

RESPONSIBLE SOURCING CODE

VERSION: 6.2 (2021)





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Macpac is a subsidiary of Super Retail Group (SRG)



RESPONSIBLE SOURCING CODE

This Responsible Sourcing Code (this “Code”) supports the implementation of our Responsible Sourcing Policy in alignment with the UN Guiding Principles on Business and Human Rights and the UN Global Compact (UNGC) core values of human rights, labour standards, the environment and anti-corruption.

THIS CODE IS CONSISTENT WITH:

- [The International Bill of Human Rights](#)
- [The International Labour Organisation’s \(ILO\) Declaration on Fundamental Principles and Rights at Work](#)
- **ILO Conventions** (see Appendix 1)
- amforiBSCI Code of Conduct
- [The UN Sustainable Development Goals \(SDGs\)](#) relevant to our supply chain

1. INTRODUCTION

1.1 PURPOSE OF THIS CODE

The purpose of this Code is to support the implementation of Macpac’s Responsible Sourcing Policy and to promote the following objectives in our supply chain:

- Business integrity;
- Human rights and **fair working conditions**;
- Environmental management; and
- Responsible sourcing

1.2 SCOPE

THIS CODE APPLIES TO MACPAC, AND:

- All Trade Partners (including agents) and factories supplying Macpac’s own brand products;
- All factories directly contracted by Macpac;
- Sub-contracted or Secondary factories;
- Inputs suppliers;
- Service suppliers;
- Trade Partners and factories supplying **non-stock products** to Macpac.

Collectively referred to as “Trade Partners”.

Trade Partners are responsible for compliance with this Code throughout their operations and their entire product supply chain. A signed Trade Partner Agreement, acceptance of a purchase order and/or provision of products/services to Macpac constitutes confirmation of their continuing compliance with this Code.



2. BUSINESS INTEGRITY

2.1 LEGAL COMPLIANCE

Trade Partners must comply with all relevant laws and regulations applicable to the jurisdictions in which they operate.

2.2 BRIBERY & CORRUPTION

Trade Partners must not offer, promise, give, request or receive any **bribe** (including gifts and facilitation payments) to win and/or keep business or influence auditors.

2.3 TRANSPARENCY & REPORTING

Trade Partners are expected to be open and honest in their dealings with Macpac and Macpac's representatives. Immediately upon becoming aware of any actual, suspected or potential instances of child labour, **forced labour** or **slavery** in their supply chain, Trade Partners must report it to Macpac by emailing:

rsc@macpac.co.nz

3. HUMAN RIGHTS & LABOUR STANDARDS

3.1 EMPLOYMENT IS FREELY CHOSEN

THE TRADE PARTNER SHALL:

- 3.1.1 Under no circumstances use, or in any other way benefit from, forced, bonded or prison labour in line with the ILO Convention No. 29 on Forced Labour and the ILO Convention No. 105 on Abolition of Forced Labour;
- 3.1.2 Only use or employ workers with the legal right to work in the jurisdiction the work is carried out;
- 3.1.3 Validate that all workers, including employment agency staff, have a legal right to work by reviewing original documentation and implementing processes to enable adequate control over agencies with regards to the above points and related legislation;
- 3.1.4 Not require workers to pay **recruitment fees**, to lodge deposits or their identity papers (including passports) with their employer;
- 3.1.5 Ensure that workers are free to leave their employment after reasonable notice; and
- 3.1.6 Not restrict its workers' freedom of movement.



3.2 RESPECT FREEDOM OF ASSOCIATION & THE RIGHT TO COLLECTIVE BARGAINING

- 3.2.1 Trade Partners should grant their workers the right to Freedom of Association and Collective Bargaining in accordance with all applicable laws and regulations. Where the right to Freedom of Association and Collective Bargaining is restricted under law, Trade Partners should facilitate, and not hinder, the development of similar means for independent and free association and bargaining;
- 3.2.2 Trade Partners should train their workers on their rights regarding freedom of association.

3.3 NOT USE CHILD LABOUR

- 3.3.1 The use of **child labour** is strictly prohibited in line with the ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. If children are found to be working directly or indirectly for a Trade Partner, the Trade Partner shall seek a sensitive solution that puts the best interests of the child first;
- 3.3.2 Trade Partners shall comply with the national minimum age for employment or the age of completion of compulsory education, and shall not employ any person under the age of 15, whichever of these is higher. However, if local minimum age law is set at 14 years of age in accordance with developing country exceptions under the ILO Convention 138, this lower age may apply;
- 3.3.3 Young workers under 18 years of age must not be employed to work in conditions which could harm their physical, mental and emotional development, health and wellbeing;
- 3.3.4 Macpac is committed to upholding human rights, not only with respect to team members directly employed by Macpac but also for the workers in our supply chain. We strongly oppose the use of child labour, any form of forced labour or slavery in our supply chain.

3.4 WORKING CONDITIONS ARE SAFE, HEALTHY & HYGIENIC

THE TRADE PARTNER SHALL:

- 3.4.1 Provide a safe, healthy and hygienic working environment;
- 3.4.2 Provide potable drinking water, clean toilet facilities, adequate lighting and ventilation, personal protective equipment (PPE) and if appropriate, sanitary facilities for food storage;
- 3.4.3 Provide adequate safeguards against fire and shall ensure the strength, stability and safety of buildings and equipment (including dormitory accommodation where provided);
- 3.4.4 Have a documented emergency plan including notification of and evacuation procedures; fire detection and suppression equipment, an adequate number of clearly marked and easily accessible exits, and appropriate first aid supplies;
- 3.4.5 Identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and responsible disposal. All the applicable laws and regulations related to hazardous materials, chemicals and substances shall be strictly followed;



- 3.4.6 Provide workers with regular (at least annually) and recorded health and safety training, including emergency drills and evacuation. Such training shall be repeated for new or reassigned workers; and
 - 3.4.7 Assign responsibility for health and safety to a senior management representative.
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3.5 PAY FAIR WAGES

THE TRADE PARTNER WILL ENSURE THAT:

- 3.5.1 Wages and benefits paid for a standard working week meet or exceed national legal standards. In any event, wages should always be enough to meet basic needs and to provide some discretionary income for workers and their families;
 - 3.5.2 All workers are 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;
 - 3.5.3 Deductions from wages as a disciplinary measure or any deductions from wages not permitted by law, does not occur without the expressed permission of the worker concerned. All disciplinary measures and deductions should be recorded;
 - 3.5.4 To every extent possible, work is performed on the basis of a recognised employment relationship established through national law and practice; and
 - 3.5.6 Where workers are employed through a third party labour agency, the Trade Partner shall comply with the ILO Convention 181 – Private Employment Agencies, 1997.
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3.6 WORKING HOURS ARE NOT EXCESSIVE

THE TRADE PARTNER WILL ENSURE THAT:

- 3.6.1 Working hours are defined by contract and comply with all national laws, collective agreements and the provisions of 3.6.2 to 3.6.6 below, whichever affords greater protection to ensure the health, safety and welfare of workers;
- 3.6.2 Where regular working hours in excess of 48 hours per week is permitted by national law, a maximum of 48 hours per week is not exceeded;
- 3.6.3 All overtime is voluntary, not excessive or demanded, not requested on a regular basis, not used to replace regular employment, always compensated at a premium rate, and fully compliant with national laws;
- 3.6.4 The sum of regular and overtime hours in a week shall not exceed 60 hours;
- 3.6.5 Workers are provided with at least 24 consecutive hours of rest for every 7 day period;
- 3.6.6 They comply with all applicable laws for workers' entitlements to breaks, rest periods, maternity and paternity leave, public and annual holidays.



3.7 TREAT WORKERS FAIRLY & WITH RESPECT

THE TRADE PARTNER WILL ENSURE THAT:

- 3.7.1 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; and
- 3.7.2 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation, are not used.

3.8 CHANGING FACTORIES & SUB-CONTRACTING

THE TRADE PARTNER SHALL AS A MINIMUM:

- 3.8.1 Provide three months' written notice and obtain written approval from Macpac prior to changing factories of finished goods, or sub-contracting manufacturing of finished goods; and
- 3.8.2 Disclose the location and details of all new and sub-contracting factories. These factories will be subject to the same compliance verification as the principal factory.

4. PROTECTION OF THE ENVIRONMENT

4.1 ENVIRONMENTAL PERMITS

THE TRADE PARTNER SHALL:

- 4.1.1 Obtain and ensure currency of all relevant environmental permits for its operations and factories as required by national and local laws;
- 4.1.2 Comply with the requirements of all its environmental permits and national and local environmental laws and regulations; and
- 4.1.3 Ensure that their factories dispose of their production waste (including solid and liquid waste) in accordance with their permits and local environmental laws and regulations, as well as best current industry practice.



4.2 ENVIRONMENTAL MANAGEMENT

- 4.2.1 Trade Partners shall ensure their factories develop, document and implement effective environmental management systems or plans;
- 4.2.2 The factory environmental management system/plan must identify and document key environmental impacts and implement controls to eliminate or reduce impact on the environment, as a minimum, with respect to:
- Waste reduction, reuse, recycling and disposal;
 - Hazardous chemicals storage and management; and
 - Air emissions and wastewater discharge.

5. SUPPLIERS AND INPUTS

5.1 SUPPLIERS

THE TRADE PARTNER MUST:

- 5.1.1 Disclose the location and details of all suppliers of inputs (e.g. fabrics, insulation and trims) and finishing services (e.g. dyeing or washing), for the manufacturing of Macpac's own brand products;
- 5.1.2 Verify that these factories associated with Macpac's own brand products comply with this Code;
- 5.1.3 Upon request, provide access to these factories to Macpac representatives for the purpose of verifying their compliance with this Code.

5.2 INPUTS

- 5.2.1 All material inputs for Macpac brand product must comply with the Macpac Responsible Materials Code;
- 5.2.2 All material inputs for Macpac brand product must meet the relevant limit requirements detailed in the Macpac Restricted Substance List; and
- 5.2.3 All material inputs for Macpac brand and transportation packaging must comply with the Macpac Responsible Packaging Code



6. WORKER GRIEVANCE MECHANISM

6.1 INTERNAL GRIEVANCE MECHANISM

THE TRADE PARTNER MUST:

- 6.1.1 Operate a functioning grievance mechanism that all workers can access easily, anonymously, without detriment and in their native language;
- 6.1.2 Regularly train its workers on their rights and entitlements, including how to use the grievance mechanism; and
- 6.1.3 Operate a functioning grievance mechanism that stakeholders in their local community can access.

6.2 YOUR VOICE - MACPAC'S FACILITY GRIEVANCE MECHANISM

Macpac's **YOUR VOICE** initiative is a mechanism that allows workers of Trade Partner facilities to lodge a grievance directly with Macpac. The **YOUR VOICE** document can be found on page 11 (English) and page 12 (Chinese).

THE TRADE PARTNER MUST:

- 6.2.1 Immediately, permanently and publicly display an A3 size colour print of Macpac's **YOUR VOICE** external grievance mechanism in a clearly visible area, where the majority of workers can easily read it at any time;
- 6.2.2 Alert its workers to the existence of this grievance mechanism;
- 6.2.3 Assist Macpac in implementing and training workers on the benefits and use of the mechanism.

YOUR VOICE

WE ARE HERE TO HELP. IF ANY OF THESE STATEMENTS APPLY TO YOU, CONTACT MACPAC. YOUR MESSAGE TO US REMAINS PRIVATE.

- A) I AM BEING FORCED TO WORK AT THIS FACTORY,
I CANNOT LEAVE**
- B) I HAVE WITNESSED CHILD LABOUR AT THIS FACTORY**
- C) I HAVE TO WORK FOR TOO LONG**
- D) I FEEL UNSAFE AT THIS FACTORY**
- E) I AM NOT TREATED FAIRLY AND WITH RESPECT**
- F) I AM NOT RECEIVING A FULL, FAIR WAGE FOR MY WORK**
- G) I CANNOT FREELY ASSOCIATE WITH OTHERS**
- H) MY PERSONAL PROPERTY IS BEING KEPT AGAINST MY WILL**
- I) MY WORKPLACE IS NOT CLEAN**



OR

Email
rsc@macpac.co.nz

你的权利

你可以私下联系我们，我们会竭尽所能帮助你。(有中文服务)

- 1) 如果你有被强迫在这工厂工作
- 2) 如果你有看到有童工在此厂工作
- 3) 如果你被迫工作超时
- 4) 如果你的工作环境不安全
- 5) 如果你没有被公平对待
- 6) 如果你没有收到应有的工资
- 7) 被限制对他人交流
- 8) 如果你的个人财产被强制扣留
- 9) 如果你的工作环境恶劣





7. CONFIRMATION & VERIFICATION OF COMPLIANCE

Trade Partners are responsible for compliance with this Code throughout their operations and their entire product supply chain. A signed Trade Partner Agreement and/or acceptance of a purchase order and/or provision of products/services to Macpac constitutes confirmation of their continuing compliance with this Code.

Macpac is a member of amfori and participates in the Business Social Compliance Initiative (BSCI). We manage our social and labour monitoring and remediation with the amforiBSCI tool-set. Macpac reserves the right to request an audit report or conduct its own independent audits to verify a Trade Partners' compliance with this Code and applicable laws, including on an ongoing basis.

Regardless of our amforiBSCI membership, we acknowledge the stress on our Trade Partners that results from over-auditing to satisfy multiple companies. With this in mind, we also accept audit reports and certificates from a number of compliance monitoring programs in order to reduce audit fatigue.

Trade Partners must take all reasonable measures to assist Macpac in conducting audits, including, without limitation, allowing site access to Macpac's representatives and supplying all relevant requested evidence to verify compliance - even in the case of unannounced visits to the facility.

Independent Compliance Monitoring and Certification Schemes accepted by Macpac are:

- amforiBSCI
- Social Accountability International (SA8000)
- Worldwide Responsible Apparel Production (WRAP)
- Social Labour Convergence Programme
- Higg Co Facility Social & Labour Module (FSLM) accompanied by a verified FSLM (vFSLM)
- Fair Labour Association (FLA)
- ILO Better Work Program

Other Compliance Monitoring Programs accepted by Macpac:

- Sedex Members Ethical Trade Audit (SMETA): 2-pillar and 4-pillar audits issued by SAAS accredited certification bodies or amforiBSCI authorised audit companies

Additional conditions of acceptance:

Certificates provided to Macpac must have at least 3 months before expiring. Audits for certification schemes must be conducted by auditors or certification bodies accredited/authorised by the corresponding scheme. All audit reports submitted to Macpac must note the auditing company name, auditors' names, include details of non-conformances and must not be older than 9 months.



8. THE HIGG INDEX & SUSTAINABILITY

Developed by the Sustainable Apparel Coalition (SAC), the Higg Index is a suite of tools that enables brands, retailers, and facilities of all sizes — at every stage in their sustainability journey — to accurately measure and score a company or product’s sustainability performance.

Macpac is a member of the Sustainable Apparel Coalition.

Trade Partners are encouraged to join the SAC, or to use the licensing function to submit data to the Higg Index.

HIGG INDEX TOOLS FOR MANUFACTURERS:

- [Product Tools](#)
- [Facility Tools](#)

8.1 PRODUCT TOOL - THE MSI

Higg Product Tools can be applied during a product’s design phase to understand its predicted environmental impact. They can also be used on a product’s completion for a more accurate impact calculation. Higg Product Tools offer brands, retailers, and manufacturers information to make better choices at every stage of a product’s development.

MATERIALS SUSTAINABILITY INDEX (MSI):

The Higg MSI database holds material production data. Trade Partners who manufacture textile and trim materials are encouraged to create a materials/trim library using the MSI tool. This library can then be shared with brands who conduct Higg product assessments. By sharing this data, the Trade Partner can help to eliminate the tedious inter-company communication required to otherwise source this information, relieving the associated stress on its resources.

8.2 FACILITY TOOLS - THE FEM & FSLM

Manufacturers use the Higg Facility Tools to measure the social and environmental performance of their facilities. These modules measure impacts at individual factories, not the parent company as a whole. Users conduct the assessments at least once a year, and these assessments are then verified by SAC-approved, on-site assessors. Benchmarking by facility type allows facility managers to compare their performance against that of their peers. Trade Partners are encouraged to conduct Higg facility assessments.

FACILITY MODULES:

- The Facility Environmental Module (FEM) informs manufacturers about the environmental performance of their individual facilities;
- The Facility Social/Labour Module (FSLM) enables manufacturing facilities to measure their social impacts across the value chain. It also assesses the efficacy of social management programs.



9. GLOSSARY OF TERMS & DEFINITIONS

BRIBERY

Bribery is the act of offering, promising, giving, requesting, or receiving a benefit which influences the recipient in some way that is favourable to the party providing the bribe. Benefits may be monetary or non-monetary.

CHILD LABOUR

Child labour refers to work that is mentally, physically, or morally harmful to children; and interferes with their schooling by: a) depriving them of the opportunity to attend school; b) obliging them to leave school prematurely; or c) requiring them to attempt to combine school attendance with excessively long and heavy work.

FAIR WORKING CONDITIONS

Fair working conditions provide opportunities for work that are productive and deliver a fair income, security in the workplace and freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

FORCED LABOUR

Forced labour refers to any form of indentured servitude such as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment.

ILO CONVENTIONS

International labour standards are legal instruments drawn up by the ILO's constituents (governments, employers and workers) setting out basic principles and rights at work. They are either conventions, which are legally binding international treaties that may be ratified by member states, or recommendations, which serve as non-binding guidelines.

NON-STOCK PRODUCTS

Non-stock products are those that are not resold in Macpac's retail operations such as promotional giveaways and retail installations used for displaying stock.

RECRUITMENT FEES

Recruitment fees are a set fee or a percentage of income demanded from workers by a labour recruitment agent for job placement.

SLAVERY

Slavery refers to a situation when a person exercises the rights of ownership over another person. This includes the power to make the victim an object of purchase or to use their labour or services in a substantially unrestricted manner.



APPENDIX 1 - INTERNATIONAL LABOUR STANDARDS

List of relevant International Labour Standards as defined by the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up recommendations:

- C87, Freedom of Association and Protection of the Right to Organise Convention, 1948
- C98, Right to Organise and Collective Bargaining Convention, 1949
- C29, Forced Labour Convention, 1930
- C105, Abolition of Forced Labour Convention, 1957
- C138, Minimum Age Convention, 1973
- C090, Night Work of Young Persons (Industry) Convention (Revised), 1948
- C182, Worst Forms of Child Labour Convention, 1999
- C181, Private Employment Agencies, 1997
- C100, Equal Remuneration Convention, 1951
- C111, Discrimination (Employment and Occupation) Convention, 1958
- The ILO call for Decent Work
- C1, Hours of Work (Industry) Convention, 1919
- C14, Weekly Rest (Industry) Convention, 1921
- C95, Protection of Wages Convention, 1949
- C131, Minimum Wage Fixing Convention, 1970
- C135, Workers' Representatives Convention, 1971
- C155, Occupational Safety and Health Convention, 1981
- C161, Occupational Health Services Convention, 1985
- R85, Protection of Wages Recommendation, 1949
- R116, Reduction of Hours of Work Recommendation, 1962
- R135, Minimum Wage Fixing Recommendation, 1970
- R164, Occupational Safety and Health Recommendation, 1981
- R184, Home Work Recommendation, 1996
- R190, Worst Forms of Child Labour Convention Recommendation, 1999



FURTHER INFORMATION OR ASSISTANCE

You can approach any of your Macpac contacts for more information or to receive assistance with this Code.

Alternatively, reach out to us by sending an email to rsc@macpac.co.nz

