

BESTSELLER
CODE OF CONDUCT
CORPORATE SUSTAINABILITY



Version 5, March 2016

BESTSELLER®

BESTSELLER's Code of Conduct describes the ethics and behaviour that BESTSELLER wishes to promote throughout the supply chain, and is directed at any supplier and his subcontractors who manufacture products for BESTSELLER A/S. The code of conduct is based on and follows The Universal Declaration of Human Rights, key UN conventions, ILO conventions and recommendations (see list at end of code). All legal requirements and regulations in operating countries must be met.

GENERAL CONDITIONS

In agreeing to do business with BESTSELLER, all suppliers agree to respect ethical and environmental responsibilities within their business.

Suppliers should ensure that they have a nominated contact person within their company who is responsible for communicating this Code of Conduct and all related requirements throughout their supply chain. This person should be available and willing to communicate on a regular basis with BESTSELLER, and have all information required to hand.

Suppliers should be open and willing to engage with BESTSELLER on projects and initiatives undertaken. This includes participating in BESTSELLER organised training, effectively disseminating information to subcontractors and workers, displaying any relevant information and specifically produced material in the factories, and actively engaging in focus projects or initiatives started by BESTSELLER. All businesses involved at any stage in the production must be open to audits to evaluate and monitor compliance to the code.

Suppliers who join us and place sustainability within their business agenda, and who are open, honest and willing to work with BESTSELLER in partnership on these issues, are those whom we wish to develop with further into the future.

MANAGEMENT SYSTEMS

Suppliers should develop and maintain appropriate management systems to ensure that they are continuously improving and working in compliance to this code.

Suppliers should set up their own internal policies in regards to ethical production and environmental responsibility.

Suppliers should have efficient systems in place to ensure that these policies are effectively implemented throughout the organisation and effectively monitored.

Suppliers should perform their own risk assessment of all facilities to identify areas in need of improvement, and perform periodic self-evaluation checks on own and subcontractors' facilities to ensure they are working within this code.

HUMAN RIGHTS AND LABOUR RIGHTS

PREVENTION OF FORCED OR INVOLUNTARY LABOUR

Suppliers must not use any illegal workers, or any kind of forced or prison labour. Workers will not be required to leave any form of deposit, or identity papers/passport with their employer, and may terminate a contract after legal notice.

Employees are to have permission to leave the factory under reasonable circumstances, and should have free access to toilets, water and religious facilities when at work.

A signed working contract must be available for all employees, which is provided by the supplier in a language that is understandable to the employee.

Suppliers can refer to **BESTSELLER's Human Rights Policy** for further details.

WORKING HOURS AND ADEQUATE REST

Working hours should be kept within legal limits and benchmark industry standard. Working hours should not on a regular basis exceed 48 hours per week.

Suppliers must provide sufficient rest days to employees, classified as at least 1 day off in a 7 day period.

Overtime shall be voluntary and shall not exceed 12 hours per week. Overtime shall not be demanded on a regular basis and always compensated at a premium rate. Employees are entitled to refuse overtime without incrimination.

THE RIGHT TO COLLECTIVE BARGAINING & FREEDOM OF ASSOCIATION

The supplier will recognise ILO conventions and the Universal Declaration of Human Rights on freedom of association, freedom of opinion and expression, the right to organise and collective bargaining.

Suppliers will allow these rights, will not interfere with workers' unions, and will not prevent workers from joining these unions.

Workers shall not face prejudice due to union membership or active participation in workers' committees. Worker representatives shall have access to carry out their function in the workplace.

Where freedom of association and the right to collective bargaining is restricted or prohibited under law, the employer shall facilitate, and not hinder, alternative forms of independent and free worker representation and negotiation, in accordance with international labour standards.

PREVENTION OF CHILD LABOUR & PROTECTION OF YOUNG WORKERS

No children below the age of 15 can be employed in factories producing for BESTSELLER. If the law states a higher age, the law must be followed.

If child labour is found, **BESTSELLER's Child Labour Policy** will be followed. The supplier must have sufficient management systems in place to ensure no children are employed.

Young workers below the age of 18 can only undertake light work in the factory, and all laws concerning the treatment of young workers must be followed.

ADEQUATE COMPENSATION

The supplier shall always comply with current laws concerning compensation for work, including overtime payments and payment procedures. Wages will not be withheld for any reason. Deductions from wages as a disciplinary measure, or any other deduction not required by law, must not occur.

The employees are entitled to at least the statutory minimum wage, or the standard benchmark rate in the industry, whichever is higher, and should be enough to meet basic needs and provide some discretionary income.

Suppliers are expected to be open, and to actively work on reaching a sustainable solution to providing fair living wages.

FREEDOM FROM DISCRIMINATION AND HARASSMENT

Employees shall not be subjected to discrimination (including during recruitment, promotion, access to training, termination or retirement) regarding race, colour, caste, nationality, religion, gender, age, sexual orientation or marital status.

REGULAR EMPLOYMENT & PROTECTION OF VULNERABLE GROUPS

Suppliers must declare the use of any small workshop subcontractors, temporary workers or homeworkers to BESTSELLER. These groups must be used within the law, in a responsible way and in accordance to **BESTSELLER's Homeworking Policy**. The supplier should ensure that any third party agent providing employees is complying with this Code of Conduct and all relevant laws.

HEALTH & SAFETY

Suppliers can refer to **BESTSELLER's Health & Safety Guideline** for further details on precautions to be taken in the factories.

TRAINING AND COMMUNICATION

All employees shall undergo effective training and information sessions regarding health and safety precautions in the work place. Factory management should actively facilitate the establishment of workers' health and safety committees.

WORKING ENVIRONMENT

The supplier shall provide a safe, clean and healthy working environment with adequate space and services for employees.

PREVENTION OF INJURY

Suppliers must do a thorough risk assessment of all areas of the facility, and ensure that employees are not working in a dangerous environment.

Where risks cannot be eliminated, the supplier must provide sufficient and well-maintained personal protective equipment, and all risks must be clearly signed.

There must be a sufficient number of employees trained in first aid, and adequately stocked first aid kits available to all employees.

FIRE SAFETY AND EMERGENCY PREPAREDNESS

All fire safety precautions must be taken, including adequate warning systems, provision of fire safety equipment, clear and well-marked exits and escape routes, and training of employees in fire response. There must be a written and communicated emergency response procedure.

PROTECTION FROM CHEMICAL EXPOSURE

All safety precautions in regards to the use, storage and handling of chemicals must be taken, and employees must be sufficiently trained in handling chemicals. There should be a Material Safety Data Sheet (MSDS) listing all chemicals on site.

KITCHENS, DINING AREAS AND DORMITORIES

Dormitory buildings shall be separate from the factory building. Dormitories must have sufficient living and storage space for workers, and all necessary services must be provided. Dormitories, kitchens and dining areas must have all necessary health and safety as well as fire safety precautions taken.

ENVIRONMENTAL PROTECTION

All national and regional environmental laws must be followed, and suppliers must set up an environmental management plan in order to minimise the effect of business activities on the environment.

CHEMICAL RESTRICTIONS

Suppliers must follow and comply with the current **BESTSELLER's Chemical Restrictions**. All chemicals and hazardous materials must be safely handled, transported and disposed of according to law with detailed records kept and a MSDS in the local language must be available where the chemicals are used.

WATER AND WASTE WATER MANAGEMENT

Suppliers should use water responsibly, and work to minimise their water footprint. This includes reducing water use and implementing water recycling as much as possible. Suppliers must treat and dispose of wastewater according to the local law or the benchmark guideline in the industry whichever is higher.

ENERGY EFFICIENCY, AIR EMISSIONS AND CLIMATE CHANGE (GHG EMISSIONS)

Suppliers should work to reduce energy consumption and greenhouse gas footprint. All emissions that are produced during production must be monitored and controlled, and treated as required by law.

CLEANER PRODUCTION AND WASTE MANAGEMENT

Suppliers shall work to improve resource efficiency e.g. by implementing cleaner production techniques and reduce waste during production processes.

Suppliers shall implement methods to reuse or recycle waste from the factory. Suppliers should keep detailed records of resource consumption as well as waste production and emissions, to ensure effective monitoring. This information should be available to BESTSELLER on request.

ETHICS

INTEGRITY

Suppliers should display the highest level of ethical integrity when dealing with workers, suppliers and BESTSELLER employees.

Suppliers should work against corruption in all its forms, including extortion and bribery.

PROTECTION OF 'WHISTLEBLOWERS'

Suppliers should provide an anonymous method for workers to report workplace grievances, and ensure that policies are in place to protect workers when complaints and grievances are reported in good faith.

ANIMAL WELFARE

No BESTSELLER products will cause harm or cruelty to animals during their manufacture, and we do not use real fur in our products.

BESTSELLER requires that materials derived from animals used in our products are from animals that are treated according to animal welfare laws and international recommendations.

Suppliers can refer to ***BESTSELLER's Animal Welfare Policy*** for further details.

TRANSPARENCY AND SOURCING OF MATERIALS

Suppliers must declare and register all subcontractors with BESTSELLER.

Suppliers must be fully aware of all sites and companies involved in their production network, and should be able to provide BESTSELLER with a detailed and comprehensive map of their supply chain on request. Suppliers can refer to ***BESTSELLER's Hidden Factories Policy***.

BESTSELLER requires that suppliers are sourcing raw materials and fabrics responsibly. Raw material production as well as fabric manufacture must not have a negative impact on human rights. If BESTSELLER decides that certain companies, regions or countries are not to be worked with based on ethical or environmental concerns, suppliers must respect these sourcing decisions.

LIST OF CONVENTIONS AND RECOMMENDATIONS COVERED BY THIS CODE OF CONDUCT

PREVENTION OF FORCED OR INVOLUNTARY LABOUR

- C29 Forced Labour Convention, 1930: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C029>
- C105 Abolition of Forced Labour Convention, 1957: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C105>

WORKING HOURS AND ADEQUATE REST

- C1 Hours of Work (Industry) Convention, 1919: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C001>
- C14 Weekly Rest (Industry) Convention, 1921: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C014>
- R116 Reduction of Hours of Work Recommendation, 1962: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R116>

THE RIGHT TO COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

- C87 Freedom of Association and Protection of the Right to Organise Convention, 1948: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C087>
- C98 Right to Organise and Collective Bargaining Convention, 1949: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C098>
- C135 Workers' Representatives Convention, 1971: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C135>
- C154 Collective Bargaining Convention, 1981: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C154>

PREVENTION OF CHILD LABOUR AND PROTECTION OF YOUNG WORKERS

- C138 Minimum Age Convention, 1973: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C138>
- C182 Worst Forms of Child Labour Convention, 1999: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C182>
- R79 Medical Examination of Young Persons Recommendation, 1946: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R079>
- R146 Minimum Age Recommendation, 1973: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R146>
- UN Convention on the Rights of the Child, 1990: <http://www2.ohchr.org/english/law/crc.htm>

ADEQUATE COMPENSATION

- C100 Equal Remuneration Convention, 1951: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C100>
- C131 Minimum Wage Fixing Convention, 1970: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C131>

FREEDOM FROM DISCRIMINATION AND HARASSMENT

- C111 Discrimination (Employment and Occupation) Convention, 1958: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C111>
- C183 Maternity Protection Convention, 2000: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C183>
- UN Convention on the Elimination of All Forms of Discrimination against Women: <http://www.hrweb.org/legal/cdw.html>

REGULAR EMPLOYMENT AND PROTECTION OF VULNERABLE GROUPS

- C143 Migrant Workers (Supplementary Provisions) Convention, 1975: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C143>
- R184 Home Work Recommendation, 1996: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R184>

HEALTH AND SAFETY

- C155 Occupational Safety and Health Convention, 1981: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C155>
- R164 Occupational Safety and Health Recommendation, 1981: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R164>

CORRUPTION

- United Nations Convention against Corruption:
http://www.unodc.org/pdf/crime/convention_corruption/signing/Convention-e.pdf

ENVIRONMENT

- The Rio declaration on Environment and Development:
<http://www.unep.org/Documents.Multilingual/Default.asp?documentid=78&articleid=1163>
- Sustainable Water Group, Water Quality Guidelines – 2010:
http://www.bsr.org/reports/awqwg/BSR_AWQWG_Guidelines-Testing-Standards.pdf

SUPPLIER COMMITMENT TO BESTSELLER'S CODE OF CONDUCT

This supplier commitment sheet must be signed and returned to your BESTSELLER A/S buying office contact person. Please retain the Code of Conduct for your reference.

We hereby confirm that we have received, read and understood BESTSELLER's Code of Conduct, and we understand the importance that this code is observed by us, and by our suppliers and subcontractors.

We confirm that we will inform BESTSELLER of all production sites involved in the creation of BESTSELLER products, and follow all relevant procedures set out in the Corporate Sustainability – Supplier Information Pack and what is required from the BESTSELLER buying offices. We will be open and willing to allow BESTSELLER access to any production site to check compliance to this code and BESTSELLER is entitled to use the audit information for all relevant purposes within its business.

We accept that BESTSELLER is entitled to modify, make additions to, or otherwise change the Code of Conduct and that it is our responsibility to keep ourselves up to date with the latest version.

We know that the Code of Conduct is available on the Supplier Portal (<http://supplier.BESTSELLER.com>), or that we can contact Corporate Sustainability in Denmark, or BESTSELLER's local buying office, to gain access to the latest Code of Conduct.

We accept that this Commitment will always refer to the latest Code of Conduct, which will come into effect once it has been uploaded on the Supplier Portal.

We accept that BESTSELLER is entitled to cancel orders and terminate the business relationship with no compensation required if we do not comply with this code, unless in exceptional cases an agreement has been made with BESTSELLER to allow more time to make improvements. We understand that transparency and honesty are core values of this code and required to maintain the business relationship with BESTSELLER.

Company name: _____

Company address: _____

Full name and position: _____

Date: _____

Signature and stamp: _____

BESTSELLER