



(formerly Mindful Fashion NZ)

**CODE  
OF  
CONDUCT**

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## ABOUT THIS CODE OF CONDUCT

### Introduction

The Fashion & Textiles New Zealand (FTNZ) Code of Conduct (Code) defines responsible business standards that members are expected to follow. These standards are based on international guidelines including the International Labour Organisation's Core Conventions, the Ethical Trading Initiative Base Code and the United Nations Guiding Principles on Business and Human Rights.

These standards outline minimum expectations, therefore we encourage members and their suppliers to strive to exceed these standards through continuous improvement and to aim for international best practice.

### Scope

A business adopts the Code ('Participant') by signing it, and thereafter actively works to comply with the Code and its standards. Participants are expected to introduce the Code to their suppliers and subcontractors to sign, and for this to be done in the local language where required.

This Code is not intended to replace applicable laws or regulations, however, where there is a difference between this Code and laws/regulations, the standard most favourable to employees should be adhered to.

### Governance

Participants should engage with their subcontractors and suppliers to ensure adherence with this Code and undertake due diligence to ensure the commitment is maintained. Due diligence may include site visits, surveys, risk assessments, monitoring programs and audits.

Any concerns that the Code is not being upheld should be directed to the Participant in the first instance.

### Confidentiality

Any information gathered in relation to this code will be considered confidential and for the Participants use only unless otherwise agreed or required by law.

## THE STANDARDS

### EMPLOYMENT

- Employers must keep a written record of all employment agreements, whether they be collective or individual. All record-keeping is expected to be accurate and transparent at all times.
- Employers must follow all legislation relevant to employment relationships in their country of operation.
- To every extent possible, work performed should be based on a recognised stable employment relationship established through national law and practice.

### WAGES & BENEFITS

- Employees shall be paid at a minimum, for a standard working week, any wages, overtime pay, benefits, and paid annual leave which respectively meets or exceeds legal minimum requirements, collective agreements, or industry benchmark standards, whichever is higher.
- Wages are expected to meet basic needs and provide some discretionary income for employees and their families, relative to the region of employment.
- Additional entitlements for employees are encouraged, through for example improved wage systems, benefits, welfare programs and other services, to progressively raise employee living standards and enhance quality of life.

- All employees shall be provided with written and understandable information about their employment conditions concerning wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 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.
- Overtime pay shall be calculated at the rate as defined by employment contract, national law or established by a collective bargaining agreement, regardless of whether workers are compensated hourly or by piece rate.

## **WORKING HOURS**

- Employers shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays.
- Standard working hours, excluding overtime, should be defined by contract and not exceed 48 hours per week.
- Working hours including overtime shall not, regularly, exceed more than 60 hours per week.
- All overtime hours are voluntary and shall not be requested regularly.
- Employers shall ensure that employees receive at least one full day off for every seven days worked.

## **CHILD LABOUR**

- No person shall be employed on a full-time basis at an age younger than 15 years old, or younger than the age for completing compulsory education, whichever is higher. Regardless, all employees shall meet legal minimum age for employment as stipulated by the International Labour Organization and local laws.
- Employers must verify the age of their employees and maintain copies of their workers' proof of age. Employers must follow all applicable laws and regulations regarding working hours and conditions for minors.
- Workers below the age of 18 shall not be employed in hazardous conditions including at night or completing dangerous tasks.
- If child labour is found, companies should develop, participate in and contribute to processes and programmes which provide for the transition of any child found to be performing labour to enable him/her to attend and remain in quality education until no longer a 'child'.

## **FORCED AND BONDED LABOUR**

- All forms of bonded, forced, or involuntary prison labour are prohibited, including compulsory overtime and retention of passports or other identity documents.
- The withholding of bonds or deposits is not allowed. Participants should undertake due diligence to ensure that workers do not pay any form of recruitment fees to agents to gain employment.
- Employees must be able to voluntarily end their employment without any restrictions, provided they meet any obligations as outlined in their employment contract. Employers shall respect the right of workers to leave the workplace after their shift.

## **MIGRANT AND/OR AGENCY WORKERS**

- Migrant workers shall have the same entitlements as local employees. No migrant worker should be subject to any form of exploitation, coercion, or discrimination.

## **HARASSMENT AND ABUSE**

- Employees shall be treated with respect and dignity and may not be subject to any form of actual physical abuse, discipline, or corporal punishment; nor the threat of physical abuse, sexual or other harassment, verbal abuse or other forms of intimidation.
- Written disciplinary procedures shall be established and be explained to employees in clear and understandable terms. All disciplinary actions shall be recorded.
- Employees must be able to express criticism and concerns about conditions in the workplace to their supervisor or management without fear of retribution, loss of employment or other reprisals.

## **DISCRIMINATION**

- All employees must be hired and treated based on their ability to carry out their work and their performance, and given equal opportunities and treatment regardless of gender, race, caste, colour, religion, political opinion, nationality, social origin, familial situation including marital status or pregnancy origin, disability or other distinguishing characteristics.
- There must not be any form of discrimination or preferential treatment in recruiting, remunerating, providing training, promoting, dismissing or in retirement.
- All employment relationships should include effective mechanisms to protect migrant, temporary or seasonal workers from any form of discrimination.

## **GRIEVANCE MECHANISMS**

- Employers must provide effective, respectful, and transparent systems for employees, whereby any internal disputes can be addressed and resolved collaboratively. Grievance mechanisms provided should be readily available, and a translator provided if requested.

## **FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING**

- Employers shall recognise and respect the rights of employees to join or form trade unions of their choosing and to bargain collectively. Employers shall not interfere with, obstruct or prevent such legitimate activities, or discriminate against or otherwise penalise worker representatives or trade union members for their involvement.
- Where the right to freedom of association and collective bargaining is restricted or prohibited under law, employers shall facilitate, and not hinder the development of parallel means of independent and free association and bargaining.

## **HEALTH AND SAFETY**

- Employers shall comply with all applicable laws of the countries in which they operate regarding workplace sanitation and safety.
- Employers must ensure all employees are provided with a safe and hygienic working environment. Adequate steps shall be taken to prevent accidents and/or injury arising out of or occurring during work or as a result of the operation of facilities.
- Health and safety training shall be provided and practised on-site. Employees must be provided with adequate safety training and equipment when handling hazardous material or working with dangerous tools.
- Employers shall ensure that employees have access to clean drinking water, sanitary washing facilities and an adequate number of toilets, fire extinguishers, and fire exits and that workplaces provide adequate lighting and ventilation. Employers shall ensure that these standards are also met in any canteen, dormitory, rest or recreational area provided for employees.

## **SUBCONTRACTING**

- Where subcontracting is agreed, Participants are expected to communicate the standards outlined in this Code to their subcontractors and work with them to ensure these standards are met.

## TRANSPARENCY & TRACEABILITY

- Participants should work towards traceability and transparency throughout their supply chains to identify, mitigate and address risks. To achieve this, Participants may request information regarding subcontractor, supplier, country of origin, identity and location of raw material and component sources from their suppliers. Where information is proprietary and considered confidential, it shall be treated as such and stored in a confidential manner. Confidential information will not be made publicly available.

## ENVIRONMENTAL PROTECTION

- Participants should embrace a fundamental concern for environmental protection and conduct business operations and services consistent with local and national environmental regulations, to ensure their environmental impact is minimised. Up to date, original copies of all relevant environmental permits and licenses for operations should be maintained.
- Resources should be used in a way that minimises waste; where waste is unavoidable, waste to landfill should be minimised, and recycling and/or reuse prioritised.
- Water should be used as efficiently as possible. Outgoing wastewater from wet processes should be appropriately treated to meet the requirements of local legislation before discharge.
- Energy should be used efficiently, and measures taken to minimise air pollution and greenhouse gas emissions.
- Procedures and policies should be maintained to ensure all chemicals are used safely and responsibly and ensure all applicable laws and regulations are adhered to. Hazardous materials and substances that are banned by local and international organisations/regulation (e.g. New Zealand Law, European Union Regulation) should not be used in the manufacturing process.

## BRIBERY & CORRUPTION

- Offering, paying, soliciting or accepting bribes including illegal facilitation payments is strictly prohibited. All local, national and international regulations, including regulations related to anti-corruption, bribery and other prohibited business practices should be complied with.

## PURCHASING PRACTICES

- Participants should recognise that their business practices may impact supplier's ability to meet the standards set out in this Code. Participants commit to working to provide fair and achievable lead times that allow their suppliers to meet demands within a reasonable timeframe, and to address any challenges that arise in a fair and collaborative way.

## Display of this Code

This Code should be communicated to employees and in the local language where required and be readily accessible to employees in their workplace.

## Withdrawal

If at any point a Participant to this Code wishes to withdraw, a minimum of 1 month's notice is required. FTNZ must be notified in writing of this decision by sending an email to [ask@fashiontextilesnz.org](mailto:ask@fashiontextilesnz.org), following which the withdrawal will be communicated to members, and made available on the FTNZ website.

Participant commits to taking responsibility for practices and obligations related to this Code.

# CODE OF CONDUCT



Participant Business \_\_\_\_\_

Representative \_\_\_\_\_

Date \_\_\_\_\_

Position \_\_\_\_\_

Signature \_\_\_\_\_

## GLOSSARY

**FTNZ** Fashion & Textiles New Zealand

**PARTICIPANT** Any party that signs this Code of Conduct.

**MEMBER** Any member of Fashion & Textiles New Zealand. Current list of members is displayed [www.fashiontextilesnz.org](http://www.fashiontextilesnz.org)

**SUPPLIER** Any business that provides products or services to Members or Participants.

**SUBCONTRACTOR** Any subcontracted process or production that occurs outside of the factory or CMT that orders are placed directly with.

**BASIC NEEDS** The minimum necessary for a worker and two dependents to have access to resources, including food, safe drinking water, clothing, shelter, energy, transportation, education, sanitation facilities and access to health care services.

**DISCRETIONARY INCOME** The amount of a worker's wages available for spending or saving after basic needs have been met.

**EMPLOYEES** All men and women directly employed by an employer, including executives, managers, supervisors, workers.

**MINIMUM WAGE** The minimum wage level established by national or local law.

**INDUSTRY BENCHMARK STANDARDS** The level of wage generally paid in the relevant country or region of the country for work in the same sector and for comparable levels of responsibility and experience.

**WORKER** All non-management personnel working at an applicable facility.