

## **Factory X Ethical Sourcing Policy**

Factory X are committed to manufacturing products under safe, fair, and humane working conditions.

Our Ethical Sourcing Policy:

- Includes criteria on labour rights, anti-corruption, fair and safe working conditions, and environmental compliance
- Incorporates conventions of the International Labour Organisation (ILO) and principles of the United Nations Universal Declaration of Human Rights. In addition to setting as a minimum, compliance with local laws and regulations, this policy provides requirements and standards that all factories manufacturing Factory X garments must demonstrate continuous improvement towards. They include:

### **Freedom of employment**

Suppliers must not use forced, bonded or prison labour. workers will not be required to lodge deposits or identity papers with an employer and must be free to leave work at the end of the shift and terminate their employment with reasonable notice. if a worker is found to be employed under such conditions factory x expects the manufacturer to contribute to policies and programmes that provide for the transition of any individual found in this situation into fairly paid and legal employment.

### **Freedom of association**

Suppliers will recognise the right of employees to join unions or representative committees, and the right of worker's associations to collective bargaining.

Where the right to freedom of association and collective bargaining is restricted under law, the employer allows the development of a means for independent and free association and bargaining.

### **Safe working conditions**

A safe and hygienic working environment shall be provided. adequate steps shall be taken to prevent accidents and injury to health arising out of, or occurring in the course of, work by minimising as far as practical hazards in the workplace.

Health and safety training shall be provided and practiced on site.

### **Freedom of employment & child, forced, bonded or prison labour**

There shall be no new recruitment of child labour. If child labour is found to exist, Factory X expects manufacturers to participate in and contribute to policies and programmes that 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.

Suppliers must not use forced, bonded or prison labour. workers will not be required to lodge deposits or identity papers with an employer and must be free to leave work at the end of the shift and terminate their employment with reasonable notice. if a worker is found to be employed under such conditions factory x expects the manufacturer to contribute to policies and programmes that provide for the transition of any individual found in this situation into fairly paid and legal employment.

Click here to view our [Child and Forced Labour Policy and Procedures](#).

## **Fair wages**

Terms and conditions of employment must be clearly communicated to all workers. written records of payments must be maintained for audit purposes. wages must be paid in line with national legal standards or industry benchmarks, whichever is greater.

Wages must be paid at regular intervals according to national or industry benchmarks. any deductions not provided for under national law are not permitted without the express written permission of the worker.

We are committed to ensuring living wages are paid throughout our supply chain. Please find [\[add approved living wage statement\]](#) our Living Wage Statement.

## **Reasonable working hours**

Factory X prohibits the use of excessive overtime. suppliers must comply with applicable laws and regulations regarding working hours and must operate in a manner that promotes humane and productive hours of work and working conditions. Working hours should not exceed 60 hours in any 7-day period. Regular working hours should be made clear in a contract, and not exceed 48 hours.

## **Non-discrimination**

There is to be 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.

Click [here](#) to read our Gender Policy

## **Fair and equitable treatment**

Physical abuse, the threat of physical abuse, sexual and other forms of harassment, verbal abuse and other types of intimidation will never be used by a supplier or factory in relation to their workers.

The deduction of wages as a disciplinary measure will not be used.

Obligations to employees under labour and 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-based working schemes; nor 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.

## **Responsible purchasing practices**

We work towards a 6-month lead-time on our production orders. This model gives our manufacturer the opportunity to plan-ahead, stabilise their workforce and manage workflows.

We do not shop for the lowest price. We only seek out new suppliers when our existing manufacturers are not able or willing to produce something in our range.- We publish statistics on how long we have been working with our suppliers [here](#).

We also understand that our production process can have an impact on working conditions. Click [here](#) to find out more about our lead-time policy.

## **Environmental policy and waste management**

Suppliers must comply with applicable environmental laws, must maintain a written environmental policy, and must implement a system to minimize or eliminate negative impacts of its practices on the environment. [Our Environmental Policy](#) provides more in-depth guidelines and information about restricted substances.

## **Uzbek Cotton Pledge**

Factory X has signed the [Cotton Pledge](#) to commit to not using cotton from Uzbekistan due to allegations of the systemic use of child and forced labour in the cultivation and harvesting of cotton in the region.

We understand that textile supply chains are complex and traceability is not always carried out in the original cotton farming country. However, we request that you identify the cotton country sources for all Factory X textile orders. To support your country of origin claims we require both written confirmation and supporting evidence such as, raw material certification, production orders, bills of lading, purchase orders, packing and inventory lists, incoming material records, production records will be required.

We also request that you communicate Factory X's commitment to not sourcing Uzbek cotton to your suppliers and we reserve the right to randomly audit your records and your supply chain factories including those involved in knitting, dyeing and weaving.

## **Grievance mechanism**

As part of Factory X's commitments outlined above, we have established a mechanism that provides workers in the factories that produce our garments to be made aware of any situation where our social and ethical policy is not being upheld. We commit to investigating all complaints that we receive. If a worker in your supply chain lodges a grievance, we will work with to confirm the legitimacy of the grievance. If confirmed, we will work with the parties involved to develop a corrective action plan. The identity of the complainant will remain strictly confidential, unless they advise otherwise. Complaints do not have to be lodged in English

[Click here to view our bilingual factory posters.](#) This poster must be displayed in all factories where Factory X garments are produced.

## **Social Compliance Auditing**

We reserve the right to make unannounced visits at any time to all places of production (including your sub-contractors). Factory X furthermore reserves the right to assign, at its sole discretion, an independent third party to conduct inspections in order to ensure compliance with our ethical sourcing policy.

Each time we place an order we will also require you to:

- 1/ Provide the details of all processing facilities and factories involved in the manufacture of the products ordered. A spreadsheet will be provided.
- 2/ Send a copy of this policy to all outsourced supplier/s, to be signed and returned to Factory X.
- 3/ Ensure all factories producing Factory X products display our grievance mechanism poster.

4/ Ensure that all suppliers understand that Factory X reserves the right to audit their facilities unannounced and request supporting documentation for this policy

5/ Conduct a self-audit of the facility, if one has not been conducted in the last 12 months.

6/ Ensure that all factories,involved in the supply of Factory X products, fill-in our ethical sourcing questionnaire.

## **Remediation**

If Factory X identifies a situation where the conditions outlined in our social and ethical policy are breached a remediation plan will be provided. We will work in partnership with the supplier, appropriately qualified organisations and those affected by the breach to ensure the problem is resolved.

Click [here](#) to find out more about our ethical sourcing audit process and to view our most recent ethical sourcing report.

If you have any further questions or concerns, then please contact us at [wendy@factoryx.com.au](mailto:wendy@factoryx.com.au)

To confirm that you understand and agree with the terms outlined in this policy document please sign the document and return to Factory X.

Name

Title

Organisation

Date