

G-STAR RAW

G-STAR SUPPLIER CODE OF CONDUCT APRIL 2011



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G-Star Supplier Code of Conduct

G-Star is committed to producing high quality and ethically manufactured products at a good value to its consumers. Moreover, G-Star requires sound business ethics from its suppliers. The G-Star Supplier Code of Conduct outlines G-Star's expectations regarding the conditions under which its products should be manufactured.

G-Star's commitment is to only do business with suppliers that share its commitment to fair and safe labour practices. This Code of Conduct applies to all suppliers and/or contractors providing products to G-Star or any of G-Star affiliated companies.

This Code of Conduct defines G-Star's minimum requirements and gives guidelines thereto. It will be subject to regular improvements and G-Star encourages all suppliers to improve their fair and safe labour practices continuously. Since no code can be all inclusive, suppliers must ensure that no abusive, exploitative conditions and practices or unsafe working conditions exist at the facilities where G-Star products are manufactured.

All standards set forth in this Code of Conduct are subject to compliance with applicable local law. All suppliers must operate in full compliance with the laws of their respective country of manufacture. If any standard in this Code of Conduct is, in the supplier's judgment, deemed to violate an applicable law, he must advise G-Star promptly in writing.

G-Star will not tolerate any supplier that, directly or indirectly through its sub-contractors, violates the laws of the country where the products are manufactured or knowingly violates these standards. G-Star will take immediate and appropriate action upon notification of such violation.

Suppliers, their subcontractors and business partners must comply with environmental rules, regulations and standards applicable to their operations, and must observe environmental conscious practices in the locations where they operate.

1. Employment is freely chosen

- 1.1 There are commonly 3 forms of forced labour:
- Prison Labour refers to the work performed by prisoners that is part of their sentence and usually not compensated.
 - Indentured Labour refers to the work performed by a worker who is bound to an employer for a certain period of time through a contract.
 - Bonded Labour refers to an illegal practice in which employers give high-interest loans to workers who then have to work at low wages to pay off their debt.
- G-Star does not tolerate the use of any form of forced labour.
- 1.2 Employees are not required to lodge any type of deposits or hand over government-issued identification, passports or work permits as a condition of employment.

2. Freedom of association and collective bargaining are respected

- 2.1 In order for employees to be able to voice their comments/concerns, suppliers should encourage open communication between workers and management, while respecting the right of employees to associate, organise and bargain collectively.
- 2.2 Suppliers must not threaten, penalize, restrict or interfere with employees' lawful efforts to join associations.
- 2.3 Workers representatives should not be discriminated against and should be able to carry out their representative functions in the workplace.
- 2.4 Where the right of freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are healthy and safe

- 3.1 Suppliers must provide a safe and hygienic working environment 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 suppliers' facilities.
- 3.2 Suppliers will also ensure these same standards apply to any dormitory or canteen facilities.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 3.5 Suppliers shall assign responsibility for health and safety to a senior management representative.

4. Child Labour is not used

- 4.1 Suppliers must not engage in or support the use of child labour as defined in ILO Convention C138 and/or C182.
- 4.2 Factories must only employ workers who meet the applicable minimum legal age requirement or at least 15 years of age, whichever is greater, or as an exception, 14 years in countries covered by article 2.4 of the ILO Convention 138.
- 4.3 All official documentation stating each worker's age must be available for review. In those countries where official documents are not available to confirm exact date of birth, factories must confirm age using appropriate and reliable assessment methods.
- 4.4 Young workers under 18 shall not be employed at night or in hazardous conditions.
- 4.5 Suppliers shall develop or participate in and contribute to policies and programme which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

5. Wages and benefits are provided to all workers

- 5.1 Suppliers must pay employees at least the minimum wage required by local law or the prevailing local industry wage (whichever is higher) based on the work performed.
- 5.2 Suppliers must provide to employees all legally mandated benefits inclusive of annual leave and holidays as stipulated by law.
- 5.3 All employees must be paid regularly and on time. In addition to their compensation for regular hours of work, employees must be compensated for overtime at a premium rate.
- 5.4 All workers shall be provided with written and understandable Information about their employment conditions, including wages and benefits, before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.5 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working hours are not excessive

- 6.1 Suppliers must ensure that regular working hours or overtime do not exceed the legal maximum according to local law or industry standards, whichever affords greater protection. In any event, workers shall not, on a regular basis, be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average.
- 6.2 While it is understood that overtime is required from time to time in the garment sector, overtime shall be voluntary and based on mutual agreement with workers. In any event, overtime shall not exceed 12 hours per week and shall not be demanded on a regular basis.
- 6.3 Suppliers must record all employees' working hours completely and accurately and time records for all workers must be available for review.

7. No discrimination is practiced

- 7.1 Factories should only employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.
- 7.2 No person must be subject to any discrimination in employment, including hiring, salary, benefits, access to training, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social or ethnic origin, maternity or marital status.

8. Regular employment is provided

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No harassment or abuse is allowed

- 9.1 Employees must be treated with respect and dignity.
- 9.2 Factories must not engage in or permit physical acts to punish or coerce workers, nor should they engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.

10. Code and System implementation

- 10.1 Suppliers are expected to implement and maintain the necessary systems in order to ensure compliance to this code. Suppliers should appoint one contact person of the management per factory who shall be responsible for implementing this Code of Conduct and communicating the code and its implications to all the factory employees. Suppliers should, where reasonably practicable, extend the code principles through their own supply chain.
- 10.2 Suppliers must maintain on file all documentation needed to demonstrate compliance with this Code of Conduct and required laws. Suppliers shall agree to make these documents available for G-Star or designated auditors and submit to audits with or without prior notice.
- 10.3 As a condition of doing business with G-Star, each and every factory involved in manufacturing of G-Star products must comply with the G-Star Supplier Code of Conduct. In order to verify this, suppliers must permit audits at any time of all the factories involved in the manufacturing of G-Star products by G-Star employees and / or accredited auditors. As part of the monitoring process, accredited auditors must be allowed to conduct interviews with workers on a confidential basis.
- 10.4 Should we find that a supplier does not comply with our Code of Conduct, we will ask him to take corrective actions in an agreed time frame and if not taken, we will seriously reconsider the business relationship with the supplier, including the termination thereof.
- 10.5 A copy of this G-Star Supplier Code of Conduct, translated into all the native languages of the employees, must be notified and displayed in a prominent place accessible to all employees, within each facility where G-Star products are being manufactured.

If you have any comments on this Code of Conduct or you would like to report a violation of this Code of Conduct, please do not hesitate to contact:

G-Star RAW C.V.
Attn.: Corporate Responsibility (CR) Department
Keienbergweg 100
1101GH Amsterdam, The Netherlands
Telephone: +31 20564 68 61 or E-mail: cr@g-star.com

The following reference material was used for the writing of the G-Star Supplier Code of Conduct June 2009:
- United Nations Universal Declaration of Human Rights (<http://www.un.org/Overview/rights.html>)
- International Labour Organisation Core Conventions and their relevant Recommendations (http://www.ilo.org/dyn/natlex/natlex_browse.home)
- Ethical Trading Initiative Base Code (<http://www.ethicaltrade.org>)

