

# Code of Conduct

## Introduction

- We intend to work only with reputable suppliers and manufacturers so that when customers buy goods from Matalan, they can be assured that they have been produced under acceptable conditions.
- “Acceptable conditions” means lawfully, through fair and honest dealing, without exploitation of the people who made them, in decent working conditions and with regard to the environment.
- The Code of Conduct is a statement of our most basic requirements, which must be met in order to trade with Matalan. A process of self-evaluation and independent inspection is in place, to assure its proper and practical application.
- The Code is designed to be ethical, achievable, auditable, universal and to promote the ongoing development of Matalan’s sources of supply.
- The Code applies to all suppliers of goods to Matalan including any involved in subcontracted processes, referred to as ‘suppliers’. It is the minimum standard that Matalan will accept.

## Legal Requirements

- The provisions of the Code constitute minimum and not maximum standards, and the Code must not be used to prevent companies from exceeding these standards.
- Companies applying the Code are expected to comply with national and other applicable law and where the provisions of law and the Code address the same subject, to apply that provision which affords the greater protection

## Ethical Trading

- Ethics count for more than just a price in our book, so we work hard to ensure our products only come from people who share our ethical stance.
- Production of any Matalan Purchase Orders can only be manufactured in units that have been approved in advance by the Matalan Sourcing team
- We have a mutual responsibility to ensure that all employees involved in our supply chain are in safe working conditions
- All Matalan production sites must comply with the requirements of the national law and the ETI base Code (Or whichever offers the greater protection National Law or ETI Base code)
- All Matalan production sites must also comply with the requirements of the following Matalan policies:
  - Anti-Slavery and Human Trafficking Policy for Suppliers – Section 2a
  - Anti-corruption and bribery Policy – Section 3a

## Sedex

- All Suppliers and their factories must be registered on Sedex and Linked to Matalan
- A 3<sup>rd</sup> Party Ethical Audit that is under 12 months old needs to be submitted to Matalan Ethical department for approval before a Supplier Factory will be set up.
- The 3<sup>rd</sup> party Ethical audit will need to be uploaded onto Sedex 5 days after approval is given.

## **ETI Base Code**

### **1. Employment is freely chosen**

1.1 There is no forced, bonded or involuntary prison labour.

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

### **2. Freedom of association and the right to collective bargaining are respected**

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

### **3. Working conditions are safe and hygienic**

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

### **4. Child labour shall not be used**

4.1 Child labour shall not be used and there shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes that provide for the transition of any child found to be performing child labour. This will enable him or her to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 The policies and procedures relating to employment of children shall conform to the provisions of the relevant International Labour Organisation (ILO) standards.

The following are the definitions to be used for point 4 Child Labour Shall Not be Used

**'Child'**: Any person less than 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply.

**'Young Person'**: Any worker over the age of a child as defined above and under the age of 18.

**'Child Labour'**: Any work by a child or young person younger than the age(s) specified in the above definitions, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's education, or to be harmful to the child's or young person's health or physical, mental, spiritual, moral or social development.

## 5. Living wages are paid

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 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

**NB: This Base Code clause was revised with effect from 01 April 2014.**

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.\*

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:

- This is allowed by national law;
- This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;

- Appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.

## **7. No discrimination is practised**

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

## **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 harsh or inhumane treatment is allowed**

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

## **Worker Representation**

- Suppliers must have confidential procedures which allow worker representation for any issue concerning the labour standards referred to in the Code and which will enable protection for all workers and participation by workers who may be vulnerable.

## **Monitoring**

- Suppliers must provide details of the factory producing goods for Matalan and ensure that all reasonable access to the factory premises is allowed to Matalan staff and their representatives for the purpose of monitoring, inspecting and assessing the implementation of the Code.
- Senior management of suppliers must be appointed with responsibility for ensuring that:
- All their component suppliers and subcontractors are aware of and comply with the Code.
- Records are kept and made available to evidence that notification of the Code has been given and regular reviews and auditing have been undertaken

## **Unauthorized subcontracting**

- Suppliers shall not subcontract out Matalan production or its products to third parties.

## The importance of compliance

- Matalan requires strict control of where our products are manufactured so that we can be assured that the products are manufactured under the right quality, labour, health, safety and environmental conditions; unauthorized subcontracting and home working arrangements potentially jeopardize such assurances.

## Inspection and Assessment

- Matalan staff or their representatives may make unannounced inspections of factories producing goods for Matalan.
- Suppliers must ensure that Matalan are provided with all information necessary to allow implementation and verification of compliance with the Code.
- Information obtained will be used in confidence.

## Sanctions

Compliance with the requirements of the Code will be monitored and the results notified to the relevant suppliers.

- In the event of failure to achieve the standards, a supplier may be given the opportunity to achieve them within a reasonable time to be agreed with Matalan.
- Whilst Matalan will strive to ensure that all corrective actions are resolved through a successful partnership with suppliers and factories, if at the end of that agreed time, standards are still not achieved, depending on the severity of the failure, Matalan may stop trading with the supplier concerned

## Environment

Suppliers must manage all waste that they generate in accordance with local laws or in such a way as to avoid harm to the environment or the local population.

## 10.0 ILO Conventions

The Code of Conduct has been drawn up with reference to the International Labour Organisation Conventions and Recommendations listed below.

ILOC 1	Hours of Work (Industry) Convention, 1919
ILOC 26	Minimum Wage-Fixing Machinery Convention, 1928
ILOC 29	Forced labour Convention, 1930
ILOR 85	Protection of Wages Recommendation, 1949
ILOC 95	Protection of Wages Convention, 1949
ILOC 98	Right to Organise and Collective Bargaining Convention, 1949
ILOC 100	Equal Remuneration Convention, 1951
ILOC 105	Abolition of Forced Labour Convention, 1957
ILOC 111	Discrimination (Employment and Occupation) Convention, 1958
ILOR 111	Discrimination (Employment and Occupation) Recommendation, 1958
ILOC 131	Minimum Wage Fixing Convention, 1970
ILOC 138	Minimum Age Convention, 1973
ILOR 146	Minimum Age Recommendation, 1973
ILOC 155	Occupational Safety and Health Convention, 1981
ILOR 164	Occupational Safety and Health Recommendation, 1981
Article 32	UN Convention on the Rights of a Child

