested third party that might have any direct relationship or commercial or professional interest with Outland Denim.

To this end, any notices given pursuant to the provisions of this Code, either reports of any breach or enquiries regarding the Code's interpretation or application can be addressed directly to Outland Denim via:

Postal Address:
Outland Denim
3/18 Main Street
Mt Tamborine
QLD, Australia 4272

Email: leisl@outlanddenim.com // www.outlanddenim.com

The undersigned hereby confirms as suppliers of Outland Denim products, that they have read, understood and accept the terms and requirements laid out by the International Labour Organisation and Outland Denim.

The requirements in the code of conduct are minimum requirements. Outland Denim has confidence that our suppliers have even higher standards than those laid out in this Suppliers Code of Conduct. Therefore, we ask that you provide to us any relevant certifications and reports to confirm this.

Certifications & reports attached to this agreement:

.....
.....
.....
.....
.....

Date.....

Signature.....

Supplier Name.....

Supplier Representative.....

Position within company.....

Affix Company Stamp: