

# Reformation

## Sustainable Partners Guidebook



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## Introduction

Dear Business Partner,

Reformation's mission is to bring sustainable fashion to everyone. Since 2009, we have had the opportunity to work with incredible partners to make a real impact in the industry, and get closer to realizing that mission.

Reformation is committed to achieving fair, safe, and healthy working conditions throughout our supply chain, and minimize environmental impact. This guide outlines our minimum standards and expectations for partners to do just that. It also provides resources on how we will support our suppliers in achieving our standards, as well as guidelines for how suppliers can implement policies, procedures, and processes to comply with and also move beyond compliance.

We seek to partner with suppliers who share a common vision of sustainability, accountability, and transparency and are willing to go beyond compliance to achieve the highest standard of social and environmental responsibility.

To be an approved Reformation partner, you will need to affirm:

- **Social responsibility.** All our partners must agree to our Code of Conduct and additional policies which establishes minimum requirements for ethical and legal operations, and allow for third-party audits and CAP management as needed.
- **Safe & non-toxic.** All our partners must agree to our Restricted Substance List and pass testing if applicable.
- **Quality.** All our finished products and fabric must pass our quality standards and testing protocol.
- **Better materials.** Our products can only be made from a list of approved fibers and must have a transparent supply chain. This guide is also a resource for preferred certifications, traceability guidelines, dyeing, printing, and finishing practices.

We recognize that this effort is a process and requires a collaborative approach with open communication. As critical partners in ensuring social and environmental responsibility, your feedback is very important to us. If you have comments or questions about this guide or any suggestions for improvement, please contact the Reformation Sustainability Team at [sustainability@thereformation.com](mailto:sustainability@thereformation.com). We also encourage you to provide your feedback by participating in anonymous surveys about our purchasing practices through the Better Buying Initiative.

This document will be updated periodically to enable continuous improvement. We ask that you review carefully, and initial throughout. In addition, please sign the *Acknowledgment of Receipt Letter* on page 28, acknowledging the receipt of our Sustainable Partners Guide. For more information on Reformation's sustainability values and practices please visit [www.thereformation.com/whoweare](http://www.thereformation.com/whoweare).

We look forward to a successful partnership with you. We are excited to build a better future in fashion together!

Sincerely,

Kathleen Talbot  
Chief Sustainability Officer and VP of Operations



## Our Code of Conduct

LYMI, Inc. dba Reformation (hereinafter "Reformation") is committed to conducting business in an ethical and legal manner that protects the environment. As a Participating Company of the [Fair Labor Association](#) (FLA), our Code of Conduct references the FLA Workplace Code of Conduct which is based on International Labor Organization (ILO) standards and internationally accepted good labor practices.

All of our suppliers are expected to adhere to our [Workplace Code of Conduct](#). Requirements in our Code of Conduct apply to the entire supply chain, including sub-suppliers and subcontractors. Standards comprised in our Code of Conduct equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly, part-time, night workers, homeworkers, young workers and migrant workers.

Your signature on our Acknowledgement of Receipt and Acceptance of Terms Letter (AOR) confirms that all raw goods and finished goods which you will manufacture and deliver to us will be produced in full compliance with our Code of Conduct as well as the additional policies outlined in this guide. Please additionally refer to *Appendix I* to review our Code of Conduct in other languages and Benchmarks.

### **Code of Conduct**

**EMPLOYMENT RELATIONSHIP:** Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

**NONDISCRIMINATION:** No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination, or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

**HARASSMENT OR ABUSE:** Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse.

**FORCED LABOR:** There shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.

**CHILD LABOR:** No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

**FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING:** Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

**HEALTH, SAFETY, AND ENVIRONMENT:** Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

**HOURS OF WORK:** Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime

work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

**COMPENSATION:** Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.

Reformation would like to know if any of our suppliers are violating any of these codes. Please email us at [sustainability@thereformation.com](mailto:sustainability@thereformation.com) in your local language. All information that we receive will be kept in strict confidence and your identity protected.

### **Implementation of our Code of Conduct**

#### **Code of Conduct Communication**

Reformation requires our suppliers to communicate our Code of Conduct to all employees, including full-time, part-time, permanent, and temporary employees.

Suppliers are required to:

- Post our Code of Conduct, labor standards, and grievance procedures in a conspicuous place, frequented by all employees, in the local language(s) spoken and understood by employees, supervisors, and managers. Various translations of the Code of Conduct can be found [here](#).
- Conduct annual, documented training efforts to educate current and new employees about labor standards and grievance mechanisms.

#### **Code of Conduct Compliance Benchmarks**

The Compliance Benchmarks identify specific requirements for meeting compliance with each Code standard. Please refer to *Appendix I* below to review each benchmark and Code standard in full detail.

#### **Management Systems**

Reformation expects our suppliers to adopt a management systems approach to social and environmental responsibility in order to ensure effective implementation. These policies, processes, and procedures should ensure compliance with any relevant labor or environmental standards and help to anticipate and avoid issues related to non-compliance. It is important to remember that written policies and procedures need to be implemented and turned into consistent processes that require commitment and training. There are publicly available resources that provide a strategic framework outlining fundamental and advanced steps corresponding to each of the procedures. Please refer to the [GSCP Social Labor Management Systems](#), [Social Accountability International resources for Environmental and Social Management System](#) and [FLA Grievance Mechanisms Toolkit for Suppliers](#).

Specifically, the following policies and procedures shall be implemented by the supplier:

- Appoint a senior management staff to take responsibility for implementing our Code of Conduct and additional policies. In addition, suppliers must provide appropriate training for managers on how to implement their social compliance policies and procedures.
- Establish a written social compliance policy and code endorsed by senior management and cover the key elements of our Code of Conduct and additional policies.
- Communicate our Code of Conduct and additional policies to all employees in a language they

understand. Additionally, suppliers shall implement a communication/grievance system, and ensure workers are aware of and knowledgeable on how to use the system.

- Implement a system to identify and monitor laws, regulations, and Reformation requirements that apply to the supplier. Up-to-date versions of applicable laws, regulations and customer requirements shall be obtained.
- Conduct regular management reviews (at least annually) of its social compliance system in order to identify improvement opportunities. Written records (correspondence, report, meeting minutes, etc.) from management review meetings should be available for review.
- Take appropriate actions to address non-conformances identified during assessments and also have preventative measures in place to avoid recurrence.
- Management systems shall undergo regular review and revisions to policies and procedures to ensure compliance with local laws, adherence to our Code of Conduct, and mitigation of risks related to our Code of Conduct.

### **Additional Policies**

Reformation expects our suppliers to additionally adhere to the following additional policies:

#### **Environmental Responsibility**

Reformation expects our suppliers to respect and protect the local environment in which they operate. This applies to all raw material processing, agricultural, manufacturing, and logistics facilities that are involved in Reformation's supply chain. Suppliers shall commit to establishing effective policies and procedures to manage, monitor, and minimize their environmental impacts, including but not limited to energy and natural resource use, water use, wastewater, emissions to air, waste management, and their initiatives for pollution prevention.

- All sites must ensure that they comply with and possess up-to-date certifications, permits, licensing, and/or registrations pertaining to all local and national environmental laws.
- Suppliers must ensure that an Environmental Management System (EMS) is in place with a trained employee who monitors, tracks, and reports the environmental practices of the facility.
- Waste disposal must be done in a responsible manner that complies with local and national regulations. Suppliers must also strive to meet international standards that apply. Personal Protective Equipment and adequate training must be made available.
- Suppliers must take a proactive approach toward preventing the accidental release or discharge of hazardous substances into the local environment. The air emissions must at a minimum meet the regulated discharge limits. This should be included in the EMS Operator's duties. In case of such an incident, the EMS operator must be trained in controlling the spill.

Suppliers may be required to disclose energy, water, and chemical usage to Reformation upon request.

#### **No Unauthorized Subcontracting**

Subcontracting may only be utilized with Reformation's prior written approval and only after the subcontractor has agreed to comply with our Code of Conduct and has been approved as an authorized supplier, without exception. This applies to all test, sample, and bulk production orders and includes all product components.

Our Code of Conduct, policies, and requirements, and all applicable laws and regulations must be communicated to all sub-suppliers and/or approved subcontractors in the local language. In addition, our direct suppliers are required to continuously monitor all approved subcontractors and sub-suppliers for compliance with our Code of Conduct and our Additional Policies.

### **Finished Goods Supplier and Subcontractor Disclosure**

As an effort towards greater traceability and accountability, we publish our bi-annual Supplier List on our website.

We require the following to be disclosed for all finished good assemblers and subcontractor facilities: Parent Company, Supplier, Facility Name, Facility Address (including city, state/province, zip code), Supplier Type, Product Type, Number of Employees, Male vs. Female ratio, Union Presence, and Collective Bargaining Agreement (CBA).

### **No Homeworking**

Reformation does not permit any homeworking.

### **Prohibited Sourcing from Xinjiang**

Reformation is a signatory to the [Call to Action to End Uyghur Force Labor](#) and prohibits sourcing and production (including direct and indirect sourcing of raw materials, inputs, or finished products) from Xinjiang. Please refer to our policy and benchmarks on Forced Labor and Responsible Recruitment below.

### **Forced Labor and Responsible Recruitment**

This section outlines the requirements for the responsible recruitment and fair treatment of migrant workers in our supply chain.

Human trafficking, also known as modern-day slavery, is a form of slavery that can include forced labor, bonded labor, prison labor, sex trafficking, and domestic servitude. Reformation believes modern slavery and human trafficking are egregious violations of human rights and we are deeply committed to doing our due diligence to minimize, detect, and remediate forced labor and human trafficking within our supply chain.

It is increasingly apparent that one of the greatest drivers of modern slavery, permeating all economic sectors was the exploitation of migrant workers occurring at the hands of unscrupulous recruitment agencies and/or labor brokers.

The Governing Body of the International labor (ILO) Organization, in its 2014 Recommendations of Supplementary Measures for the Effective Suppression of Forced Labor, calls out the corporate responsibility of “protecting persons, particularly migrant workers, from possible abusive and fraudulent practices during the recruitment and placement process” in combating forced labor. Additionally, in 2016 the Governing Body issued general principles and operational guidelines for fair recruitment stating that companies and public employment services should include “human rights due diligence assessments of recruitment procedures and should address adverse human rights impacts with which they are involved.”

We are committed to the fair treatment of workers in the apparel and footwear supply chains and to eliminating the practice of migrant workers paying recruitment costs and fees to secure their employment. We support the Dhaka Principles for Migration with Dignity to enhance respect for the rights of migrant workers from the moment of recruitment, during employment, and through to further employment or safe return. Our Supplier Code of Conduct references the FLA Workplace Code of Conduct which is based on International Labor Organization (ILO) standards and internationally accepted good labor practices, including forced labor and responsible recruitment in supply chains. These standards apply equally to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly, part-time, night workers, homeworkers, young workers, and migrant workers. We require, that as a condition of doing business with us, suppliers:

1. Agree not to engage in any form of human trafficking or slavery. We describe examples of good management practices for evaluating and addressing risks of human trafficking in their supply chain,

including not using forced or involuntary labor of any type (e.g., forced, bonded, indentured, involuntary prison labor) or illegal child labor.

2. At a minimum, comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime hours, piece rates, and other elements of compensation, and provide legally mandated benefits.
3. Treat all employees with respect and will not use corporal punishment, threats of violence, or other forms of physical coercion or harassment. Supplier should have a policy that prohibits inappropriate conduct and a process for employees to report such conduct for supplier's investigation and resolution.

In July 2019 we pledged our support to the joint American Apparel & Footwear Association (AAFA) and FLA industry pledge, committing to working with our suppliers to ensure the following:

1. No worker pays for their job or right to work;
2. Workers retain control of their travel documents and have full freedom of movement; and
3. All workers are informed of the basic terms of their employment before leaving home.

We expect our suppliers to adopt and maintain terms of employment for their employees that comply with local law and our Supplier Code of Conduct and the below provisions addressing factors that are "enablers" or contributors to situations or risks of human trafficking and forced labor. These standards apply equally to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly, part-time, night workers, homeworkers, young workers, and migrant workers. Please view *Appendix J* for benchmarks to help serve as a basis for establishing and monitoring performance indicators.

- **FORCED OR INVOLUNTARY LABOR:** Workers shall not be subject to any form of forced, compulsory, bonded, indentured, or prison labor. All work must be voluntary and workers shall have the freedom to terminate their employment at any time without penalty, given notice of reasonable length.
- **RECRUITMENT FEES:** Workers shall not be charged any fees or costs for recruitment, directly or indirectly, in whole or in part, including costs associated with travel, processing official documents, and work visas in both home and host countries. All costs and fees associated with recruitment, travel, and processing of migrant workers from their home community to the workplace, including through to return when the relocation is not permanent should be covered by the employer. The employer should pay the costs of recruitment directly to the extent possible. When not possible, or where the migrant worker is legally required to pay a fee or cost directly, the migrant worker shall be reimbursed by the employer as soon as practicable upon discovery.
- **CONTRACTS OF EMPLOYMENT:** Written contracts of employment shall be provided to migrant workers in a language they understand, clearly indicating their rights and responsibilities with regard to wages, working hours, and other working and employment conditions. Migrant workers shall be provided with their employment contract prior to departing their home country. The use of supplemental agreements and the practice of contract substitution (the replacement of an original contract or any of its provisions with those that are less favorable) are strictly prohibited.
- **DOCUMENT RETENTION:** Confiscating or withholding worker identity documents or other valuable items, including work permits and travel documentation (e.g. passports), is strictly prohibited. The retention of personal documents shall not be used as a means to bind workers to employment or to restrict their freedom of movement.
- **DEPOSITS:** Migrant workers shall not be required to lodge deposits or security payments at any time.
- **HUMANE TREATMENT:** The workplace shall be free of any form of harsh or inhumane treatment. Disciplinary policies and procedures shall be clearly defined and communicated to all workers, and shall not include any inhumane disciplinary measure, including any corporal punishment, mental or physical

coercion, or verbal abuse of workers; nor shall they include sanctions that result in wage deductions, reductions in benefits, or compulsory labor. The use or threat of physical or sexual violence, harassment, and intimidation against a worker, his or her family, or close associates, is strictly prohibited.

- **WORKPLACE EQUALITY:** All workers, irrespective of their nationality or legal status, shall be treated fairly and equally. Migrant workers shall benefit from conditions of work (including but not limited to wages, benefits, and accommodations) no less favorable than those available to country nationals. Migrant workers (or their family members) shall not be threatened with denunciation to authorities to coerce them into taking up or maintaining employment.
- **WAGES AND BENEFITS:** All workers shall be paid at least the minimum wage required by applicable laws, and shall be provided all legally mandated benefits. Wage payments shall be made at regular intervals and directly to workers, in accordance with national law, and shall not be delayed, deferred, or withheld. Only deductions, advances, and loans authorized by national law are permitted and, if made or provided, actions shall only be taken with the full consent and understanding of workers. Clear and transparent information shall be provided to workers about hours worked, rates of pay, and the calculation of legal deductions. All workers must retain full and complete control over their earnings. Wage deductions must not be used as a disciplinary measure, or to keep workers tied to the employer or to their jobs. Workers shall not be held in debt bondage or forced to work in order to pay off a debt. Deception in wage commitments, payment, advances, and loans is prohibited.
- **WORKING HOURS:** Workers shall not be forced to work in excess of the number of hours permitted in national law. Where the law is silent, normal working hours shall not exceed eight per day and forty-eight per week, and total working hours including overtime shall not exceed sixty. All overtime shall be purely voluntary, unless part of a legally recognized collective bargaining agreement. No worker shall be made to work overtime under the threat of penalty, dismissal, or denunciation to authorities. No worker shall be made to work overtime as a disciplinary measure, or for failure to meet production quotas.
- **FREEDOM OF MOVEMENT AND PERSONAL FREEDOM:** Workers' freedom of movement shall not be unreasonably restricted. Workers shall not be physically confined to the workplace or related premises, such as employer- or recruiter-operated residences; nor shall any other coercive means be used to restrict workers' freedom of movement or personal freedom. Mandatory residence in employer-operated facilities shall not be made a condition of employment.
- **GRIEVANCE PROCEDURES:** An effective grievance procedure shall be established to ensure that any migrant worker, acting individually or with other workers, can submit a grievance without suffering any prejudice or retaliation of any kind.
- **PRIVATE EMPLOYMENT AGENCIES AND LABOR RECRUITERS:** Companies should hire migrant workers directly whenever possible. When the subcontracting of recruitment and hiring is necessary, companies shall ensure that the labor agencies they engage operate legally, are certified or licensed by the competent authority, and do not engage in fraudulent behavior that places workers at risk of forced labor or trafficking for labor exploitation. Suppliers must have a formal policy and due-diligence process in place for vetting recruitment agencies responsible for the labor supply.

## **ZERO TOLERANCE**

× Situations of forced labor - using coercion or fraud to hire and retain workers - or any involvement in acts of trafficking in humans can have serious consequences for a supplier. For Reformation, these are Zero Tolerance issues. If found, we will try to remediate the situation first, ensuring that workers currently in forced or indentured conditions are taken care of and terminate if the situation is not rectified in a timely manner which should be reasonable and defined.

× In many countries trafficking in labor is a criminal offense. Harsh penalties may apply, including substantial fines and a lengthy prison sentence for directors and business owners.

## **Assessment Policy & Guidance**

Reformation expects our suppliers to strive to meet our requirements as well as demonstrate a commitment to our core values of transparency, open and ongoing communication, accountability and continuous improvement. We have developed a proactive approach to sustainable sourcing in order to drive real change throughout our supply chain. We monitor for compliance with our Code of Conduct and additional policies in a tailored and risk-based manner which enables us to decrease audit fatigue and focus more resources on continuous improvement support. The goal of our assessments is not only to help us evaluate our supplier's overall compliance but to also identify progress and stimulate improvement. Violations, open communication and genuine continuous improvement will always be regarded higher than false documents and hidden violations. We believe that suppliers should be involved as much as possible in the assessment process and we hope that you will use these assessments as an opportunity to learn how to improve working conditions and labor standards in your facility.

Below you will find information explaining our assessment process and assessment methodology. Please refer to our [Domestic Assessment Frequency](#) and Appendix B for information on scheduling a social assessment with our preferred assessment partners.

### **Facility Authorization Process**

All suppliers involved in the manufacturing of Reformation products with contracts regardless of supply chain level must go through a facility authorization process as outlined below before POs can be issued. This applies to all test, sample and bulk orders. Suppliers must accept the terms and conditions and will be designated with a rating level based on our independent review of the supplier's compliance to our Code of Conduct and Additional Policies. Currently, we require assessments of our tier 1 facilities (manufacturing units - cut, sew & finish, vertically integrated factories) and our tier 2 facilities (all wet processing facilities, mills and component manufacturing facilities).

Please follow the below steps within one week of receiving an invitation to QuickBase. The invitation to QuickBase will be sent from [priscilla.pacheco@thereformation.com](mailto:priscilla.pacheco@thereformation.com).

**Step 1: New Supplier Setup:** We use QuickBase as a tool to help with onboarding and to help with our social compliance monitoring program. Please click on the link in the QuickBase invitation email and follow the instructions to register and create a login. Once you register with QuickBase you will have your own access information and portal that will allow you to keep track of your facility and add new facilities for authorization.

**Step 2: Review, Sign and upload on-boarding Documents:** There are several forms that must be signed, filled out and uploaded to QuickBase. These forms will be attached to the onboarding email, but can also be found in the "Template" line in the "Onboarding" tab.

- Mutual Non-Disclosure Agreement (NDA)
- Facility Profile
- Acknowledgment of Receipt and Acceptance of Terms Letter of the Sustainable Partners Guidebook
- COVID-19 Safety Guidelines - Acknowledgment of Receipt and Acceptance of Guidelines
- COVID-19 Preparedness Observations Checklist

**Step 3:** Please follow our facility authorization process listed in the QuickBase instructions [handbook](#) (i.e. Domestic onboarding vs International onboarding).

Please review the Assessment Planning & Submission requirements below to submit an audit for review.

**Assessment Planning & Submission:** All suppliers are required to either:

1. Submit a full social assessment report and a CAP to [priscilla.pacheco@thereformation.com](mailto:priscilla.pacheco@thereformation.com) and [carrie@thereformation.com](mailto:carrie@thereformation.com) (Subject: Supplier name: [insert Audit company] Assessment report) from one of the approved third-party programs or approved brands. Please be sure to follow our Mutual Recognition Acceptance Requirements below.
  - a. Reformation will validate that the report meets our acceptance requirements
  - b. Valid reports will be assessed and assigned a color rating based on the third-party program's evaluation of the facility and Reformation's review of the reports.
  - c. Assessment ratings and next steps will be communicated to the supplier.

OR

2. Participate in an assessment with our Preferred Third-Party Assessment Partner. Assessments will be semi-announced (14-day window), however we reserve the right to conduct unannounced audits when we find necessary. Please see *Appendix B* for a detailed procedure of how to schedule a facility assessment with our Preferred Assessment Partner. For an overview of the Facility Assessment Approach and Methodology, please see *Appendix C through Appendix F* for a list of documents required to complete the inspection.
  - a. A CAP (see Remediation and Continuous Improvement section below for CAP requirements).

### **Mutual Recognition Acceptance Requirements**

#### *Approved Third-Party Programs*

Assessments from the following third-party programs can be submitted to satisfy assessment requirements. Assessments must be authentic and dated and have taken place within the last 12 months. Submissions must include the full assessment report including any follow-up assessments and a CAP (including root cause analysis, preventative and corrective actions) highlighting a defined timeline to address any findings along with any evidence to show completed CAP closures. We will not accept just the certification, corrective action plans or a list of the violations. If the report is older than 12 months, an updated facility assessment must be submitted prior to PO placement. If the assessment is accepted, we will assign a Reformation facility rating. We reserve the right to reject a third-party assessment and require additional assessments if we feel necessary.

- [Business Social Compliance Initiative \(BSCI\)](#)
- [Better Work](#)
- [SEDEX Members Ethical Trade Audit \(SMETA\)](#)
  - Reformation only accepts the listed seven audit firms for SMETA audits: BV, Elevate, Intertek, UL, SGS, TUV Rhineland, TUV SUD
- [Social Accountability International \(SA8000\)](#)
- [Worldwide Responsible Accredited Production \(WRAP\)](#)
  - WHAP report must be submitted
- [Elevate Responsible Sourcing Tool \(ERSA\)](#)
- [Intertek Workplace Conditions Assessment \(WCA\)](#)
- [SLCP Verified Data](#)
- HIGG Verified Facility Social Labor Module (VFSLM)
- [Labor Law Monitoring\\*](#) Labor Law Monitoring audits will only be accepted as an initial assessment and must have taken place within the last 3 months (California only).

#### *Unacceptable Audit Firms*

Due to audit quality concerns, any reports issued by the following audit firms are not acceptable through our mutual recognition program:

- ABS QE
- CISE ( Centro per l'innovazione e lo Sviluppo Economico)
- DNV GL Business Assurance
- EUROCERT European Inspection and Certification Company S.A
- Global Group of Companies Ltd
- IQNET Ltd
- LSQA S.A
- Apparel Resources

*Other Guidelines and Considerations for our Mutual Recognition Program:*

The following are additional guidelines and considerations that we take into account when accepting mutual recognition audits:

- Auditors must be APSCA approved auditors from vertical firms
- Our Preferred audit firms are: ELEVATE, Omega, Arche Advisors, Verite, Fair Working Conditions, Better Work, UL, TAOS Network and Insite
- Audits should not be paid for and negotiated by the supplier
- Country Risk Profile

*Acceptance of other Brands' Audits*

Reformation may accept assessment reports from other brands that continue to demonstrate a commitment to Social Responsibility. Our criteria for accepting other brands assessments include:

- Assessments must be less than 12 months old
- The full assessment report, including any follow-up assessments and a CAP (including root cause analysis, preventative and corrective actions) highlighting defined timelines to address any findings along with any evidence to show completed CAP closures.
- We will review the brand's program, code standards, assessment tools and protocols to confirm they are in line with our standards
- If the assessment is accepted, we will assign a Reformation facility rating. We reserve the right to reject other brands' assessments and require additional assessments if we feel necessary.

**Assessment Policies & Procedures**

*Cost of Audits*

Reformation will pay for the cost of the initial assessment with our Preferred Third-Party Assessment Partner. Additionally, Reformation will pay for the cost of ongoing monitoring (Follow-up & Annual assessments) for all yellow and green rated inspections. However, Reformation will charge back those suppliers that require more regular monitoring due to substandard audit findings and non-action on CAP improvement.

*Cost of CAP Management Services*

CAP Management support service fees incurred through our monitoring partner will be the responsibility of the supplier. Support levels are jointly determined based on the support needed to effectively remediate issues identified during the audit process.

*Additional Policies:*

- Reformation may additionally require suppliers to fill out the Self Assessment Questionnaire for Pre-Screening in *Appendix E*. Suppliers will need to complete the form and return it to the Reformation Sustainability team within 7 days of request.
- Reformation purchase orders (PO) are required to capture the facility location producing the goods on the PO. If the facility location is missing, PO's cannot be issued. It is the vendor's responsibility to ensure the facility location is submitted on time to Production team, or the issuance of PO's will be delayed due to the fault of the supplier.
- Suppliers must confirm that the facility assessment report they submit is for the same facility that will be used for orders.
- Falsification of assessment report or facility location, will incur severe chargebacks for non-compliance and/or cancellation of applicable orders and termination of business relationship.
- Reformation takes our assessment process very seriously and does not accept or condone any form of bribery. Suppliers should avoid any type of remuneration or bribery. Any attempt to bribe or improperly influence an inspection will result in a suspension of business with that supplier. This includes offers of any kind, including but not limited to gifts, facility products or money.
- Suppliers must have a valid, current business license and other documents required for legal operation.
- Suppliers must not have any errors or omissions in government permits, certificates or other records.
- Suppliers must allow assessor(s) full access to its facility premises, workers, and records.
- Suppliers should encourage workers to speak truthfully and should not manipulate workers' responses in any way. Suppliers should not "coach" employees to provide false or misleading responses to questions asked by assessor(s).
- Suppliers should not interfere with selection of workers for interviews and facilitates interviews outside the presence of managers and supervisors.
- Workers must not be punished through monetary, physical, or other means, for participating in worker interviews.
- Suppliers must provide accurate and true payroll documents and time attendance records for review.
- Suppliers are responsible for ensuring that the required corrections are completed by the listed dates on the CAP form. Extensions to these dates may be accepted if the supplier advises Reformation.
- Suppliers with a poor assessment rating must work to correct the issues found from the audit prior to production of Reformation orders. If corrections are not made prior to production, the supplier may risk cancellation of orders, at Supplier's sole expense.
- If any supplier does not comply with these terms, Reformation may cancel any or all outstanding POs.
- The Reformation reserves the right to collaborate and/or share the results of Reformation social audits with peer companies and/or Non-Governmental Organizations (NGOs).
- Denying access to execute a scheduled audit will result in a cancellation fee charged back to the vendor in the approximate amount of a full audit.

**Assessment Matrix/Rating**

Reformation uses a color coded system to indicate the compliance status of facilities. Reformation reserves the right to assign ratings. Each non-conformity is graded based on the following terminology:

- 1)Minor
- 2)Moderate
- 3)Major
- 4)Zero Tolerance/Critical

An overall assessment score's final grade is a summation of those findings. A summary is found below:

Rating Category	Rating Meaning	Examples of Key Violations	Assessment Frequency	Facility Action Required
<b>Green</b>	<p><b>Authorized for production</b></p> <p>Facility meets or exceeds our code standards.</p> <p>Production is encouraged to place business.</p>	Facility will have zero to a few non-conformities found.	<p>California: Assessments are required within a maximum of 3-6 months.</p> <p>International: Assessments are required within a maximum of one year.</p>	Continue to identify and manage any problems.
<b>Yellow</b>	<p><b>Authorized for production</b></p> <p>Facility has some moderate and minor safety, health or labor-related issues and further improvement is needed. There are no critical issues with regards to wages, building safety, working hours and industrial relations</p> <p>Facility is transparent, has open communication and is making continuous improvements.</p> <p>Production is encouraged to place business.</p>	Facility will have a variety of minor and moderate non-conformities (such as clerical errors & minor safety violations), Excessive working hours against the legal requirements, but the weekly working hours are below 60.	<p>California: Assessments are required within a maximum of 3-6 months.</p> <p>International: Assessments are required within a maximum of 12 months</p>	Issues shall be corrected in a timely manner (0-3 months) as assessed and defined in Corrective Action Plans and follow-up facility assessments.
<b>Orange</b>	<p><b>Authorized for production on a probationary basis</b></p> <p>Facility has major safety, health or labor-related violations of the Standards and significant action is required.</p> <p>Production may place orders while reinforcing the importance of compliance and making continuous improvements against a Corrective Action Plan. Production should consider sourcing another supplier should no improvement be made. Two consecutive orange ratings will result in a Red rating.</p>	Facility will likely have a mix of minor, moderate or perhaps only a few major findings. Weekly working hours exceed 60, No 1 days off in 7, No 2 days off in 14, Insufficient overtime payment, Insufficient legal benefits, health & safety non-conformities, accurate time records are not kept.	<p>California: Follow-up assessments are required within 1-2 months.</p> <p>International: Follow-up assessments are required within a maximum of 4 months</p>	Facility may be authorized to produce Reformation products but vendor must take immediate action to substantially remediate any open violations within the specified time frames (0-3 months) as defined in the Corrective Action Plan and facility follow up audits.
<b>Red</b>	<p><b>Not Authorized for Production</b></p> <p>Facility has one or more Zero-Tolerance Violations and/or has failed to remediate or has major safety, health or labor-related violations over the course of two cycles and urgent action is required.</p> <p>Facility has demonstrated a lack of transparency, accountability, commitment and open communication.</p>	Facility will likely have a variety of major findings on site. Any one zero tolerance/critical issue will also immediately push a site into a "Red" score. See list of Zero Tolerance violations below.	<p>California: Follow-up assessments are required within 1 month.</p> <p>International: Follow-up assessments are required within a maximum of 3 months</p> <p>ZT violations will require correction within one month</p>	These violations may make it appropriate to temporarily or permanently terminate the facility's ability to produce product for sale by Reformation. If a facility is assessed a Red rating, its ability to produce product for Ref may be ended indefinitely, its production halted and/or its product refused.

**Zero Tolerance Violations:**

For Reformation, the following are Zero Tolerance issues. If found, we will try to remediate the situation first, ensuring that workers are taken care of and terminate if the situation is not rectified in a timely manner which should be reasonable and defined.

- The facility does not allow assessor(s) and/or Reformation full access to its facility premises, workers, and/or records.
- The facility attempts to bribe assessor(s) including offering any form of monetary compensation, gifts or favors.
- The facility does not provide accurate and true payroll documents and time attendance records for review.
- There are employee(s) employed by supplier currently below the age of fifteen (15) or in breach of local minimum age for work or mandatory schooling.
- The facility uses any type of involuntary labor who are trafficked, prisoned (not in compliance with ILO Convention 29), bonded, or indentured, either at the facility itself, or a broker.
- The facility engages in or supports for any reason the use of corporal punishment, mental or physical coercion and verbal abuse including but not limited to threats of violence and sexual harassment.
- The facility uses any form of – or threat of – physical violence, including slaps, pushes or other forms of physical contact as a means to maintain labor discipline.
- The facility, based on a woman’s pregnancy, makes decisions that result in dismissal, threat to dismiss, loss of seniority, or deduction of wages.
- The facility does not respect the right of employees to freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation, or retaliation in their efforts to freely associate or bargain collectively.
- The facility does not ensure that wages paid for regular working hours are at least legal minimum wage or industry wage agreed within a collective bargaining agreement (CBA), whichever is higher.
- There are indications of possible structural collapse on the interior or exterior of buildings, such as large visible cracks or sagging in walls and floors.
- There are not sufficient numbers of emergency exits at the facility (production floors, office areas, warehouse etc.).
- Emergency exits are locked during working hours (including overtime hours).
- Flammable and combustible material and chemicals are not safely stored away from sources of ignitions.
- There are not sufficient numbers of emergency exits on each dormitory floor as legally required.
- Unauthorized Subcontracting
- Unauthorized Homeworking

### **Remediation and Continuous Improvement:**

In order to ensure continued compliance with our [Code of Conduct](#), all suppliers must agree to announced and unannounced assessments by Reformation and our independent third-party monitoring firms. In addition to auditing, Reformation will monitor suppliers by asking them to disclose information about social and environmental responsibility through surveys, meetings and phone calls with Reformation staff, direct feedback from workers through cell phone surveys and other types of information gathering. Reformation expects suppliers' cooperation in sharing information about social and environmental responsibility. Suppliers must grant full access (all facilities, employee records and employees for confidential interviews), maintain accurate documentation necessary for demonstrating compliance with our Code of Conduct and be fully transparent when submitting to assessments.

Reformation expects all suppliers to remediate any noncompliance issues in a timely manner which shall be reasonable and defined. All suppliers must provide proof of correction to Reformation for each non-compliance issue. We require all our suppliers to work with us to find the root cause of the issue and to develop necessary management, reporting and tracking systems within the facility, to ensure ongoing compliance and continuous improvement. Reformation reserves the right to terminate business relationships with any supplier who is unwilling or unable to comply with our Code of Conduct.

Based on the findings during the assessment, Reformation will perform concentrated remediation efforts [see below Corrective Action Plan (CAP) Management Process] and a [Corrective Action Plan \(CAP\) form](#) will be issued to the supplier detailing the areas which need improvement. It's the supplier's responsibility to fill out the below three areas on the CAP form:

1. Root Cause - Briefly state the root cause of the issue
2. Corrective Action Plan – Briefly state what steps will be taken to fix the issue
3. Preventative Action - Briefly state what practices/processes can be put in place to prevent the issue from happening again
4. Responsible Staff/Position - Identify who in your facility will be responsible for this
5. Target Completion Date - Indicate when the corrective action will be completed
6. Evidence - Please paste/send images/documentation once findings are addressed

If a CAP form is issued, suppliers should complete the form and return it to the Reformation Sustainability team within 7-14 days. If the supplier needs guidance in developing an improvement plan, Reformation will act as a resource. Find additional CAP Guidance [here](#).

We understand that certain issues are easily remedied, while others may take longer. All substandard audit findings must be remediated in a timely manner. We expect our suppliers to share our value of striving for constant improvement. Remember, it's not just about what happens during the audit - we prioritize active continuous improvement.

### **Better Buying Initiative**

In order to better understand our purchasing practices, we have been participating in surveys through the [Better Buying initiative](#) since 2019. We hope you'll provide anonymous feedback so we can through the surveys so we can foster two-way communication and work towards continuous improvement as well.

**Corrective Action Plan (CAP) Management Process:**

Reformation suppliers will go into different CAP Management types depending on the color rating category. Below are example types of CAPs based on the color rating. CAP Support services are administered either by our Social Compliance team or monitoring firm partner. Support levels are jointly determined based on the support needed to effectively remediate issues identified during the audit process. CAP Management fees incurred through our monitoring partner will be the responsibility of the supplier..

Rating Category	CAP Support	Purpose
Green	Desktop Review	To verify evidence presented by the facility against the Corrective Action Plan in order to ensure timely and appropriate closure of non-conformances.
Yellow	Desktop Review or CAP Support Light	To verify evidence presented by the facility against the Corrective Action Plan in order to ensure timely and appropriate closure of non-conformances.
Orange	CAP Support Depth and/or On-Site Support Visit	<p>CAP Support Depth: To provide support/tools to enable factories to develop an acceptable CAP based on their most recent audit results. This includes communication with the facility to identify the root causes, appropriate corrective and preventive actions, and CAP due dates; solicit evidence and review whether the corrective actions have been fulfilled/remove finding (where applicable); and to ensure that the facility corrects their non-conformance issues on the right track.</p> <p>On-Site Support Visit: To help the facility understand fundamental elements of the CAP while verifying progress onsite.</p>
Red	CAP Support Depth and/or On-Site Support Visit	<p>CAP Support Depth: To provide support/tools to enable factories to develop an acceptable CAP based on their most recent audit results. This includes the communication with facility for identification of the root causes, appropriate corrective and preventive actions, and CAP due dates.</p> <p>To solicit evidence and review whether corrective action has been fulfilled/remove finding (where applicable), and to ensure that the facility corrects their non-conformance issues on the right track.</p> <p>On-Site Support Visit: To help the facility understand fundamental elements of the CAP while verifying progress onsite.</p>

## **Chemical Management**

### **Our Mission**

Through the responsible management of chemicals and materials used at our facilities, and incorporated into our products, Reformation strives to reduce environmental and occupational health and safety risks associated with chemical exposures and hazardous wastes.

### **Our Company is Committed to:**

- Safely and responsibly sourcing and managing chemicals purchased, used in production, and disposed of after use.
- Striving to reduce the consumption of hazardous materials.
- Following all applicable laws and regulations related to chemicals management and discharges to the environment.
- Ensuring all chemical hazards are communicated to all levels of staff.
- Ensuring final products conform to industry and government regulations.

### **Scope:**

This policy outlines Reformation's requirements for the safe and responsible management of all hazardous substances used or brought on-site. This policy applies to all management and staff. Relevant sections of this policy also apply to suppliers performing work for Reformation that involves the use of hazardous substances or work in areas where hazardous substances are present.

The policy has been developed to ensure:

- The health and safety of all staff and contractors
- Compliance with regulatory requirements regarding hazardous substances
- Protection of the surrounding environment

### **Higg Facility Environmental Module (FEM)**

As members of the [Sustainable Apparel Coalition \(SAC\)](#) we encourage use of Higg Facility Environmental Module (FEM). The Higg FEM informs manufacturers, brands, and retailers about the environmental performance of their individual facilities, empowering them to scale sustainability improvements. It helps identify and prioritize opportunities for performance improvements. We are launching the Higg FEM with specific tier 1 & tier 2 suppliers and will increase enrollment each year. Please let us know if you are interested in participating or are already utilizing the Higg FEM.

### **Chemicals in Final Products**

Final products must conform to industry and government regulations. It is important to not only focus on the chemicals in final products but address hazardous substances potentially used and discharged into the environment during manufacturing and related processes. This is commonly done through the adoption of a Manufacturing Restricted Substance List (MRSL). The MRSL is a list of chemical substances banned from intentional use in facilities that process textile materials and trim parts. It establishes acceptable concentration limits for substances in chemical formulations used within manufacturing facilities. To test chemicals in materials or final products, a Restricted Substance List (RSL), sets concentration limits for substances to comply with product regulations and safety standards.

### **Our Manufacturing Restricted Substance List (MRSL)**

Our MRSL is in accordance with the Zero Discharge of Hazardous Chemicals (ZDHC) MRSL V2.0. This list applies to chemicals that are used in facilities that process textile materials and trim in apparel and footwear, not just those that remain in the finished product, with the intent to manage the chemicals that suppliers use while removing hazardous substances from the manufacturing process. This includes not only chemicals used specifically for production, but also cleaning supplies, machine cleaners, lubricants, etc. that are in use in the facility for maintenance and support. The ZDHC MRSL sets restrictions on trace concentrations for banned chemical substances that are not intentionally used but may be found as unintended contaminants within a commercial chemical formulation. Companies should verify conformance with ZDHC requirements of at least level 1 through the ZDHC 'Gateway'. Examples of methods that could be used to verify safe chemistry beyond ZDHC Level 1 include, but are not limited to: Bluesign and C2C Certified™. While not third-party verification, we also accept [ChemSec](#) and [Jeanologia](#) as self-assessment of chemical selection.

Visit [https://www.roadmaptozero.com/mrsl\\_online/](https://www.roadmaptozero.com/mrsl_online/) to view an interactive electronic version of the MRSL. The full version can be downloaded at <https://www.dropbox.com/s/on7965zpwdmgw7g/ZDHC%20MRSL.pdf?dl=0>.

### **Our Restricted Substance List (RSL)**

Our RSL is in accordance with [AFIRM](#) Group industry level standards. This list applies to raw materials, finished goods and their components. We recognize that this effort requires listening to our suppliers and their employees' needs, and requires a collaborative approach. Reformation is committed to helping suppliers by directing them to necessary resources. All fabrics must meet our RSL which can be downloaded [here](#).

### **Supplier Responsibility**

All purchase orders must commit to adhering to our MRSL and RSL. Our direct supplier is responsible for sharing the MRSL & RSL with all subcontractors and sub-suppliers from raw materials to finished product and ensuring the standards are met.

Suppliers must adopt a chemical management policy that is monitored and measured. Suppliers should establish, document and implement a process to monitor operating conditions needed to prevent the potential for adverse impacts to health or the environment. The organization should document performance against the operating criteria and maintain associated records.

### **Our Dyeing & Printing Standards**

Dyeing, printing and tanning suppliers must restrict the use of harmful substances currently restricted by law, and substances known to be harmful to human health. Also, all output water must be treated to local law expectations.

We do not permit direct dyeing, vat dyeing, disperse dyeing, 2-bath dyeing (reactive dyeing followed by disperse dyeing), conventional soaping, continuous wash off, or discharge printing.

If you adopted natural dyes, azo-free dyes, phthalate free dyes, low-impact reactive inks, reusing water, optimizing energy use, eliminating harmful substances, better cleaning agents, dye stuff carriers or any other efforts, let us know.

In order to meet our clean chemistry goals for the future, we'll only be authorizing new Tier 2 facilities (i.e., mills, dye houses, and printers) that have one of the following certifications OR can show a ZDHC accepted indicator of ZDHC MRSL conformance. The table below lists various clean chemistry certifications that we accept.

<b>Dyeing &amp; Printing Standards (One of the below certifications is <u>required</u>)</b>	
Oeko-tex Standard 100	Ensures that chemicals used throughout the production process are not harmful to human health of the end-user. All raw materials and intermediate products are certified.
STeP by Oeko-tex	Continuous improvement strategies for environmental efficiency and social compliance in all stages of textile production.
Made in Green by Oeko-tex	Combines Standard 100, STeP, and adds QR code to allow end users to trace a product's supply chain.
Bluesign	A+ grade in reducing environmental impact concerning the entire textile supply chain.
Global Organic Textile Standard - GOTS	Certify authentic organic fiber content and responsible textile processing. GOTS approved dyestuffs are available with companies like DyStar, Clariant, etc.
Global Recycled Standard -GRS	Certify recycled fiber content, chain of custody, social and environmental practices, and chemical restrictions.
Zero Discharge of Hazardous Substances	Roadmap aimed at zeroing hazardous chemical release from mills, fabric processing and finishing facilities by following a Manufacturing RSL.
ISO 14001:2004 Environmental Management Systems	Framework for EMS that does not specify levels of environmental performance, but assures external parties that the company is in control of practices that impact the environment.
Sustainable Green Printing Certification	Facility certification program for sustainable printers.
<b>Preferred (But Not Required) Dyeing &amp; Printing Techniques</b>	
Digital Printing, Sublimation, Waterless Dyeing (like AirDye and DryDye) and Printing, Block Printing, Screen Printing, Closed loop dyeing systems (like DyeCoo, water recycling)	
<b>Preferred (But Not Required) Regional Certifications</b>	
DISHA (India), Ekolabel Indonesia, Hong Kong Green Label Scheme, Singapore Green Label Scheme, Thai Green Label Scheme, China Environmental Labeling, German Blue Angel, Nordic Ecolabel	

### Our Finishing Standards

We do not permit chlorine bleaching, silica, aluminum dioxide, formaldehyde containing resins for 3D/crinkled effect, Ice/potassium permanganate, stone washing, conventional [electroplating](#), PFC's in DWR treatments or sandblasting.

Below are techniques that will help reduce water and energy consumption.

<b>Our Finishing Standards</b>	
Ozone	Used for garment lightening: combines bleach, neutralize and rinse baths
Ozone mist	Garment decolorizing by spraying water mist is sprayed into the ozone machine
Combine desize and stone/enzyme wash	A four bath process can be reduced to two baths by combining steps, and reducing a rinse step.

Combine desize, enzyme wash and bleach	A seven bath process can be reduced to five baths by combining the desize, enzyme and bleach step. Needs specific chemistry.
Combine enzyme and softener	Saves a rinse step and a softener step. Technique works well with non-denim.
Sky chlorine-free bleach/rag bleach	Undiluted chlorine-free bleach solution applied to rags which are tumbled with garments, without water in the machine.
Low liquor ratio reactive garment dye	Education around lower water levels in both reactive dye bath and rinse bath.
Remove desize step	Use soluble synthetic starches that dissolve in any bath.
High fixation reaction dye	Use high fixation reactive dyes to reduce hydrolysis and over deposition.
Neutralize chlorine-free bleach in one bath	Combining bleach and neutralization can save one bath.
Foam dye/tine	A concentrated dye solution applied as a foam instead of a typical wet dye bath.
Foam chlorine-free bleach	Applied in foam form with chlorine-free bleach maintaining a max 1:1 liquor ratio.
Combine resin and tint steps; apply by dipping	Add tint to the resin solution and applying through spray or dip. Tint wet bath (and sometimes the rinse bath) is removed.
Enzyme spray stonewash	Enzyme mixture is sprayed onto garments followed by tumbling the garments in a washing machine with steam. Technique uses abrasion without water or stones.
Spray softener	Apply undiluted softener in a tumble dryer with a spray to avoid a softener bath.
Soft rigid	Use balls/bottle caps to soften the fabric without water
Combine fixing and softener	Combine to save one fixation bath. Ensure fixer and softener are compatible.
Low liquor ratio chlorine-free bleach	Modern machine design and technology allow laundries to significantly lower the liquor ratio.
Low liquor ratio for desize	Modern chemistry and modern machine designs allow for low liquor ratio desize. Education is needed
Low liquor ratio for synthetic stonewash	Abrasion is equally effective with less water
<b>Best Practices: Commercial Garment Washing</b>	
Energy Star® certified equipment, Dryer safety- eg. lint removal, Training dryer operators on cool down types for different fabrics, Fire safety to avoid spontaneous combustion, Electrical safety, Health safety, NZI Laundry Risk Management Guide	

Here are ten industry best practices for optimized operations:

1. Install meters and detect leaks
2. Collect and recover condensate
3. Reuse cooling water
4. Reuse process and waste water
5. Recover heat from hot water
6. Improve boiler efficiency
7. Main steam traps and system
8. Improve insulation
9. Recover heat from exhaust gas and heating
10. Optimize compressed air

## **Better Materials**

Reformation is deeply committed to sourcing environmentally conscious materials. Our suppliers may only use our approved materials and finishing techniques. Prior written approval must be obtained before any portion of the product is vendor-sourced or substituted from our list of approved articles and vendors.

## **Ref Fiber Standards**

Our full fiber standards can be found on the next page and [here](#) for download with “Allstars” and “Better Than Most” being our preferred fibers.

We do not permit fabrics in the “Never Use” column, with the exception of Spandex (<10%) if necessary for the construction of the garment. We do not allow recycled synthetics in our Tops, Bottoms, Jeans and Dresses that are machine washable. We do allow recycled synthetics in our outerwear, swim, accessories and bridal or any other items that care is hand-wash or dry clean.

We have also listed certifications, standards, and industry practices for Reformation’s preferred fibers, finishing techniques, as well as dyeing and printing processes. We know certifications can be expensive- so if you have taken any alternate routes to sustainability, we’d like to know!

## **Lenzing Fibers**

All Lenzing fibers listed below must be verified through Lenzing after bulk production is produced. This is a free service from Lenzing and requires the mill to send a few meters of fabric to Lenzing headquarters to test. Once tested, Lenzing will provide a Lenzing Verification Letter. This letter will need to be sent to Reformation or uploaded to QuickBase (see “How to fill in/edit the Component Table” in this [handbook](#)) for our recordkeeping prior to shipment of goods.

- TENCEL™ Lyocell, TENCEL™ Modal, ECOVERO™, TENCEL™ x REFIBRA™ Lyocell

## **Correct Labeling and Fabric Detail Sheets (FDS):**

- For Organic Cotton labeling, unless the CMT facility is GOTS certified, content labels and FDS’ should be submitted as “\_\_\_% Organically Grown Cotton” not “Organic Cotton”.
- Any FDS’ submitted must accurately represent the fibers used as per guidelines herewith and have the correct trademarks and generic fiber information (Lenzing correct trademark information highlighted above).

## **Deadstock Fabrics**

We define deadstock as verified old, leftover, and over-ordered fabric from other designers and fabric warehouses. Our deadstock verification letter is required for any deadstock materials that you are sourcing, you can download the letter translated in different languages (English, Hindi, Mandarin, Spanish, Turkish) [here](#). This helps us to ensure that any deadstock materials are indeed deadstock and not stocked/running items.

- The deadstock verification letter is translated into many different languages. Please note that all forms must be filled in and sent back for approval in English regardless of the language of the document.
- Deadstock materials do not need to meet the fiber requirements that are highlighted in our Fiber Standards but they must meet our RSL requirements.

## **Leather**

We have strict requirements when sourcing leather. Please view our requirements in the footwear section.

## Certification and Sourcing Learning Center

We created a [certification toolkit](#) that highlights the basics of the certification process and requirements for your review. It has information on how certifications work and how to identify the next steps for a facility to begin certifying products.

- Please note for every certification, the mill must present a scope certificate with the specific product code of the article we are purchasing prior to any POs being placed. This must be presented for verification prior to PO being placed. After a PO is placed, a Transaction Certificate (TC) needs to be issued from the mill.
- Please see links to the common certifications that we use at Ref: Global Recycled Standard (GRS), Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Leather Working Group (LWG), Bluesign, Oeko-Tex Standard 100.
- [Here](#) are some helpful trainings on certifications and chain of custody.

## Additional Policies:

### Ethical Animal Welfare

Reformation is committed to the humane conditions and treatment of animals. All our suppliers must respect humane animal welfare practices and work continuously towards implementing a comprehensive process that includes capture, maintaining, breeding, raising, transportation, handling and slaughter to ensure ethical conditions and treatments of animals. [Here](#) is our full Animal Welfare policy.

### Sustainable Forests Commitment

Reformation has signed a [policy](#) with Canopy (please see *Appendix L*) to drive for positive change for all our forest products and ensure all our forest-based products come from sustainably managed forests.

Additionally, we have committed to the Changing Markets roadmap to ensure that all the fiber manufacturers in our supply chain move to a closed-loop manufacturing system by 2023-2025 to ensure the majority of chemicals used during production are recycled and prevent the production process from negatively impacting on human health and the environment

Please see below for more information on Changing Markets and Canopy and more information on how it affects our sourcing.

- [Link](#) to Canopy's website for more information on audit cost and process.
- [Link](#) to Canopy's Hot Button Report which supplies information that outlines viscose fiber producers partners and their ranking. A "green shirt" is the highest ranking, then yellow, then red and then white (not yet engaged). The ranking is in order as displayed on their website.
- [Link](#) to the Changing Markets roadmap.

### Prohibited Sourcing from Xinjiang

Reformation is a signatory to the [Call to Action to End Uyghur Force Labor](#) and prohibits sourcing and production (including direct and indirect sourcing of raw materials, inputs, or finished products) from Xinjiang. Please refer to our policy and benchmarks on Forced Labor and Responsible Recruitment below.

### Traceability and Transparency

Reformation's goal is to have traceability into all levels of our supply chain so we can confidently stand by our sustainable product claims. In order to achieve supply chain transparency and traceability, we require any facility

involved in the manufacturing of Reformation products to be disclosed to the Reformation Sustainability team regardless of the facility level and production process, this includes but is not limited to mills, dye houses and printers. Any information that you disclose to Reformation related to raw material composition, dyeing and printing processes and their applicable certifications and/or verifications and any and all related processes must be true. In addition, we expect our direct suppliers to accurately represent all supply chain traceability disclosed regardless of the facility level or production process.

Any updates to contact information or production process shall be provided to the Reformation Sustainability team immediately. Suppliers are responsible for maintaining inventory and production records to document the origin and place of production of incoming materials.

**Trims & Other Product Specific Guidelines**

**Trims**

We do not permit plastics. We do not permit genuine horn, animal feathers or animal fur. Please note this applies to deadstock and new developments.

Preferred (But Not Required) Practices & Materials
<b>Buttons:</b> Corozo, recycled paper horn, shell, coconut, hemp, mother of pearl, recycled glass, recycled wood
<b>Zippers (materials for all components):</b> Recycled PET, recycled zinc and brass, recycled nylon
<b>Thread (optional):</b> bio-based yarn, recycled PET thread yarn, cellulosic yarn, other recycled yarn
<b>Embellishments:</b> faux feathers made from hemp or recycled materials
We also look for the above materials in hook and eye, ring and sliders and other trims
<b>Best practices:</b> Recycled materials and nickel free metal

Here are some guidelines for sustainable accessories by specific product categories. Please refer to our material guidelines for full sustainability criteria.

**Footwear**

Required Practices & Materials
<p><b>Leather (includes all leather components in shoe i.e. lining, sole, outer, pig split, etc.)</b></p> <ul style="list-style-type: none"> <li>● Leather Working Group (LWG) certified (rated Gold or Silver)</li> <li>● Tanneries must source 100% of hides from slaughterhouses outside Amazon biome. Leather cannot be sourced from the following States of origin:               <ul style="list-style-type: none"> <li>○ Amazonas</li> <li>○ Roraima</li> <li>○ Amapa</li> <li>○ Acre</li> <li>○ Para</li> <li>○ Rondonia</li> <li>○ Mato Grosso</li> </ul> </li> </ul>

- Tocantins
- Maranhao
- For leathers sourced outside of Brazil, these leathers must not come from deforested or converted lands in Easter Paraguay, Columbia or Indonesia in accordance with leather Impact Accelerator DCF protocol [A2.3.1](#)
- Physical stamping required on skins for all hides.
  - Exception: haircalf and suedes
  - Haircalfs and suedes must be sourced from nominated slaughterhouses in RS State, or from an approved source outside of Brazil
  - Slaughterhouse and Pre-Tanning facility locations information must be provided to Reformation. (Not at batch level.)
- Tannery must agree to Ref traceability audit & corrective action plan process. See [Leather Traceability](#) for more information.
- Stretch leather must have a backing with a cellulose fiber with under 10% spandex (i.e. organically grown cotton, TENCEL™ Lyocell) that meets our fiber standards

**Materials for all components (sole, upper, insole)**

- Require use of <50% virgin plastic in Critical Components:
  - 1-Block Heels
  - 2-Toplifts
  - 3-Insole Foams
  - 4-Rubber Outsoles
  - 5-Synthetic Leather
- Wood: Must be FSC certified (Must be able to provide FSC/ recycling certificate (including FSC FM codes)
- Zippers: (materials for all components): Recycled PET or nylon, recycled zinc and brass, nickel free
- Anti mold chip: Natural (i.e. clay)
- Shoe laces and ribbon: Must meet our full fiber standards (i.e. certified organic or recycled fiber)
- Fabrics: (i.e. satin, canvas, velvet, faux fur): Must meet our full fiber standards
- Embellishments: We do not permit plastics, animal feathers, or animal fur.
  - Instead use cork, recycled brass, reclaimed metals, recycled aluminium, recycled stainless steel,, bio-resins, glass that meets all rsl requirements or deadstock embellishments

**Packaging (shoe boxes, cartoon, and tissue paper)**

- 100% recycled paper (90%+ total recycled content)
- Must be able to provide FSC/ recycling certificate (including FSC FM codes)
- Bleaching: Must be processed Chlorine Free (PCF) or Totally Chlorine Free (TCF)

**Preferred\* (But Not Required) Practices & Materials**

**Leather**

- Slaughterhouses located in Rio Grande do Sul State
- Use of Reformation-nominated slaughterhouses/ pre-tanning facilities
- Traceability to Farm:
  - Ability to provide GTA paperwork to show farm location \*preferred
  - OR ability to provide full list (state location) of farms that serve the nominated slaughterhouses
  - OR ability to provide full list (state location) of all farms for all slaughterhouses sourced from if unable to nominate
- LWG Traceability score of >50%

**Design**

Design for disassembly, Cradle2Cradle design, durability, reuse/recycling/upcycling program in facilities to reduce waste

<p><b>Materials for all non-leather components (sole, upper, insole)</b></p> <ul style="list-style-type: none"> <li>● Prefer as low % virgin plastics as possible across all components, including not but limited to: <ul style="list-style-type: none"> <li>○ Stiletto/Skinny Heels</li> <li>○ Zippers/Zipper Tapes</li> <li>○ Elastics</li> <li>○ Reinforcements</li> <li>○ Ornaments</li> <li>○ Outsoles, Toplifts and Sheet Stocks</li> </ul> </li> <li>● Post Consumer recycled contents are preferred over Post Industrial</li> <li>● Natural/ Wild Rubber (FSC Certified)</li> <li>● Recycled and/or Biobased ABS</li> </ul>
<p><b>Adhesives</b></p> <ul style="list-style-type: none"> <li>● Natural latex, water based adhesives, soy-based adhesives, solvent-free adhesives.</li> </ul>
<p><b>Printing, Finishes and Coatings</b></p> <ul style="list-style-type: none"> <li>● Water-based inks</li> <li>● Bluesign system approved printing &amp; dyeing facilities</li> </ul>
<p><b>Packaging</b></p> <ul style="list-style-type: none"> <li>● FSC certified</li> <li>● Plant-based inks (i.e. soy-based, vegetable-based ink)</li> </ul>

\*Preferred must be used whenever commercially available as long as:

- Passes all performance testing at the same standard as its non-preferred alternative
- Is locally available in market (does not require import)
- Does not increase bulk lead time by more than 5 business days
- Does not increase first cost the lower of 3% or \$2

**Recommended Vendors - Critical Components**

Component	Vendor	Reference #	Description	Natural/Recycled Contents	Plastic Contents
Injected Heel	Injetados Bourscheid	TBC	Post-Consumer Recycled ABS	~80% recycled contents	~20% virgin petro-based ABS
Top Lift	Tacosola	MS 660	High Natural-Content Rubber	~60% Natural Rubber from Sao Paolo State	20-23% petro-based SBR
Insole Padding	Tacosola	EVA 1023	Low-Density Sugar-Cane EVA	Up to 55% Sugar-Cane based	~20% petro-based Vinyl Acetate
Rubber Outsole	Tacosola	TC2090	Blend of Natural and Recycled Rubber	>45% Natural Rubber, 15% Recycled Rubber	12-16% petro-based SBR

**Jewelry and Hardware**

We prioritize the use of recycled metals and we want to know the metals and alloys used in our products as well as the origin of any mined materials. We do not use plastics or other petroleum based products in our jewelry and hardware.

Required Practices & Materials
<p><b>Metal</b></p> <p>We require that our suppliers report the metals and specific metal alloys that they are using in products for Reformation. We want to know the percentage of recycled metals in our components as well as if recycled content is pre or post consumer. If recycled content, SCS certifications or like certifications should be provided. Suppliers should have Environmental Management Systems in place to deal with toxic effluents that are as a result of metal processing and finishing. Suppliers should be willing to explore finishing options outside of conventional electroplating.</p> <p>Affirm 2020 RSL compliant</p>

Preferred (But Not Required) Practices & Materials
<p><b>Metal</b></p> <p>For hardware we prioritize recycled metal alloys that do not contain nickel. Preferred alloys include brass, aluminum and stainless steel and zamac (price point) for hardware and some jewelry. For fine jewelry- Sterling silver, Fairtrade Silver and Gold.</p> <p><b>Mining level certifications</b></p> <p>Metals - Standard for Responsible mining by Initiative for Responsible Mining Assurance (IRMA) candidate (orange) or certified (red).</p> <p>Fine Metals, Semi Precious and Precious Stones- Standard for Responsible mining by Initiative for Responsible Mining Assurance (IRMA) candidate (orange) or certified (red), Fairmined certification Alliance for Responsible Mining for small scale mining, Responsible Jewelry Council.</p>
<p><b>Additional material components</b></p> <p>Nonmetal elements such as cork, biobased resins, cellulose acetate, glass that meets RSL requirements and certified responsibly harvested shell. Semi precious and precious stones fairmined and confirmed non conflict.</p>
<p><b>Best practices</b></p> <p>Toxic chemical free, nickel free and ZDHC MRSL compliant Suppliers should have Environmental Management Systems in place to deal with toxic effluents that are as a result of metal processing and finishing.</p>

**Sunglasses**

We do not permit the use of petroleum based components in our frames, lenses or screws.

Preferred (But Not Required) Practices & Materials
<p><b>Materials for all components</b></p> <p>Recycled acetate, FSC®/Rainforest Alliance Certified wood, sustainable bamboo (optional certifications: FSC®/Rainforest Alliance Certified, regional certifications, lightweight aluminium, stainless steel, cork, recycled materials, reclaimed wood, reclaimed materials.</p>

## ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE OF TERMS

I acknowledge receipt of Reformation’s Sustainable Partners Guide, Version 3 (SGP V3). I have read, and understand, the importance of the policies and procedures set forth herein and agree to comply with all the terms and conditions set forth within the SGP V3. Failure to comply will result in a chargeback or cancellation of orders. If Reformation does not receive a signed copy of acknowledgment within 14 days of the receipt of the manual, we will assume that you accept the term of the Sustainable Partners Guide. Supplier and its employees and agents shall not at any time, during or after the receipt of the SGP V3, disclose to others and take or use for its own purposes or the purpose of others any trade secrets, confidential information, knowledge, designs, data, know-how, or any other information reasonably considered by Reformation to be “confidential.” Supplier recognizes that this obligation applies not only to technical information, designs and marketing, but also to any business information that Reformation treats as confidential. Any information that is not readily available to the public shall be considered to be a trade secret and confidential.

Please confirm your agreement to our terms of the Sustainable Partners Guide V3 by signing in the space provided.

I represent and warrant that I have authority to sign on behalf of the company named below and to bind the company named below to the terms of this Policy.

ACCEPTED AND AGREED TO:

Facility Name:

Name of Company Officer:

Title of Company Officer:

Signature of Company Officer:

Date:

Please be sure to complete, sign, scan and return this form via email\*.

REFORMATION  
Attn: Carrie Freiman  
2263 E Vernon Ave  
Vernon, CA, 90058  
[sustainability@thereformation.com](mailto:sustainability@thereformation.com)

\*Subject: Supplier name: Signed Acknowledgment of Receipt

**Sustainability Team Contact Information**

Please see below contacts for the Sustainability Team:

Address:

2263 E Vernon Ave  
Los Angeles, CA 90058

Kathleen Talbot

Chief Sustainability Officer & VP of Operations

Email: [kathleen.talbot@thereformation.com](mailto:kathleen.talbot@thereformation.com)

Carrie Freiman

Director of Sustainability

Email: [carrie.freiman@thereformation.com](mailto:carrie.freiman@thereformation.com)

Mara Ley

Sustainability Coordinator

Email: [mara.ley@thereformation.com](mailto:mara.ley@thereformation.com)

Priscilla Pacheco

Social Compliance Associate

Email: [priscilla.pacheco@thereformation.com](mailto:priscilla.pacheco@thereformation.com)

For general inquiries, please contact [sustainability@thereformation.com](mailto:sustainability@thereformation.com)

**Appendix A: Chargebacks for Social and Environmental Compliance**

Infraction	Chargeback
Denied Inspection	The full cost of the assessment as billed by the monitoring partner + all related costs to correct or resolve the noncompliance
Bribe/Improperly Influenced Inspection	\$10,000.00 or full value of PO whichever is less + all related costs to correct or resolve the noncompliance

**Appendix B: Scheduling a Social Assessment with our Preferred Assessment Partners**

**Scheduling an Initial Assessment with Labor Law Monitoring (FOR CALIFORNIA SUPPLIERS ONLY):**

- To schedule your initial assessment with Labor Law Monitoring, please contact David Fitzpatrick directly by email at [dfitzpatrick@laborlawllc.com](mailto:dfitzpatrick@laborlawllc.com) or by phone at 714-904-2741.
- Assessments will be semi-announced (approx. 14-day window)
  - Please leave at least **3 weeks** for scheduling.
- All new facilities must complete an assessment prior to the production of any Reformation goods unless a mutual recognition assessment has been submitted and accepted.
- Assessment reports will be sent directly to Reformation.
- Please refer to *Appendix C-F* for all documents required for an assessment: Assessment Frequently Asked Questions (FAQ), Document List, and Factory Code of Ethics (COE) Letter.

**Scheduling an Ongoing Assessment with Labor Law Monitoring or Elevate (FOR CALIFORNIA SUPPLIERS ONLY):**

- Dependent on the previous assessment rating, Reformation will either coordinate ongoing assessments directly with Labor Law Monitoring or instruct the vendor to schedule through Elevate by following the [Reformation Guidance](#)
- Assessments will be semi-announced (approx. 14-day window)
- A scheduling confirmation email will be sent to vendors, informing them of the upcoming assessment and scope **2 weeks** before their assessment window.
- A reminder will be emailed to the vendors **1 week** before the assessment window to confirm the facilities' understanding of their upcoming visit.
- Assessment reports will be sent directly to Reformation.
- If you have any questions about your scheduled upcoming assessment with Labor Law Monitoring or with Elevate, please contact the Social Compliance Associate, Priscilla Pacheco, [priscilla.pacheco@thereformation.com](mailto:priscilla.pacheco@thereformation.com).
- Please refer to *Appendix C-F* for all documents required for an assessment: Assessment Frequently Asked Questions (FAQ), Document List, and Factory Code of Ethics (COE) Letter.

**Scheduling an Assessment with Elevate (FOR ALL INITIAL ASSESSMENTS & ONGOING MONITORING):**

- To schedule an assessment with Elevate, please follow the instructions in the [Reformation Guidance](#).
- Assessments will be semi-announced (approx. 14-day window)
- Please leave at least **6 weeks** for scheduling. All new facilities must complete an assessment prior to the production of any Reformation goods unless a mutual recognition assessment has been submitted and accepted.

- Assessment reports will be sent directly to Reformation.
- If you have any questions about scheduling your assessment with ELEVATE, please contact the relevant coordinator for your region/country with “The Reformation Audit: [Country]” in the email title:
  - (1) North Asia: Siren Liu, [siren.liu@elevatelimited.com](mailto:siren.liu@elevatelimited.com)
  - (2) South & Southeast Asia: Nhi Ngo, [nhi.ngo@elevatelimited.com](mailto:nhi.ngo@elevatelimited.com) (all countries except India & Vietnam)
    - India: Kavita Verma, [kavita.verma@elevatelimited.com](mailto:kavita.verma@elevatelimited.com)
    - Vietnam: Ana Nguyen, [ana.nguyen@elevatelimited.com](mailto:ana.nguyen@elevatelimited.com)
  - (3) USA & Canada: Ceren Ermis, [cermis@elevatelimited.com](mailto:cermis@elevatelimited.com) or Ayari Flores, [aflores@elevatelimited.com](mailto:aflores@elevatelimited.com)
  - (4) Latin America: Magalli Sanchez, [msanchez@elevatelimited.com](mailto:msanchez@elevatelimited.com)
  - (5) Europe: Alessandra Fabbri, [alessandra.fabbri@elevatelimited.com](mailto:alessandra.fabbri@elevatelimited.com)
  - (6) Bangladesh & Pakistan: Farzana Afrin, [farzana.afrin@elevatelimited.com](mailto:farzana.afrin@elevatelimited.com)
- Please refer to *Appendix C-F* for all documents required for an assessment: Facility Assessment Frequently Asked Questions (FAQ), Document List, and Factory Code of Ethics (COE) Letter

**Appendix C: Facility Assessment Approach and Guidance, and Frequently Asked Questions (FAQ)**

Elevate: Please download the facility assessment approach & guidance [here](#).

Labor Law Monitoring: Please download the assessment frequently asked questions (FAQ) [here](#).

**Appendix D: Document List Required to Complete Assessment**

Elevate: Please download the document list in your preferred language, [here](#).

Labor Law Monitoring: Please download the document list [here](#).

**Appendix E: Self Assessment Questionnaire for Pre-Screening**

Please download the Self Assessment Questionnaire [here](#).

**Appendix F: Factory Code of Ethics (COE) Letter**

Please download the COE Letter in your preferred language, [here](#).

**Appendix G: Fair Trade Principles**

Artisan facility/Artisan Group
<p>Artisan Rights and Wellbeing: Artisan production must be free of any form of discrimination, harassment or abuse whether at home or in a central workshop. All production must be at will and must not be performed by individuals who are forced, bonded, indentured or trafficked.</p> <p>Artisans must have a clear documented means to voice their opinions and report concerns to management without fear. In central production facilities, artisans’ lawful rights to freedom of association and collective bargaining must be respected.</p> <p>All production (including home based and piece-based) must be tracked and completed within cumulative hours of work that are in full compliance with all local laws, with leeways of irregularity of the production calendar. The Code and accompanying Company policies must be communicated to all artisans in a manner that is intended to provide them with an understanding of their rights, in the local language and with provisions for illiteracy. All managers and subcontractors within the supply chain are expected to uphold the principles contained within this Code of Conduct.</p>
<p>Transparent Records and Legal Compliance: Artisan businesses must maintain honest and up-to-date records of their policies, operations, wages, and production site locations. These records must be kept onsite and should exist in digital format. Vendor must be in direct contact with the artisan group.</p> <p>Artisan production elements must comply with all statutory requirements – including legal status when</p>

<p>required. Records from artisan production elements should clearly demonstrate the businesses’ operations, employment, contractor processes, and appropriate use of funding and other resources. All elements participating individuals should understand their role in the larger supply chain and the traceability of their raw materials.</p>
<p>Worker Representation: Democratically elected worker representative(s) communicate with facility management regularly.</p>
<p>Economic Development: Percentage of cost of goods sold is paid to worker body in a separate bank account. Workers/worker committee decide the best way to use this cash pot.</p>
<p>Pay Promptly and Fairly by discussing costs and pricing openly so that producers are able to earn a fair wage that is above the local minimum wage. Piece-rate payment must utilize time studies to ensure compliance. Guidelines for deductions and overtime wages must be clearly defined and stated to the artisans. Where applicable, artisans must be provided all statutory benefits.</p>
<p>Create Opportunities for economically and socially marginalized farmers and artisans through long term trading partnerships. Build capacity of farmers, artisans, and their communities by providing shared learning lessons, access to market and best practices, financial support and connecting producer groups.</p>
<p>Health and Safety: Artisan Production site – whether a central small workshop or home-based site – must be a clean and safe working environment in compliance with applicable laws and regulations. Artisans must be educated in the importance of safety; trained on proper procedures for machinery and chemical use when warranted; and have access to PPE, safe machinery, sanitation, and emergency procedures.</p>
<p>Ensure the Rights of Children: Children under lawful age of employment, consistent with ILO guidelines, should never participate in artisan production.</p>
<p>Respect Cultural Identity of the farmers and artisans and celebrate diversity. Fair trade products and production methods respect the traditions of the local communities.</p>
<p>Continuous Improvement: Artisan business management demonstrates a commitment to improvement on any areas not in compliance with Reformation’s Supplier Code of Conduct and Artisan Fair Trade criteria.</p>

**Appendix H: Self Assessment Questionnaire for Fair Trade**

Please download the Fair Trade Self Assessment [from here](#).

**Appendix I: Fair Labor Association (FLA) Workplace Code of Conduct and Compliance Benchmarks**

Please find below benchmarks to serve as a basis for monitoring compliance with laws and regulations. For translations of the Workplace Code of Conduct and Compliance Benchmarks in other languages please click [here](#).

**FLA WORKPLACE CODE OF CONDUCT AND COMPLIANCE BENCHMARKS**

**I. EMPLOYMENT RELATIONSHIP (ER)**

**WORKPLACE CODE PROVISION:** Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

### **ER.1 Employment Management Systems / Human Resources**

ER.1.1 Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

ER.1.2 Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.

ER.1.3 Employers should implement an annual review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the FLA Workplace Code.

### **ER.2 Employment Management Systems / Special Categories of Workers**

Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and FLA standards differ, the employer is expected to follow the highest applicable standard

### **ER.3 Employment Management Systems / New Employee Orientation**

ER.3.1 Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, FLA Code of Conduct, health and safety, and environmental protection.

ER.3.2 Training should be updated on a regular basis, and in particular, when any policies and procedures are revised.

ER.3.3 Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.

### **ER.4 Employment Management Systems / Communication**

Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the FLA Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.

### **ER.5 Employment Management Systems / Supervisor Training**

ER.5.1 Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the FLA Code, workplace grievance systems, and the appropriate practices to ensure compliance.

ER.5.2 Employers shall inform supervisors that they should not use any form of harassment or abuse to maintain labor discipline.

ER.5.3 Trainings should be updated on a regular basis.

### **ER.6 Employment Management Systems / Skills Development Training**

ER.6.1 Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the workplace or beyond.

ER.6.2 The policies and procedures should include how workers will be informed of training opportunities, eligibility requirements for participation, if the training will be compulsory or voluntary, if it will take place during or after working hours, and if the training time will be compensated.

### **ER.7 Employment Management Systems /Performance Reviews**

ER.7.1 Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and

agreement/disagreement from employees in writing, and that follow all local legal requirements.

ER.7.2 The performance review process should be communicated to the workforce and reviewed regularly.

#### **ER.8 Employment Management Systems/Promotion, Demotion and Job Reassignment**

Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements

#### **ER.9 Recruitment and Hiring / Contract, Contingent or Temporary Workers**

ER.9.1 Employers shall hire contract/contingent/temporary workers only if such hiring is consistent with the national law of the country of production.

ER.9.2 Employers shall have in place written policies and procedures regulating the recruitment and hiring of contract/ contingent/ temporary workers.

ER.9.3 Contract/contingent/temporary workers shall only be hired if one of the following conditions is met:

ER.9.3.1 the permanent workforce of the enterprise is not sufficient to meet unexpected or unusually large volume of orders;

ER.9.3.2 exceptional circumstances\* may result in great financial loss to the supplier if delivery of goods cannot be met on time;

ER.9.3.3 work that needs to be done and is outside the professional expertise of the permanent workforce.

#### **ER.10 Recruitment and Hiring / Invalid Use of Contract, Contingent or Temporary Workers**

ER.10.1 Employers shall not hire contract/ contingent/ temporary workers as a means to support continuing business needs on a long-term basis.

ER.10.2 Employers shall not renew contracts for multiple successive short terms in lieu of providing regular employment.

#### **ER.11 Recruitment and Hiring / Terms for Contract, Contingent, Migrant or Temporary Workers**

Employers must ensure the following minimum terms and conditions are met in the employment of contract/ contingent/ migrant /temporary workers:

R.11.1 The enterprise must define the job functions or tasks that contract /contingent/migrant/temporary workers are hired to perform and maintains information on the use of contract/ contingent/ migrant/ temporary workers in relation to production needs;

ER.11.2 Contract/contingent/migrant/temporary workers shall be provided an employment agreement in their native language setting out the employment terms and conditions. For migrant workers, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin;

ER.11.3 Workplace rules and regulations apply to contract/contingent/migrant/temporary workers the same as for permanent workers;

ER.11.4 National laws governing contract/contingent/migrant/temporary workers shall be observed.

ER.11.1.5 Personnel files and all relevant employment information for contract/ contingent/ migrant/ temporary workers shall be maintained and accessible at the workplace site at all times;

ER.11.1.6 Contract/ contingent/ migrant/ temporary workers who are hired on more than one occasion for seasonal production and specialization shall sign a separate contract for each new hire event. The workplace must retain all relevant information in each worker's personnel file; and

ER.11.1.7 Contract/ contingent/ migrant/ temporary workers shall be given priority when the enterprise is seeking 'new' permanent employees.

#### **ER.12 Recruitment and Hiring / Transition to Permanent Employee**

For any contract/contingent/temporary worker who becomes a permanent employee, seniority and other benefits eligibility must be dated from the first date as a contract/contingent/temporary worker and not from the first day of permanent employment.

### **ER.13 Recruitment and Hiring / Apprenticeships and Vocational Training**

ER.13.1 Employers shall comply with all regulations and requirements of apprentice or vocational education programs, and shall be able to document to monitors that these are legally recognized programs. Informal arrangements of any kind are not acceptable.

ER.13.2 Apprentice and vocational training programs shall be reserved exclusively for workers who lack necessary training or experience and therefore cannot yet be hired as regular workers.

ER.13.3 Apprentice and vocational training programs shall be subject to workplace conditions as set by the FLA Workplace Code and national laws and regulations.

### **ER.14 Recruitment and Hiring / Employers Agreement with Employment Agencies**

ER.14.1 Employers shall use standard contract language with employment agencies or intermediaries that specifically imparts power to employers to directly pay wages to migrant/contract/contingent/temporary workers and ensures equality of compensation and workplace standards as set under the FLA Workplace Code and national laws and regulations.

ER.14.2 Employers shall use standard contract language with employment agencies or intermediaries that specifically prohibits practices that restrict any worker's freedom of movement or ability to terminate their employment.

### **ER.15 Termination and Retrenchment / Termination Payouts**

ER.15.1 Employers shall have in place a procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retrenchment, taking into account national legal requirements.

ER.15.2 Employers shall establish channels for workers to confidentially express any concerns or problems they may be experiencing around legally owed payment during a retrenchment process.

ER.15.3 Employers shall not demand that workers sign any declaration of good health, waivers or releases of other rights as a condition of receiving severance pay or other legal benefits\* from the company, and shall

not threaten to withhold benefits if workers do not sign.

ER.15.4 Upon termination, severance shall be based upon the worker's current salary and seniority as calculated from the initial date of hire.

ER.15.4.1 Where employers provide advance termination payouts as allowed by law, these amounts may be subtracted from the final severance payment but must be included as itemized deductions in the final severance calculation.

ER.15.5 Where employers provide annual indemnization, original contracts should remain without being terminated.

### **ER.16 Termination and Retrenchment / Policies and Procedures**

ER.16.1 Employers shall maintain proper and accurate records in relation to termination and retrenchment.

ER.16.2 When employers are faced with major changes in production, program, organization, structure, or technology and those changes are likely to result in temporary or permanent layoffs, employers shall communicate any alternatives to retrenchment that have been considered and consult any workers' representatives as early as possible with a view to averting or minimizing layoffs.

ER.16.3 Where temporary or permanent layoffs are unavoidable, a plan should be developed and implemented that mitigates the adverse effects of such changes on workers and their communities.

ER.16.4 The plan should be clearly communicated and posted, and include feedback channels for workers to ask questions and provide feedback.

ER.16.5 Employers shall give retrenched workers opportunity to transfer to other owned facilities in the country at a comparable wage and make all efforts to facilitate re-employment in other enterprises in the country.

### **ER.17 Grievance System / Worker-Management Communication**

ER.17.1 Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes,

worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.

ER.17.2 There shall be a mechanism that allows workers to report harassment and grievances confidentially, including any concerns or problems they may be experiencing around legally owed payments during a retrenchment process.

ER.17.3 Employers shall have in place written procedures that allow a direct settlement of the grievance by the worker and the immediate supervisor. Where this is inappropriate or has failed, there should be additional options for senior management review and consideration, depending on the nature of the grievance and the structure and size of the enterprise.

ER.17.4 Employers shall ensure that the grievance procedures and applicable rules are known to workers, and that workers are fully trained on their use.

ER.17.5 Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.

ER.17.6 Employers shall have a system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation\*, or unsafe working conditions.

### **ER.18 Work Conduct and Discipline / General Principles**

ER.18.1 Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).

ER.18.1.1 The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.

ER.18.1.2 Employers shall maintain written records of all disciplinary actions taken.

ER.18.2 Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.

ER.18.3 Workplace Rules and policies, and disciplinary procedures and practices shall be clearly communicated to all workers in the language(s) spoken by workers. Any exceptions to this system (e.g. immediate termination for gross misconduct, such as theft or assault) shall also be in writing and clearly communicated to workers.

ER.18.3.1 Workers must be informed in writing when a disciplinary procedure has been initiated against them.

ER.18.3.2 Workers have the right to participate and be heard in any disciplinary procedure against them.

ER.18.3.3 Workers must sign all written records of disciplinary action against them.

ER.18.3.4 Records of disciplinary action must be maintained in the worker's personnel file.

ER.18.4 The disciplinary system shall include a third-party witness during imposition, and an appeal process.

ER.18.5 Employers shall inform workers that any form of harassment or abuse in the workplace shall be subject to disciplinary measures.

ER.18.6 The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.

### **ER.19 General Compliance / Documentation and Inspection**

ER.19.1 Employers shall maintain on file all documentation needed to demonstrate compliance with the FLA Workplace Code and required laws.

ER.19.1.1 Employers shall make these documents available to third-party assessors commissioned by the FLA and shall submit to inspections without prior notice.

ER.19.2 All notices that are legally required to be posted in the workplace work areas shall be posted by employers.

## II. NON-DISCRIMINATION (ND)

**WORKPLACE CODE PROVISION:** No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

### **ND.1 General Compliance Nondiscrimination**

ND1.1 Employers, employment agencies, and intermediaries shall comply with all national laws, regulations and procedures concerning non-discrimination. Where local laws and FLA standards differ, the employer, employment agency, and intermediary is expected to follow the highest applicable standard.

ND.1.2 If not provided by law, employers must provide protection to workers who allege discrimination in any form, including recruitment and employment practices, compensation, marital, or health status.

### **ND.2 Employment Decisions**

ND.2.1 All employment decisions shall be made solely on the basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to the inherent requirements of a particular job.

ND.2.2 Employment decisions shall not be made on the basis of gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy.

### **ND.3 Job Advertisements, Job Descriptions and Evaluation Policies**

Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.

### **ND.4 Disclosure of Personal Information**

Employers may not request the disclosure of any personal, non-job related information during the application, recruitment, or hiring process, including but not limited to gender, race, religion, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, or marital status.

### **ND.5 Compensation Discrimination**

There shall be no differences in compensation for workers for work of equal value on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

### **ND.6 Marital, Partnership, or Family Discrimination**

ND.6.1 Employers shall not discriminate on the basis of marital, partnership, or family status.

ND.6.2 Employers shall not threaten workers with dismissal or any other employment decision that negatively affects their employment status in order to prevent them from changing their marital, partnership, or family status (including getting married or becoming pregnant.)

ND.6.3 Employers shall not, on the basis of a worker's marital, partnership, or family status (including pregnancy), make any employment decisions that negatively affect employment status, including decisions concerning dismissal, demotion, loss of seniority, or deduction of wages.

### **ND.7 Pregnancy Testing**

ND.7.1 Employers shall not require pregnancy testing of workers, except as required by national law.

ND.7.1.1 Employers shall not under any circumstances use pregnancy tests or the use of contraception in their hiring or employment decisions, even in cases where pregnancy tests are required by national law.

### **ND.8 Protection and Accommodation of Pregnant Workers and New Mothers**

ND.8.1 Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of

pregnant women and their unborn children or new mothers and their newborn children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.

ND.8.1.1 Where such legal protective provisions are lacking, employers shall take all necessary measures to ensure the safety and health of pregnant women and their unborn children.

ND.8.1.2 Where legal protective provisions are lacking, employers shall, at minimum provide paid leave for regular pre-natal and post-natal doctor visits as well as breast-feeding breaks.

#### **ND.9 Health-Related Discrimination**

Employers shall not, on the basis of a person's health status, make any employment decisions that negatively affect the person's employment status, including decisions concerning recruitment, termination, promotion, or assignment of work, unless such decision is dictated by the inherent requirements of the job or a medical necessity to protect the worker and/or other workers.

#### **ND.10 Medical Examination**

Employers are allowed to require routine medical examination to assess general fitness as a condition for recruitment or continued employment but shall not include testing for any disease or illness, such as HIV/AIDS, that does not have an immediate effect on a person's fitness and is not contagious.

#### **ND.11 Confidentiality of Health Status**

Employers shall respect the confidentiality of workers' health status and not undertake any action that could lead to a breach of said confidentiality, including screening, whether by direct or indirect testing (for instance, by making an assessment of risk behavior), or asking questions about previously taken tests or medications.

#### **ND.12 Reasonable Accommodation for Health Reasons**

Employers shall take measures to reasonably accommodate workers with chronic illnesses, including HIV/AIDS-related illnesses, which could include rearrangement of working time, the provision of special equipment, opportunities for rest breaks, time-off for medical appointments, flexible sick leave, part-time work and return-to-work arrangements.

#### **ND.13 Reasonable Accommodation, Modifications, and Adjustments**

ND.13.1 Employers shall make all reasonable modifications and adjustments to accommodate specific religious, ethnic, gender, and disability-based needs of all workers within the workplace as well as within any employer- provided facilities such as dormitories or transportation.

ND.13.2 Workers shall not be required to reimburse the factory for the cost of these accommodations.

#### **ND.14 Dress Codes and Uniforms**

ND.14.1 Employers shall not impose any discriminatory restrictions on the dress or appearance of workers.

ND.14.2 In cases where the workplace requires uniforms or other specific clothing, accommodations shall be made for religious practice or disability.

ND.14.3 In cases where a workplace dress code is in place, the dress code shall not discriminate against or set different standards for ethnic or cultural groups.

#### **ND.15 Spoken Languages**

ND.15.1 Employers shall not require specific languages to be spoken in the work environment, nor shall they prohibit the use of any languages among workers.

ND.15.2 Employers shall make every reasonable effort to communicate to workers in their native language.

### **III. HARASSMENT OR ABUSE (H/A)**

**WORKPLACE CODE PROVISION:** Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

#### **H/A.1 General Compliance Harassment or Abuse**

H/A.1.1 Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based.

H/A.1.2 If not provided under law, employers must provide protection to workers who allege harassment or abuse violations.

H/A.1.3 If not provided under law, employers must provide protection to workers who are victims of domestic violence.

#### **H/A.2 Discipline / Monetary Fines and Penalties**

Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance, for broken or lost tools/machinery, or for violating company rules, regulations, and policies.

#### **H/A.3 Discipline / Access to Facilities**

Access to food, water, toilets, medical care or health clinics or other basic necessities shall not be used as either reward or as a means to maintain labor discipline.

#### **H/A.4 Discipline / Physical Abuse**

Employers shall not use any form of – or threat of – physical violence, including slaps, pushes or other forms of physical contact as a means to maintain labor discipline.

#### **H/A.5 Discipline / Verbal Abuse**

Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.

#### **H/A.6 Discipline / Psychological Abuse**

Employers shall not use any form – or threat – of psychological abuse, such as forcing workers to sign letters of self-criticism or posting names of workers subject to disciplinary measures as a means to maintain labor discipline.

#### **H/A.7 Discipline / Freedom of Movement**

Employers shall not restrain the freedom of movement of workers, including movement in canteens, during breaks, using toilets, accessing water, or accessing

necessary medical attention, as a means to maintain labor discipline.

#### **H/A.8 Elimination of Violence, Harassment and Abuse in the Workplace**

H/A.8.1 Employers shall ensure that the workplace and all workplace facilities (such as employer provided transportation or dormitories) are free from any type of violence, harassment or abuse, be it physical, sexual, psychological, verbal, or otherwise.

H/A.8.2 Employers, in consultation with worker/union representatives, shall assess specific hazards and risks of harassment and abuse in the workplace, including gender-based violence. This includes risks arising from working conditions, work arrangements (such as night shifts or other schedules,) work organization, and third parties such as recruitment agencies, contractors, or any other intermediaries.

H/A.8.3 Employers shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.

H/A.8.4 Employers shall take all necessary precautions to eliminate any action (by the employer, between or among employees, or by third-parties who are retained by the employer or whose work is connected with the workplace) that would result in gender-based violence and/or harassment, regardless of whether such actions occur in or outside of the workplace and/or working hours.

#### **H/A.9 Sexual Harassment**

H/A.9.1 Employers shall refrain from:

H/A.9.1.1 any act of sexual harassment, including inappropriate remark, insult, joke, insinuation, and comment on a person's dress, physique, age, family situation, etc.;

H/A.9.1.2 a condescending or paternalistic attitude with sexual implications undermining dignity;

H/A.9.1.3 any unwelcome invitation or request, implicit or explicit, whether or not accompanied by threats;

H/A.9.1.4 any lascivious look or other gesture associated with sexuality; and

H/A.9.1.5 any unnecessary physical contact such as touching, caresses, pinching or assault.

H/A.9.2 Employers shall not offer, or take any action that may suggest an offer of, recruitment, continued employment, promotion, improved working conditions, preferential work assignments or other preferential treatment in exchange for a sexual relationship.

H/A.9.3 Employers shall not subject workers to prejudicial treatment of any kind in retaliation for refused sexual advances or corrected inappropriate behavior.

#### **H/A.10 Security Practices and Body Searches**

H/A/10.1 All security practices shall be gender appropriate and nonintrusive, so that the dignity of workers concerned is protected when a search is undertaken.

H/A.10.1.1 Searching of bags and other personal items to prevent theft is acceptable.

H/A.10.1.2 Body searches and physical pat downs shall only be undertaken when there is a specific, legitimate reason to do so and upon consent of workers, unless a state official with the power to do so (e.g. police officer) has ordered the search.

H/A.10.1.3 Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.

#### **H/A.11 Punishment of Abusive Workers, Supervisors, or Managers**

Employers shall have a system to discipline supervisors, managers or workers who engage in any physical, sexual, psychological or verbal violence, harassment or abuse, through measures such as compulsory counseling, warnings, demotions, and terminations or a combination thereof regardless of whether such action was intended as a means to maintain labor discipline with a view to preventing the reoccurrence of violence and harassment, and facilitating their reintegration into work, where appropriate.

### **IV. FORCED LABOR (F)**

**WORKPLACE CODE PROVISION:** There shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.

#### **F.1 General Compliance Forced Labor**

F.1.1 Employers, employment agencies, and intermediaries shall comply with all national laws, regulations and procedures concerning the prohibition of forced labor and human trafficking.

F.1.2 If not provided by law, employers must provide protection to workers who allege violations of forced labor.

#### **F.2 Freedom in Employment**

F.2.1 All workers shall have the right to enter into and to terminate their employment freely.

F.2.2 Employment terms shall be those to which the worker has voluntarily agreed, in as far as those terms do not fall below:

F.2.2.1 provisions of national laws;

F.2.2.2 freely negotiated and valid collective bargaining agreements; or

F.2.2.3 the FLA Workplace Code.

F.2.3 There can be no employment terms which allow employers, employment agencies, or intermediaries:

F.2.3.1 to hold wages already earned; or

F.2.3.2 use earned back wages as penalties; and

F.2.3.3 in any way punishes workers for terminating employment.

#### **F.3 Debt / Bonded Labor**

F.3.1 Employers, employment agencies, or intermediaries shall not bind workers to employment as a condition of fulfilling terms of a debt.

F.3.2 Employers, employment agencies, or intermediaries may provide loans directly to workers only if they are a component of a larger loan program (e.g. housing or education loans) available to all workers.

F.3.2.1 Lending and savings programs provided to workers by employers, employment agencies, or intermediaries must comply with all national laws and regulations for such programs.

F.3.3 The continuance of loans may not be dependent on continued employment at the workplace, and no penalties may be assessed on the loan for workers ending employment at the workplace.

F.3.4 Interest may not exceed the cost of administering the loan program and any tax liabilities incurred by the program, and according to legal limits.

#### **F.4 Freedom of Movement**

F.4.1 If workplace entrances are locked or guarded to prevent nonemployee access to the premises for security reasons, workers shall have free egress at all times,

F.4.2 No terms imposed by the employer or any employment agencies or intermediaries shall confine or restrict employees' freedom of movement or free transit

#### **F.5 Employer Controlled Residence**

Employers shall not require, or influence, workers to live in employer-owned or -controlled residences as a condition of recruitment, continued employment or to receive the same terms of employment and working conditions as other workers in the same position.

#### **F.6 Freedom of Movement in Employer Controlled Residence**

The freedom of movement of workers who live in employer-owned or -controlled residences shall not be unreasonably restricted.

#### **F.7 Threat of Penalty**

F.7.1 Employers shall not utilize, nor shall they use employment agencies or intermediaries that utilize, practices that restrict any worker's freedom of movement, ability to terminate their employment, or that create a threat of penalty. Examples of such practices include, but are not limited to:

F.7.1.1 (the threat of) physical or mental coercion;

F.7.1.2 requiring deposits;

F.7.1.3 imposing financial penalties;

F.7.1.4 requiring workers to pay recruitment and/or employment fees\*;

F.7.1.5 providing precarious employment\*;

F.7.1.6 using false information to recruit workers

#### **F.8 Forced Overtime**

The imposition of overtime where workers are unable to leave the work premises constitutes forced labor.

#### **F.9 Personal Identification and Other Documents**

Workers shall retain possession and control of their passports, identity papers, travel documents, work permits, and other personal legal documents.

#### **F.10 Storage for Employee Documents**

F.10.1 Employers shall provide at employee request secure storage for employee's documents such as passports, identity papers, travel documents, and other personal legal documents. Such storage shall be freely accessible to workers at all times.

F.10.2 Employers shall not withhold any such documents or restrict workers' access to them for any reason, including ensuring that workers shall remain in employment in the workplace.

#### **F.11 Employment Fees**

Fees and other costs associated with the employment of workers, including migrant/contingent/contract/temporary workers, shall be the sole responsibility of the employer.

#### **F.12 Free Disposal of Wages**

F.12.1 Employers may not limit in any manner the freedom of workers to dispose of their wages.

F.12.2 Workers must be free from any coercion to make use of enterprise or employer-operated stores.

## V. CHILD LABOR (CL)

**WORKPLACE CODE PROVISION:** No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

### CL.1 General Compliance Child Labor

Employers shall comply with all national laws, regulations and procedures concerning the prohibition of child labor.

### CL.2 Child Labor

Employers shall not employ anyone under the age of 15 or under the age for completion of compulsory education, whichever is higher.

### CL.3 Government Permits and Parental Consent Documentation

Employers shall abide by all relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment, and shall keep documentation on-site for inspection at all times.

### CL.4 Employment of Young Workers

Employers shall comply with all relevant laws that apply to young workers (e.g. those between the minimum working age and the age of 18), including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.

### CL.5 Hazardous Work for Young Workers

No person under the age of 18 shall undertake hazardous work, i.e. work which, by its nature or the circumstances in which it is carried out, is likely to

harm the health or safety or morals of persons under the age of 18.

### CL.6 Young Workers Identification System

Employers shall have a system for identifying workstations and operations that are inappropriate for young workers according to applicable laws.

### CL.7 Apprenticeships and Vocational Training / Minimum Working Age

Apprentices or vocational students shall not be under the age of 15 or under the age for completion of compulsory education, whichever is higher.

### CL.8 Proof of Age Documentation

CL.8.1 Employers shall collect and maintain all documentation necessary to confirm and verify date of birth of all workers, such as birth certificates.

CL.8.1.1 Employers shall take reasonable measures to ensure such documentation is complete and accurate.

CL.8.1.2 In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all workers are at least the minimum working age, including requesting and maintaining medical or religious records of workers, or through other means considered reliable in the local context.

## VI. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (FOA)

**WORKPLACE CODE PROVISION:** Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.

### FOA.1 General Compliance Freedom of Association

FOA.1.1 Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws

and FLA standards differ, the employer is expected to follow the highest applicable standard.

FOA.1.2 If not provided by law, employers must provide protection to workers who allege violations of freedom of association.

## **FOA.2 Right to Freely Associate**

Workers, without distinction whatsoever, shall have the right to establish and to join organizations of their own choosing, subject only to the rules of the organization concerned, without previous authorization. The right to freedom of association begins at the time that workers seeks employment and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers.

## **FOA.3 Alternative Means of Association**

When the right to freedom of association and collective bargaining is restricted under law, employers shall not obstruct legal alternative means of worker association.

## **FOA.4 Anti-Union Violence, Harassment or Abuse**

FOA.4.1 Employers shall not use any form of physical or psychological violence, threats, intimidation, retaliation, harassment or abuse against union representatives and workers seeking to form, in the process of forming, or who have joined an organization of their own choosing.

FOA.4.1.1 Such practices shall not be used against workers' organizations or workers participating or intending to participate in formal or informal organizing activities, including strikes.

## **FOA.5 Anti-Union Discrimination / Dismissal, Other Loss of Rights, and Blocklisting**

FOA.5.1 Employers shall not engage in any acts of anti-union discrimination or retaliation, i.e. shall not make any employment decisions which negatively affect workers based wholly or in part on a workers' union membership or participation in union activity, including the formation of a union, previous employment in a unionized facility, participation in collective bargaining efforts or participation in a legal strike.

FOA.5.1.1 Employers shall not use blocklists to restrict freedom of association, for instance blocklists based on union membership or participation in union activity.

## **FOA.6 Restoration of Workers Rights / Worker Reinstatement**

Workers who have been unjustly dismissed, demoted or otherwise suffered a loss of rights and privileges at work due to an act of union discrimination shall, subject to national laws, be entitled to restoration of all the rights and privileges lost, including reinstatement and retroactive payment of wages, if they so desire.

## **FOA.7 Protection of Union Representatives**

Employers shall comply with all relevant provisions where national laws provide special protection to workers or worker representatives engaged in a particular union activity (such as union formation) or to worker representatives with a particular status (such as founding union members or current union office holders).

## **FOA.8 Production Shift/Workplace Closure**

FOA.8.1 Employers shall not (threaten to) shift production or close a workplace site in an attempt to prevent the formation of a union, in reaction to the formation of a union, in reaction to any other legitimate exercise of the right to freedom of association and collective bargaining, including the right to strike, or in an effort to break up a union.

FOA.8.2 If a workplace is closing and there is a dispute that the closure was done to prevent or hamper the legitimate exercise of the right to freedom of association, employers shall provide proof that can be assessed by a third party to determine the validity of the reasons given for closure.

## **FOA.9 Severance Pay**

Employers shall not offer or use severance pay in any form or under any other name as a means of contravening the right to freedom of association, including attempts to prevent or restrict union formation or union activity, including strikes.

## **FOA.10 Employer Interference**

Employers shall refrain from any acts of interference with the formation or operation of workers' organizations, including acts, which are designed to establish or promote the domination, financing or control of workers' organizations by employers.

**FOA.11 Employer Interference / Constitution, Elections, Administration, Activities & Programs**

FOA.11.1 Employers shall not interfere with the right of workers to:

FOA.11.1.1 Draw up their constitutions and rules;

FOA.11.1.2 Elect their representatives; or

FOA.11.1.3 Organize their administration and activities.

**FOA.12 Employer Interference / Registration**

Employers shall not attempt to influence or interfere in any way, to the detriment of workers' organizations, with government registration decisions, procedures and requirements regarding the formation of workers' organizations.

**FOA.13 Employer Interference / Favoritism**

FOA.13.1 Employers shall not interfere with the right to freedom of association by favoring one workers' organization over another.

FOA.13.1.1 In cases where a single union represents workers, employers shall not attempt to influence or interfere in any way in workers' ability to form other organizations that represent workers.

**FOA.14 Employer Interference / Police and Military Forces**

Employers shall not in any way threaten the use of or use the presence of police or military, to prevent, disrupt or break up any activities that constitute an exercise of the right to freedom of association, including union meetings, assemblies and strikes.

**FOA.15 Facilities for Worker Representatives**

Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.

**FOA.16 Right to Collective Bargaining / Good Faith**

FOA.16.1 Employers shall recognize the rights of workers to free and voluntary collective bargaining with a view to the regulation of terms and conditions of employment by collective agreements.

FOA.16.2 Employers and worker representatives shall bargain in good faith, i.e. engage in genuine and

constructive negotiations and make every effort to reach an agreement.

**FOA.17 Right to Collective Bargaining / Exclusive Bargaining & Other Recognized Unions**

Employers shall bargain with any union that has been recognized by law or by agreement between the employer and that union, provided such agreement does not contravene national law, as a, or the exclusive, bargaining agent for some or all of its workers.

**FOA.18 Right to Collective Bargaining / Unorganized Workers**

Employers can only engage in collective bargaining with representatives of unorganized workers when no workers' organization exists.

**FOA.19 Right to Collective Bargaining / Compliance with Collective Bargaining Agreement**

FOA.19.1 Employers, unions and workers shall honor in good faith, for the term of the agreement, the terms of any collective bargaining agreement they have agreed to and signed.

FOA.19.2 Worker representatives and workers shall be able to raise issues regarding compliance with a collective bargaining agreement by employers without retaliation or any negative effect on their employment status.

FOA.19.3 Where a union exists in the workplace, employers shall make available a copy of the collective bargaining agreement to all workers and other interested parties.

**FOA.20 Right to Collective Bargaining / Validity of Collective Bargaining Agreement**

FOA.20.1 Collective bargaining agreements that have not been negotiated freely, voluntarily and in good faith shall be considered not applicable.

FOA.20.2 Provisions in collective bargaining agreements that contradict national laws, rules and procedures or offer less protection to workers than provisions of the FLA Workplace Code shall also be considered not applicable.

**FOA.21 Rights of Minority Unions and their Members**

Unions not recognized as a bargaining agent of some or all of the workers in a facility shall have the means for defending the occupational interests of their members, including making representations on their behalf and representing them in cases of individual grievances and disciplinary actions, within limits established by applicable law.

**FOA.22 Right to Strike / Sanction for Organizing or Participating in Legitimate Strikes**

Employers shall not impose any sanction on workers organizing or having participated in a strike in accordance with ILO standards and jurisprudence.

**FOA.23 Right to Strike / Replacement Workers**

Employers shall not hire replacement workers in order to prevent or break up a strike that is in accordance with ILO standards and jurisprudence, or to avoid negotiating in good faith.

**VII. HEALTH, SAFETY, AND ENVIRONMENT (HSE)**

**WORKPLACE CODE PROVISION:** Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities.

Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

**HSE.1 General Compliance Health, Safety, and Environment**

Employers shall comply with all national laws, regulations and procedures concerning health and safety, and the environment.

**HSE.2 Document Maintenance / Workers Accessibility and Awareness**

All documents required to be available to workers and management by applicable laws (e.g. health and safety policies, MSDS, environmental emergency procedures) shall be made available in the prescribed manner and in the local language and language spoken by the workers, if different from the local language.

**HSE.3 Notification and Record Maintenance**

HSE.3.1 Employers shall notify the relevant national and/or local authorities of all illnesses and accidents and environmental emergencies as required by applicable laws.

HSE.3.2 All illness, safety, accident, and emergency reports shall be maintained on site for at least one year, or longer if required by law.

**HSE.4 Permits and Certificates**

HSE.4.1 Employers shall at all times be in possession of all legally required and valid permits and certificates

related to health, safety, and environmental issues, such as:

HSE.4.1.1 Purchase and storage of chemicals;

HSE.4.1.2 Fire safety inspections;

HSE.4.1.3 Machinery inspections;

HSE.4.1.4 Waste disposal;

HSE.4.1.5 Environmental licenses/permits;

HSE.4.1.6 Sanitation permits, including those required for canteens; and

HSE.4.1.7 Vehicle inspection and driver permits for all employer provided transportation.

**HSE.5 Evacuation Requirements**

HSE.5.1 All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements:

HSE.5.1.1 posting evacuation plans;

HSE.5.1.2 installation and maintenance of fire alarms;

HSE.5.1.3 Installation and maintenance of emergency lighting;

HSE.5.1.4 ensuring aisles/exits are not blocked and that workers are not blocked within their workstations;

HSE.5.1.5 employee education and training; and

HSE.5.1.6 evacuation procedures and fire drills.

HSE.5.2 Workers shall be trained in evacuation procedures.

HSE.5.3 Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.

HSE.5.4 The emergency evacuation procedure (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.

#### **HSE.6 Safety Equipment and First Aid Training**

HSE.6.1 All safety and medical equipment (e.g. fire-fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.

HSE.6.2 A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.

#### **HSE.7 Personal Protective Equipment**

Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.

#### **HSE.8 Use of Personal Protective Equipment**

Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.

#### **HSE.9 Chemical Management and Training**

HSE.9.1 All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.

HSE.9.1.1 Labels shall be placed in the local language and the language spoken by workers, if different from the local language.

HSE.9.2 Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.

#### **HSE.10 Material Safety Data Sheets/Workers Access and Awareness**

HSE.10.1 Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.

HSE.10.2 Workers shall have free access to MSDS.

#### **HSE.11 Chemical Management / Pregnant Women and Young Workers**

To prevent unsafe exposure to hazardous chemicals and hazardous substances, appropriate accommodations shall be made for pregnant women and workers under the age of 18, as required by applicable laws or the provisions of the FLA Workplace Code, in a manner that does not unreasonably disadvantage workers.

#### **HSE.12 Protection Reproductive Health**

Employers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health.

#### **HSE.13 Ventilation/Electrical/Facility Installation and Maintenance**

All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.

#### **HSE.14 Machinery Safety, Maintenance and Workers Training**

HSE.14.1 All production machinery, equipment and tools shall be properly guarded and regularly maintained.

HSE.14.2 Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.

HSE.14.3 Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.

#### **HSE.15 Proper Use of Machinery**

Employers shall not use negative incentives like monetary penalty schemes to ensure workers use machinery, equipment and tools safely and properly. Rather, training on risk awareness, proper machine use, as well as positive incentives like bonuses should be used.

#### **HSE.16 Workers Refusal to Use Unguarded or Unsafe Machinery**

Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.

#### **HSE.17 Ergonomics**

HSE.17.1 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.

HSE.17.2 Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.

#### **HSE.18 Medical Facilities**

HSE.18.1 Medical facilities shall be established and maintained in factories as required by applicable laws.

HSE.18.2 Medical staff shall be fully licensed and recognized under applicable national rules and regulations.

HSE.18.2.1 An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under national law.

HSE.18.3 An appropriate stock of medical supplies shall be maintained at all times.

HSE.18.3.1 Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner.

#### **HSE.19 Sanitation in Workplace Facilities**

All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.

#### **HSE.20 Toilets**

Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. In addition, the following should also be considered: number of toilets based on number of workers, privacy for each individual and gender, accessibility and hygiene.

#### **HSE.21 Toilets/Restrictions**

Employers shall not place any undue restrictions on toilet use in terms of time and frequency.

#### **HSE.22 Food Preparation**

HSE.22.1 All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws and international standards.

HSE.22.2 All workers handling food must be trained and/or certified to work in the facility preparing or serving food.

#### **HSE.23 Drinking Water**

HSE.23.1 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace.

HSE.23.1.1 Drinking water shall be of a reasonable temperature.

HSE.23.1.2 The means to drink water (e.g. cups) must be safe and sanitary and available in an appropriate number.

#### **HSE.24 Drinking Water/Restrictions**

Employers shall not place any undue restrictions on drinking water in terms of time and frequency.

#### **HSE.25 Dormitory Facilities**

HSE.25.1 Dormitory facilities, including those provided by employment agencies or intermediaries associated with the employer, shall meet all applicable laws and

regulations related to health, safety, and environment, including fire safety, sanitation, risk protection and electrical, mechanical, and structural safety.

HSE.25.1.1 All dormitories shall be kept secure, clean, and have safety provisions (e.g. fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting).

HSE.25.1.2 Emergency evacuation drills shall also be conducted at least semi-annually.

#### **HSE.26 Dormitories Separate from Production Facilities**

All dormitory facilities must be structurally sound, in good repair, and located separately from production, warehouse and hazardous chemical storage areas.

#### **HSE.27 Childcare Facilities/Children on Premises**

HSE.27.1 Childcare facilities shall not physically overlap with production areas and children shall not have access to production areas.

HSE.27.2 Children under the minimum working age shall not be allowed in workplace areas at any time, unless they are part of a guided school tour or other such unusual event.

HSE.27.3 All childcare workers must be fully trained and licensed to provide the level of care necessary at the factory. Where local legal requirements are missing, childcare workers must have at least some vocational training for childcare.

HSE.27.4 Childcare facility hours must match the working hours of the factory shift schedule, following any regulations provided by local law.

#### **HSE.28 External Contractors**

Employers shall create a system to ensure that all necessary Health and Safety protections are provided for external contractors; including protection when working within confined spaces, maintenance issues, and general Health and Safety Issues.

#### **HSE.29 High-Risk Areas**

Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.

#### **HSE.30 Health, Safety & Environmental Management System, Policies & Procedures**

HSE.30.1 Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the FLA Workplace Code concerning health, safety, and environmental standards, regulations and procedures.

HSE.30.2 The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:

HSE.30.2.1 employers' responsibilities;

HSE.30.2.2 workers' rights and duties;

HSE.30.2.3 responsibilities of designated personnel;

HSE.30.2.4 procedures that enable workers to raise health, safety, and environmental concerns;

HSE.30.2.5 procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies;

HSE.30.2.6 protections to workers who allege health, safety, and environmental violations;

HSE.30.2.7 conducting root cause analysis on workplace accidents and taking proactive action to prevent future accidents.

HSE.30.3 Environmental policies shall include procedures to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.

## **VIII. HOURS OF WORK (HOW)**

**WORKPLACE CODE PROVISIONS:** Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual.

Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances\*, the sum of regular and overtime hours in a week shall not exceed 60 hours.

### **HOW.1 General Compliance Hours of Work**

HOW.1.1 Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.

HOW.1.2 If not provided by law, employers must provide protection to workers who allege violations of laws governing work hours.

### **HOW.2 Rest Day**

Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.

### **HOW.3 Meal and Rest Breaks**

Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws.

### **HOW.4 Protected Workers (Women and Young Workers)/Regulations on Hours of Work**

The workplace shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18.

### **HOW.5 Protected Workers (Women and Young Workers) / Record Keeping**

Employers shall maintain necessary records identifying all women workers and all workers under the age of 18 entitled to legal protection concerning work hours.

### **HOW.6 Maintenance of Reasonable Levels of Staff**

Employers' personnel practices shall demonstrate an effort to maintain a level of staffing that is reasonable

in view of predictable or continuing fluctuations in business demand.

### **HOW.7 Overtime Calculation over Period Longer than One Week**

Employers are allowed to calculate regular hours of work as an average over a period of longer than one week, where national laws, regulations and procedures provide for such a possibility, but only when all formal and procedural requirements attached to such calculation (for instance, obtaining official permission from the relevant authorities or limits to the period during which such calculations can be made) are met. However, the basis for such calculation shall not exceed 48 hours per week.

### **HOW.8 Forced Overtime**

HOW.8.1 Employers shall not require or permit workers to work more than the overtime hours allowed by the law of the country where the workers are employed.

HOW.8.2 All overtime work shall be consensual, and employers shall enact a voluntary overtime system, including for overtime utilized in exceptional circumstances\*.

### **HOW.9 Explanation for Overtime in Exceptional Circumstances**

HOW.9.1 Employers shall be able to provide explanation for all periods when the exceptional circumstances exception has been used.

HOW.9.2 Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances sufficiently in advance to allow workers to make alternative plans.

**HOW.10 Public Holidays**

HOW.10.1 Employers shall provide workers with all official public holidays as required under national laws, regulations and procedures.

HOW.10.2 If not prohibited by local law, any replacement of official holidays with alternative days off must be voluntary and agreed upon in writing by the worker in advance.

HOW.10.3 When using replacement holidays, all legal and FLA requirements regarding overtime and hours of work apply.

**HOW.11 Annual Leave**

HOW.11.1 Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.

HOW.11.2 Even where national laws allow employers to pay extra compensation in lieu of paid annual leave, employers shall ensure that this option is not utilized.

**HOW.12 Annual Leave Determination**

HOW.12.1 Employers shall not impose any undue restrictions on workers' use of annual leave.

HOW.12.2 The time at which annual leave is taken is determined by employers in consultation with workers, taking into account work requirements and the opportunities for rest and relaxation available to workers.

**HOW.13 Annual Leave Procedures**

HOW.13.1 Any workplace procedures regulating the timing of annual leave (e.g., requiring a minimum period of service before being allowed to use annual leave, written requests to be submitted a certain time before the annual leave) must be in line with national laws, regulations and procedures.

HOW.13.2 Workplace procedures regulating the timing of annual leave must be communicated in full to all workers.

**HOW.14 Annual Leave Wage Payments**

Employers shall provide workers taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws, regulations and procedures.

**HOW.15 Retaliation for Taking Leave**

Employers shall not impose any sanction on workers for requesting or taking any type of leave, such as annual, sick, or maternity, in line with all applicable rules and procedures.

**HOW.16 Sick Leave**

Employers shall provide workers with sick leave as required under national laws, regulations and procedures.

**HOW.17 Sick Leave Restrictions**

Employers shall not impose any undue restrictions on sick leave. Any workplace procedures regulating sick leave (e.g. informing the employer as soon as possible, the provision of medical certificates,) must be in line with national laws, regulations and procedures and must be communicated in full to all workers.

**HOW.18 Calculation of Absences**

Absences from work for reasons beyond the control of workers, such as sick leave or periods during which workplace operations are suspended, shall not be counted as annual leave nor shall they be deducted from calculations concerning length of service, unless specified differently under national laws, regulations and procedures.

**HOW.19 Suspension of Work**

HOW.19.1 Employers can only suspend work in accordance with national laws, regulations and procedures.

HOW.19.2 Workers shall be paid in full during periods of suspension, unless national laws stipulate otherwise, workers and their representative organizations agree otherwise, or the relevant national authorities authorize the alternative arrangement.

HOW.19.3 Conditions of suspension should be communicated in full to all workers.

**HOW.20 Excessive Hours Reduction**

Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.

### **HOW.21 Overtime Hours**

Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.

### **HOW.22 Time Recording System**

HOW.22.1 Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.

HOW.22.2 Accurate time records shall be maintained by employers, including overtime, breaks, and leave.

HOW.22.3 Time worked by all workers, regardless of wage system, shall be fully documented by timecards or other mechanical or electronic recording systems.

HOW.22.4 Employers shall not maintain multiple time-keeping systems and/or records.

HOW.22.5 Time records maintained shall be authentic and accurate.

HOW.22.6 If not provided by law, employers must provide protection to workers who allege existence of multiple time-keeping systems or falsification of work time records.

## **IX. COMPENSATION (C)**

**WORKPLACE CODE PROVISIONS:** Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs\* and provide some discretionary income\*. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.

### **C.1 General Compliance Compensation**

C.1.1 Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.

C.1.2 In any case where differences or conflicts in national law and FLA Workplace Code arise, employers are expected to apply the highest standard.

C.1.3 In any case where national laws, regulations and procedures do not address the payment of compensation to workers, employers shall follow all standards in the FLA Workplace Code that apply to administration and payment of compensation and shall provide an employment contract that includes stipulation of compensation payment to workers.

### **C.2 Minimum Wage**

Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher, for regular working hours (not including overtime). Workers should also be informed about the legal minimum wage.

### **C.3 Wage & Benefits / Probationary Status**

C.3.1 Where probationary employment is legally allowed, workers shall:

C.3.1.1 Receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher;

C.3.1.2 Receive all legally mandated benefits;

C.3.1.3 No workers shall work more than three months in this employment category.

### **C.4 Wage & Benefits / Apprenticeship or Vocational Training**

C.4.1 For the time-period during which they receive training, apprentices and vocational trainees shall:

C.4.1.1 receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher; and

C.4.1.2 Receive all legal mandated benefits.

C.4.1.3 If local law allows for a lower minimum wage for apprentices/trainees, this lower minimum wage may only be applied for the first 30 days, if that time is dedicated primarily to training and not to production or other essential tasks.

### **C.5 Wage & Benefits / Contract, Contingent or Temporary Workers**

C.5.1 Contract/contingent/migrant/temporary workers shall:

C.5.1.1 Receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher;

C.5.1.2 Receive all legally mandated benefits; and

C.5.1.3 Receive at least the same compensation as regular workers performing the same job functions or tasks with similar levels of experience or seniority.

### **C.6 Timely and Direct Payment of Wages**

All wages, including payment for overtime, shall be paid directly and in full within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.

### **C.7 Accurate Calculation, Recording, and Payment of Wage**

All payments to all workers, including hourly wages, piecework, benefits and other incentives, shall be calculated, recorded, and paid accurately.

### **C.8 Accurate Length of Service Calculation**

All workers shall be credited with all-time worked for an employer for purposes of calculating length of service and determine the benefits to which workers are entitled.

### **C.9 Calculation Basis for Overtime Payments**

C.9.1 Employers shall compensate workers for all hours worked.

C.9.2 The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime.

C.9.3 Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country.

C.9.3.1 In those countries where there is no legally established overtime premium, employees shall be compensated for overtime hours at the prevailing industry premium rate or at the internationally recognized overtime rate\*, whichever is higher.

### **C.10 Overtime Wage Awareness**

Workers shall be informed, orally and in writing, in language(s) spoken by workers about overtime wage rates prior to undertaking overtime.

### **C.11 Nonpayment of Incentives**

Regardless of any production quotas, incentives shall not be reduced or not paid if the result shall be wages below the legal minimum wage or the prevailing industry wage, whichever is higher.

### **C.12 Deposit of Legally Mandated Deductions**

C.12.1 All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.

C.12.2 Employers shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g. monthly deposits, weekly pay).

C.12.3 If the law does not specify, then deposits shall be made before the next pay period in all cases.

### **C.13 Voluntary Wage Deductions**

C.13.1 Voluntary wage deductions, including for savings clubs, loan payments, union membership dues, or any other union fees, can only be made with the express and written consent of individual workers unless (in the case of union dues and fees) specified otherwise in freely negotiated and valid collective bargaining agreements. In all cases, voluntary wage deductions must fall within the limits and conditions specified by law.

C.13.2 Written consent for voluntary wage deductions shall be documented in employee files.

C.13.3 All such voluntary deductions shall be credited to proper accounts and employers shall not hold funds illegally or inappropriately.

**C.14 Voluntary Wage Deduction / Workers Access to Information**

Workers shall have access to regular and full information concerning the status of relevant accounts and the status and level of their payments thereto.

**C.15 Pay Statement**

C.15.1 Employers shall provide workers a pay statement in languages understood by workers each pay period and not less frequently than once a month, which shall show:

- C.15.1.1 earned wages,
- C.15.1.2 wage calculations,
- C.15.1.3 total number of hours worked,
- C.15.1.4 regular and overtime pay,
- C.15.1.5 bonuses,
- C.15.1.6 all deductions, and
- C.15.1.7 final total wage.

**C.16 Compensation Receipt**

C.16.1 All compensation records, including wages and benefits whether in cash or in-kind, must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).

C.16.2 No one can receive wages on behalf of a worker, unless the worker concerned has, in full freedom, authorized in writing for another person to do so.

**C.17 Record Maintenance**

Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date.

**C.18 False Payroll Records**

C.18.1 Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.

C.18.2 Payroll records maintained shall be authentic and accurate.

**C.19 Workers Awareness and Understanding of Compensation**

C.19.1 Employers shall make every reasonable effort to ensure workers understand their compensation, including:

- C.19.1.1 the calculation of wages,
- C.19.1.2 incentives systems,
- C.19.1.3 benefits, and
- C.19.1.4 bonuses they are entitled to at the workplace and under applicable laws.
- C.19.1.5 Employers shall communicate orally and in writing to all workers all relevant information in the local language or language spoken by the workers, if different from the local language.

**C.20 Employer Provided Benefits**

C.20.1 All workers have a right to use or not to use services provided by employers, such as housing or meals.

C.20.2 Deductions for services to workers shall not exceed the cost of the service to employers.

C.20.3 Employers must be able to demonstrate the accuracy or reasonableness of these charges.

**C.21 Legally Mandated Benefits**

C.21.1 Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13th month payments to all eligible workers within legally defined time periods.

C.21.2 All benefits shall be calculated correctly.

**C.22 Compensation Disputes**

Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.

**C.23 Fair Compensation / Basic Needs**

Where compensation for a regular workweek is not sufficient to meet workers' basic needs\* and provide some discretionary income\*, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.

### **C.24 Piece Rate/Minimum Wage**

C.24.1 Employers shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond regular working hours as set under the FLA Workplace Code, excluding overtime, in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.

C.24.2 Employers shall not set production targets, piecework, or any other incentive or production system at such a level that the payment for overtime work performed is less than the premium pay required by law or the FLA Workplace Code.

### **C.25 Wage Advances**

C.25.1 Wage advances shall not exceed three months' pay or legal limits, whichever is less.

C.25.2 Advances shall only be made following clearly established rules which have been communicated to workers.

C.25.2.1 Advances must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).

C.25.3 No interest may be charged for wage advances.

## **Appendix J: Forced Labor and Responsible Recruitment Benchmarks**

Please find below benchmarks to serve as a basis for establishing and monitoring performance indicators.

### **FORCED OR INVOLUNTARY LABOR**

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- Company policies and practices express a clear prohibition of forced, compulsory, bonded, indentured, and prison labor that applies to all enterprises in its supply chain, including those involved in the recruitment, selection, and hiring of workers.
- Clear and transparent human resource practices on recruitment, contracts, wages and working hours are adopted by the company and its subcontractors to minimize the risk of forced labor and human trafficking.
- The company, or subcontractors acting on its behalf, comply with all relevant local laws and regulations concerning the prohibition of forced labor and human trafficking in each jurisdiction in which they operate.
- The workplace is free of any form of forced, compulsory, bonded, indentured, or prison labor.
- Workers enter into employment freely and employment terms and conditions are agreed to voluntarily, without deception or threat of penalty.
- All work is voluntary.
- Workers have the freedom to terminate their employment at any time without penalty, given notice of reasonable length.

### **RECRUITMENT FEES**

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- The company has a written policy declaring that workers shall not pay any amount to secure a job in their facility.
- The job advertisements from the company include the statement that no fees shall be charged at any phase in the recruitment and hiring process.
- The employer covers all recruitment and processing fees, costs, and expenses, including those associated with securing identity cards, medical certificates and examinations, skills testing, and travel.
- The company has mechanisms to ensure that workers are not charged any amount to secure a job in their facility.
- The company only engages recruiters, agents, and sub-agents who do not charge fees to jobseekers.

- The company, or subcontractors acting on its behalf, has means of informing jobseekers at the point of recruitment that workers do not pay fees or costs for any services directly related to temporary assignment or permanent placement.
- The company or receiving country recruiter has a verification process to ensure that workers are not charged any fees.
- Workers found to have been charged fees are repaid, and contracts with recruiters found to have charged fees are terminated.

## **CONTRACTS OF EMPLOYMENT**

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- All candidates are clearly informed of the terms and conditions of employment, and successful candidates are provided a copy of the contract prior to departing their home country.
- All workers are provided a signed copy of their original contract, in a language they understand, prior to departing their home country.
- The company explains the terms and conditions of the contract, and has means to verify that said terms are clearly understood and fully agreed to by the workers.
- Employment contracts clearly specify the rights and responsibilities of workers with regard to wages; hours of work, including regular hours and overtime requirements; days off and annual leave; and disciplinary and other procedures that can lead to termination, as well as appeal procedures consistent with local law.
- The details of working conditions described at the point of recruitment are consistent with the details contained in the employment contract at the time of hiring, and with actual job conditions and responsibilities.
- Company policy prohibits the substitution of original contract provisions with those that are less favorable to the worker. Any amendments made to improve conditions are made with the knowledge and the informed, written consent of the worker.
- Changes to working conditions are made with the knowledge and consent of the worker. Consent is obtained voluntarily and without the threat of penalty. No changes are made that in any way diminish the worker's originally anticipated wages, benefits, or other conditions of work; or place the worker in a position of physical or mental risk or peril, or other form of disadvantage or vulnerability.
- Employment contracts clearly stipulate the rights and responsibilities of each party regarding the termination of employment.
- Employment contracts clearly specify the circumstances in which a worker can terminate his or her contract without penalty, given reasonable notice, and in accordance with national law.

## **DOCUMENT RETENTION**

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- Applicants' or workers' passports, residency or work permits or other personal documents, such as bank books or automatic teller machine (ATM) cards, are not kept or withheld for any reason.
- In the event that personal documents are held by the employer or subcontractor due to legal requirements or upon request by the worker, these are immediately returned to the worker upon demand and without any preconditions. In such circumstances, the employer or subcontractor:
  - Provides workers with an exact copy of personal documentation when not in their possession;

- Develops written policies and procedures to prevent abuse;
- Nominates a responsible person to ensure workers have unhindered access to their documents upon demand; and
- Notifies workers of these procedures.
- Lengthy or otherwise burdensome prerequisites for accessing one's passport or other personal documents, such as written requests, monetary deposits or waiting periods, are strictly prohibited.
- Migrant workers are provided with a locked, secure storage space, accessible without permission or notice 24 hours a day, 7 days a week, for personal documents and valuables.

## DEPOSITS

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- Workers are not required to post a bond at the time of recruitment or at any other time during the employment relationship.
- The company policies strictly prohibit the collection of deposits or security payments.
- The company, or subcontractor acting on its behalf, withholds portions of workers' pay only where it is legally required.
- In those cases where migrant workers have opted to participate in voluntary savings schemes facilitated by their employer, such workers have unhindered access to and full control over all savings and monies owed at the time of contract termination.

## HUMANE TREATMENT

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- Company policies and procedures prohibit sanctions that impose work or wage deductions as a means to discipline workers.
- No form of compulsory labor is imposed on any worker.
- The policy of the company, or subcontractor acting on its behalf, strictly prohibits the use or threat of physical or sexual violence, harassment and intimidation, and senior management has expressed clear commitment to this policy.
- Effective measures are in place to implement, monitor, and ensure company-wide compliance with this policy.
- There is no evidence of complaints, grievances, or actions taken against the company, its managers or supervisors with respect to violence, intimidation, or harassment in the workplace. In cases where a complaint or grievance has been raised, evidence should show that swift and transparent action was taken to address it.

## WORKPLACE EQUALITY

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- All workers, regardless of their national origin, ethnicity, race, or legal status, are treated equally in the workplace.
- Migrant workers are treated no less favorably than country nationals with respect to:
  - Remuneration, hours of work, overtime arrangements, and holidays with pay;

- Membership in labor unions;
- Accommodation; and
- Benefits and social insurance, including social security, maternity and sick leave, disability and employment injury insurance.
- The company, or subcontractors acting on its behalf, explicitly prohibits the abuse of vulnerability of migrant workers, including the threat of denunciation to authorities as a means of coercion.

## **WAGES AND BENEFITS**

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- The freedom of workers to dispose of their wages is not limited in any way.
- Wages specified in employment contracts meet legal or industry minimum wage standards in the country of employment, and wage calculations are equitable and objective.
- Wage payments are not deferred, delayed, or withheld as a means of binding workers to employment.
- Non-cash or “in-kind” payments are not used as a means to create a state of dependency of the worker on the employer.
- Wage rates and payments are calculated with full transparency.
- The calculation and payment of wages, including legal wage deductions, are clearly explained to workers, and undertaken preferably with written worker consent.
- No unlawful or unauthorized deductions are made from workers’ wages.
- Wage deductions levied for tardiness or absence are not excessive and are commensurate to the time missed on the job, for example 10 minutes worth of pay for 10 minutes tardiness.
- Wage advances or loans provided to workers, along with related interest rates, comply with the law.
  - Interest rates and repayment terms are fair, such that loans can be repaid in a reasonable amount of time in short installment or financing periods not exceeding the remaining term of the contract;
  - Provision of loans or advances, the calculation of interest rates and wage deductions made for their repayment are made with complete transparency to the worker;
  - The terms of wage advances and their repayment are agreed to by both parties in advance and in written form.
- Jobseekers, applicants or workers are not required to participate in any form of forced or mandatory savings in order to recoup costs associated with recruitment or other services.
- Where the company, or subcontractors acting on its behalf, is required or requested to remit workers’ earnings to a third-party, this is only done with workers’ prior knowledge and full and voluntary consent, and with provision of receipt for full amount remitted.
- If migrant workers are required by law to pay for room and board, such charges:
  - Do not exceed market rates or the rate paid by local workers;
  - Should not aid companies or subcontractors in earning a profit at workers’ expense; and
  - Are not part of efforts to reclaim placement fees or other fees paid by employers for worker recruitment.

## **WORKING HOURS**

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- Workers are not forced to work more than the number of hours allowed by national law, or, where the law is silent, working hours do not exceed eight per day and forty-eight per week, and total working hours including overtime does not exceed 60 hours in a week.
- Effective workplace and company-wide measures are adopted to ensure full implementation and compliance with this policy.
- All overtime work is purely voluntary, unless specifically stated otherwise in a legally recognized collective bargaining agreement.
- Workers are free to refuse overtime work without threat or fear of punishment or reprisal.
- For those that agree to work overtime, a system is in place to obtain their written consent at the time of the request.
- In cases where remuneration is based on productivity targets, for example piece rate, workers are not forced to work more overtime hours than allowed by national law in order to achieve their production quota.

## **FREEDOM OF MOVEMENT AND PERSONAL FREEDOM**

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- Workers enjoy reasonable freedom of movement within their work and living environments. Any legitimate constraints on such movement in the workplace are specified prior to the signing of the employment contract.
- The presence of security personnel or other security measures in the workplace or employer- or recruiter-operated residences are not used as a means to restrict worker freedom of movement.
- No other coercive means are used to restrict migrant workers' freedom of movement or personal freedom, including confiscation of personal documents, levying of financial penalties or security deposits, or use of deception in wage payment and deductions.
- Workers are not required to live in employer- or recruiter-operated residences as a condition of recruitment or continued employment.
- Migrant workers are free to return to their home country during paid leave, without any penalty, or threat of termination.

## **GRIEVANCE PROCEDURES**

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- Supplier and recruiter policy and practice reveals a functioning and effective grievance procedure available to local and migrant workers.
- Effective measures are in place to ensure that migrant workers know how to use this procedure and feel safe and free from potential retaliation if doing so.
- Where grievances are raised, effective and appropriate procedures are in place to ensure a rapid and mutually agreed settlement.

## PRIVATE EMPLOYMENT AGENCIES AND LABOR RECRUITERS

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- The supplier should hire migrant workers directly whenever possible.
- When the recruitment, selection, and hiring of workers is undertaken by a private employment agency or other third-party, suppliers shall have the responsibility to ensure that the agencies operate legally, are certified or licensed by the competent authority, and do not engage in fraudulent behavior that places workers at risk of forced labor or trafficking for labor exploitation.
- The company signs a formal contract with the subcontracted agency and performs due diligence on the agency and its partners involved in the hiring and placement of migrant workers.
- Effective measures are established by the company to ensure the legal compliance of sub-contractors in each jurisdiction in which they operate.
- The subcontracted agency has an up-to-date license or permit to operate in all countries of operation, and any partners or agents working on its behalf also have up-to-date permits or licenses.
- The subcontracted agency has not been cited, suspended, or otherwise sanctioned for non-compliance with any laws in any country of operation; or, where a citation for non-compliance exists, the agency can demonstrate that it has rectified the non-compliance.
- The company has mechanisms to ensure that no deception, fraud and/or coercion in the recruitment, placement, transport or management of migrant workers take place.
  - The company, or subcontractors acting on its behalf, provides jobseekers with accurate details of working conditions at the time of recruitment, including the nature of work, wages, benefits and duration of contract.
  - Details of working and employment conditions are communicated to jobseekers in a language they understand.
  - False promises are not made to applicants or workers regarding employment conditions, job locations, employment or contract duration, or anticipated earnings.
  - Training is provided to workers both before departure and upon arrival to ensure that they understand their own rights and employer obligations and responsibilities.
  - Pre-departure orientation is conducted to review contractual obligations, terms and conditions of work and other matters including but not limited to living conditions, company policies, and any grievance mechanisms that may be in place for workers.
- The subcontracted agency has an implementing structure, an accountable officer, and clear procedures to ensure that all policies are compliant with all relevant legislation and regulations. This includes a current registry of laws for all countries of operation; and a mechanism that ensures the company is regularly informed of new legislation/regulations or changes in legislation/regulations.
- The subcontracted agency has a code of conduct that prohibits forced labor and human trafficking and sets out protective measures for migrant workers. The code covers principles elaborated in relevant ILO Conventions and the Code of Conduct of the International Confederation of Private Employment Agencies (CIETT), and applies to all parties in the chain of recruitment. The code is supported by an institutional structure that ensures its effective implementation.
- The subcontracted agency has established a mechanism for confidential reporting of noncompliance, a grievance mechanism, procedures of investigation and reporting on grievances, and protection for whistleblowers.
- The subcontracted agency has established effective remediation procedures in case of verified reports of noncompliance, including mechanisms to ensure the reimbursement of workers for any recruitment fees charged.

- The company, or subcontractors acting on its behalf, does not use any means to restrict migrant workers' freedom to terminate employment, for example by levying excessive recruitment fees, requiring deposits, or withholding personal documentation.

#### **Appendix K: QuickBase Handbook Instructions**

Please refer to this [handbook](#) to see instructions on various actions that can be done in QuickBase. This includes onboarding, uploading documents (Garment Registration, WCC, Deadstock Verification letters), updating traceability information, etc.

#### **Appendix L: Sustainable Forests Commitment**

Reformation is deeply committed to sourcing environmentally conscious materials and engaging suppliers to gain traceability into all levels of the supply chain so we can confidently stand behind our stuff. We are a proud member of the [CanopyStyle](#) Initiative to help drive positive change for our forest products and ensure that all our forest-based products come from sustainably managed forests. This includes the sourcing of cellulosic fibers such as viscose, modal, and lyocell, as well as paper and paper-based packaging products. Along with committing to conserving, protecting and restoring natural resources, our [Sustainable Forest Commitment](#) outlines our requirement for our suppliers to work with fibre manufacturers who are committed to implementing the Changing Markets Roadmap, including moving to a closed-loop system by 2023-2025.

#### **Conservation of Ancient and Endangered Forests and Ecosystems**

Reformation is committed to eliminating fibers sourced from ancient and endangered forests[1]. If we discover that fabrics, paper or packaging we are using contain virgin raw material from ancient or endangered forests, we will work with our suppliers to shift fiber sourcing to meet our forest policy requirements. We support the CanopyStyle initiative and the collective effort to source only fabrics free of ancient and endangered forests by 2020.

Reformation will continue to:

1. Assess our existing use of forest fibers and eliminate sourcing from endangered species habitat and ancient and endangered forests[2].
2. Work to eliminate sourcing from companies that are logging forests illegally[3], engaged in deforestation, or from areas being logged in contravention of indigenous and local peoples' rights, or from other controversial suppliers.
3. Work with Canopy and our suppliers to support collaborative and visionary solutions that protect remaining ancient and endangered forests.
4. Should we find that any of our fibers are being sourced from ancient and endangered forests, endangered species habitat or illegal logging, we will engage our suppliers to change practices and/or re-evaluate our relationship with them.

#### **Recognizing, respecting and upholding human rights and the rights of communities**

Reformation will request that our suppliers respect the Universal Declaration of Human Rights and acknowledge indigenous and rural communities legal, customary or user rights to their territories, land, and resources.[8] To do so, we request that our suppliers acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. We request that our suppliers resolve complaints and conflicts, and remediate human rights violations through a transparent, accountable, and agreeable dispute resolution process.

### **Reduce greenhouse gas footprint**

As part of our ongoing leadership on climate Reformation supports initiatives that advance forest conservation to reduce the loss of high carbon value forests. We encourage suppliers to avoid harvest in these areas and give preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

### **Forest certification for fibers**

Reformation will continue to request that any fibers that must be sourced from forests are from responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system, and where FSC certified plantations[9] are part of the solution.

### **Shift to more environmentally and socially beneficial fibers**

Reformation is committed to conserving, protecting and restoring natural resources. Reformation will collaborate with [Canopy](#), innovative companies and suppliers to encourage the development of fiber sources that reduce environmental and social impacts, with a focus on agricultural residues[10] and recycled fabrics and fibers.

In 2020, Reformation will put in place a preference for purchasing man-made cellulose with a minimum of 50% of innovative fiber sources and develop a 2025 procurement target for these closed-loop solutions, based on viscose fiber producer innovation.

Where virgin fiber is necessary, Reformation will work with suppliers and Canopy to explore and encourage the development of agricultural residues and fibers such as wheat straw as a commercially viable fiber source for paper-based packaging.

Further, Reformation also commits to continue maximizing our use of papers and packaging with high post-consumer recycled and agricultural residue content. We use Canopy's [Ecopaper database](#) and [The Paper Steps](#) as a guide for paper sourcing.

### **Support best processing practices**

Reformation requires that our man-made cellulosic suppliers use best available environmental practices for processing, such as 'closed-loop' processing of water and chemicals and adhere to our [RSL](#) and [MRSL](#). We require our suppliers to work with fibre manufacturers who are committed to implementing the [Changing Markets' Roadmap](#), which includes moving to a closed-loop system to ensure emission controls of chemical recovery rates by 2023-2025.

Paper manufacturing is a resource-intensive process that can lead to air and water emissions that impact overall environmental quality. Therefore we give purchasing preference to paper that is chlorine free and has been processed utilizing responsible bleaching technologies such as chlorine free (PCF and TCF is preferred with ECF as a minimum) bleaching as per [The Paper Steps](#). We also give preference to suppliers that monitor and reduce overall emissions by adopting the latest technologies and practices to minimize air and water pollution.

### **Design and prioritization and reduction and reuse**

Reformation understands that the reduction and re-use of paper and packaging is of paramount importance for the protection of the world's limited forest resources. Over the next 3 years, with the support of Canopy, we will continue to:

1. Source or design reusable/refillable shipping boxes to reduce corrugated paper and paperboard
2. Design and implement e-commerce, shipping, display and wrapping systems that minimize the use of paper

3. Utilize reusable packaging systems for intra business applications
4. Increase the use of digital communication, marketing and accounting systems
5. Adopt best practices including researching and applying emerging and circular economy innovations.

### **Promote industry leadership**

Reformation looks to create a positive impact together with our suppliers, partners and customers. As implementation progresses, Reformation will work with suppliers, non-governmental organizations, other stakeholders and brands that are part of the [CanopyStyle](#) initiative to support the protection of ancient and endangered forests and forward solutions to reduce demand on our forests. We will also seek opportunities to educate and inform the public on these issues and solutions through our marketing and communications.

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[1] Ancient and endangered forests are defined as intact forest landscape mosaics, naturally rare forest types, forest types that have been made rare due to human activity, and/or other forests that are ecologically critical for the protection of biological diversity. Ecological components of endangered forests are: Intact forest landscapes; Remnant forests and restoration cores; Landscape connectivity; Rare forest types; Forests of high species richness; Forests containing high concentrations of rare and endangered species; Forests of high endemism; Core habitat for focal species; Forests exhibiting rare ecological and evolutionary phenomena. As a starting point to geographically locate ancient and endangered forests, maps of High Conservation Value Forests (HCVF), as defined by the Forest Stewardship Council (FSC), and of intact forest landscapes (IFL), can be used and paired with maps of other key ecological values like the habitat range of key endangered species and forests containing high concentrations of terrestrial carbon and High Carbon Stocks (HCS). (The Wye River Coalition's Endangered Forests: High Conservation Value Forests Protection – Guidance for Corporate Commitments. This has been reviewed by conservation groups, corporations, and scientists such as Dr. Jim Stritholtz, President and Executive Director of the Conservation Biology Institute, and has been adopted by corporations for their forest sourcing policies). Key endangered forests globally are the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests of British Columbia, Alaska and Chile; Tropical forests and peatlands of Indonesia, the Amazon and West Africa.

[2] A good source to identify endangered, threatened and imperiled species is NatureServe's Conservation Status rankings for imperiled species that are at high risk of extinction due to very restricted range, very few populations (often 20 or fewer), steep declines in populations, or other factors.

[3] Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

[4] Coastal temperate rainforests are rare and only ever covered 0.2% of the planet. On Vancouver Island only 10% of Vancouver Island's productive old growth rare coastal temperate rainforest remains. These stands of 1,000-year old trees continue to be harvested despite their immense value to local communities for tourism. Their accessibility and beauty is a remarkable global asset and Canopy is working to see these last stands protected.

[5] Conservation solutions are now finalized in the Great Bear Rainforest. On February 1st, 2016 the Government of British Columbia, First Nations, environmental organizations and the forest industry announced 38% protection in the Great Bear Rainforest and an ecosystem-based management approach that will see 85% of this region off limits to logging. Provided these agreements hold – sustainable sourcing has been accomplished in this ancient and endangered forest. We encourage ongoing verification of this through renewal of Forest Stewardship Council certification.

[6] Protection of Boreal Forests where the largest remaining tracts of forests are located worldwide is critical and dissolving pulp is becoming an increasing threat. Canada's Boreal Forest contains the largest source of unfrozen freshwater worldwide and is part of the world's largest terrestrial carbon sink – equivalent to 26 years worth of global fossil fuel use. Canopy is committed to working collaboratively on the establishment of new protected areas, the protection of endangered species and the implementation of sustainable harvesting in Canada's Boreal Forest.

[7] Indonesia experiences the second highest rate of deforestation among tropical countries, with the island of Sumatra standing out due to the intensive forest clearing that has resulted in the conversion of 70% of the island's forested area (FAO Forest Assessment 2010; Margono, B.A. et al. 2012). Canopy and our NGO partners are focused on forwarding lasting protection of the Leuser Ecosystem. Asia Pulp & Paper (APP) and Asia Pacific Resources International Ltd. (APRIL) have been identified as the primary cause and have been criticized by local and international groups for being implicated in deforesting important carbon rich peatlands, destroying the habitat for critically endangered species and traditional lands of indigenous communities, corruption, and human rights abuses (Eyes on the Forest. 2011. <https://www.eyesontheforest.or.id/news/pada-bulan-ini-di-tahun-2010-eof-menghimbau-app-dan-april-untuk-menepati-janji-mereka>). APP and

APRIL have both put in place forest policies, tracking implementation closely will be key to understanding if either company offers lasting solutions for Indonesia's rainforests. Cellulosic fibre producer Sateri, is part of the Royal Golden Eagle Group along with APRIL.

[8] <http://www.un.org/en/universal-declaration-human-rights/>

[9] Plantations areas that have been "established by planting or sowing using either alien or native species, often with few species, regular spacing and even ages, and which lack most of the principal characteristics and key elements of natural forests". Plantations prior to 1994 are often FSC certified. Source FSC: [FSC® and Plantations - Forest Stewardship Council](https://www.fsc.org/file-download/fsc-and-plantations-a-1723.pdf). [fsc.org > file-download.fsc-and-plantations.a-1723.pdf](https://www.fsc.org/file-download/fsc-and-plantations-a-1723.pdf)

[10] Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fibre. Fibres used for paper products include cereal straws like wheat straw, rice straw, seed flax straw, sugarcane bagasse, and rye seed grass straw. Where the LCA (life cycle analysis) shows environmental benefits and conversion of forest land to on purpose crops is not an issue, kenaf can also be included here. Depending on how they are harvested, fibres for fabrics may include flax, soy, bagasse, and hemp. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)

## **References**

AFIRM GROUP

[www.afirm-group.com/afirm-rsl](http://www.afirm-group.com/afirm-rsl)

AMERICAN APPAREL & FOOTWEAR ASSOCIATION (AAFA)

[www.aafaglobal.org/AAFA/Solutions\\_Pages/Restricted\\_Substance\\_List](http://www.aafaglobal.org/AAFA/Solutions_Pages/Restricted_Substance_List)

APPAREL IMPACT INSTITUTE

<https://apparelimpact.org/>

BLUESIGN®

<https://www.bluesign.com/en>

GLOBAL ORGANIC TEXTILE STANDARD (GOTS)

<https://www.global-standard.org/>

HIGG INDEX

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ILO CONVENTIONS

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LEATHER WORKING GROUP (LWG)

<https://www.leatherworkinggroup.com/>

NRDC CLEAN BY DESIGN

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OEKO-TEX®

<https://www.oeko-tex.com/en/>

TEXTILE EXCHANGE

<https://textileexchange.org/>

UN DECLARATION OF HUMAN RIGHTS

<https://www.un.org/en/universal-declaration-human-rights/index.html>

ZDHC

<https://www.roadmaptozero.com/?locale=en>

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