

Sustainability & Responsible Sourcing

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1. INTRODUCTION & CONTEXT

As a responsible retailer, Monsoon Accessorize operates on ethical and responsible sourcing principles. Our aim is to develop an effective partnership with all our suppliers to ensure sustainable manufacturing of goods including, decent working conditions for everyone involved in the production of our goods, responsible approaches to environment and fair business practices throughout our supply chains.

This commitment and approach is deeply rooted in our heritage as a company that began sourcing hand-crafted products from India in the 1970s. Today, our sourcing operations have a global reach and our customers trust that we continue to meet their high ethical standards in the way we trade.

The purpose of this document is to provide our suppliers with:

- An overview of the Monsoon Accessorize responsible sourcing policies and requirements.
- Guidance on how to meet our code of conduct requirements, including how to receive ethical approvals for new production sites

You need to be aware of our responsible sourcing requirements as your commitment forms part of our terms to trade. Subject to agreement, please sign the declaration and agreement to comply with **all** the Monsoon Accessorize ethical policies annexed to this document.

Should you require any clarification of these points, please contact us. We look forward to a long and mutually beneficial trading relationship with you.

Contact Details for the team:

UK: Laxmi Kara lkara@monsoon.co.uk

China: Henry Huang henryhuang@monsoonshanghai.com

India: Garima Dhiman GDhiman@UrbanCraft.in

Governance:

Our sustainability efforts are headed up by a team across 2 areas:

Business Sustainability & Ethical	Trust & Charity
Sophie Preisig E: Spreisig@monsoon.co.uk	Starzeus McGhee E: smcghee@monsoon.co.uk

This internal core sustainability group is joined with various other areas of the business including, marketing, finance, buying amongst others depending on the project, or challenge and is endorsed and headed up by a director to ensure business inclusion. Our accountable director for sustainability is:

Dawn Pine – Director of Supply Chain & Logistics

E: dpine@monsoon.co.uk

RESPONSIBLE SOURCING REQUIREMENTS

Our mission is to operate a commercial business which promotes a sustainable approach to people, the planet, prosperity and developing our product incorporating continuous improvement in sustainable standards throughout our business and our supply chain.

a) Commitment to Sustainable & Responsible Sourcing

We have grown into a truly global business and know that we cannot achieve our sustainability objectives without working closely with our suppliers.

Our approach to sustainability covers 3 key pillars:

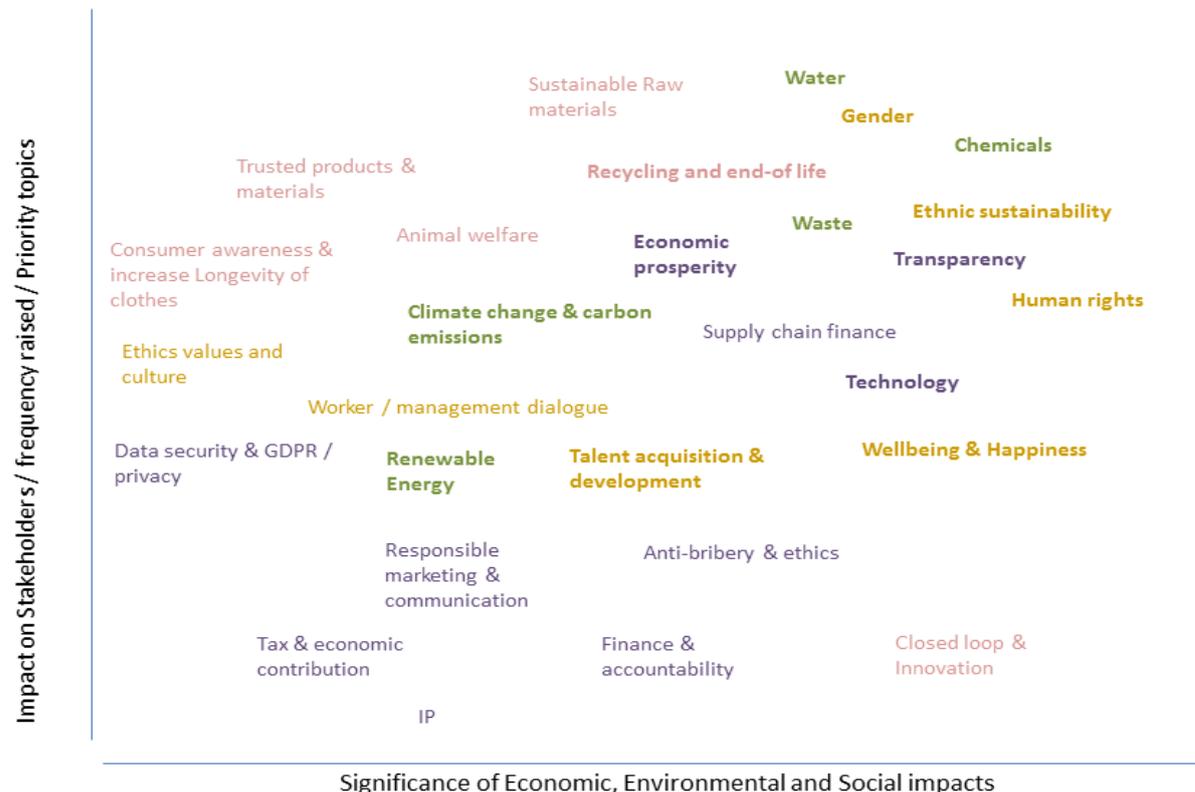
- Sustainable Product
- Committed to People
- Conscious of our Planet

We are committed to being a sustainable fashion retailer and embedding sustainability across all areas of our business as well as throughout our supply chain.

Our Approach:

In order to focus our efforts, we have mapped out our salient risks on the following materiality assessment. It is based from a variety of methodologies including GRI materiality, SASB, amongst others allowing us to define what is 'material'.

It ranks our impacts along the impact to stakeholders against significance of the impact, to determine our salient risks and where we should focus.



This has been a crucial step to build our sustainability strategy which in turn also our reporting. We believe that by considering how sustainability topics interrelate with our business strategy, we will be in a better position to inform investors, regulators and other stakeholders on our environmental, social and governance impacts, risks and opportunities. This will allow us to embed sustainability throughout our existing business processes, together with our suppliers and other business partners.

Sustainable Product

a. Raw materials

For Monsoon, it is crucial for us to ensure our clothes continue to meet the high quality expectations but also minimise our impact on the environment.

We have ambitious aims for our range to contain more sustainable raw materials and have pledged stretching targets for us to achieve together with our suppliers.

Based on impact, our more immediate aims & visions are to move to more sustainable cotton's and sustainable cellulose fibres.

- Cotton
- Cellulose fibres
- Overall range
- Closed Loop

We have more ambitious and long-term goals around moving to closed loop processes in manufacturing while we investigate ways to move to more closed-loop materials.

As this space is developing on a daily basis, we have seen new fibre technologies come into the market space and we are constantly evaluating how we can incorporate these new technologies into our product. We encourage our suppliers to work in a creative way to find more sustainable ways of sourcing sustainable raw materials and on more sustainable ways of manufacturing.

As a brand we have to consider the environment in terms of the materials we use to make our products, the way we make our products and the packaging we use to transport the product from factory to customer.

As a supplier we need you to support this by the following:

- Consider the best material for the product in terms of its appearance but also the least damage it could potentially have on the environment.
- Consider the lifecycle of the product and the potential for recycling, what materials and labelling best support this.
- Review and manage the production methods, look at the use of resources such as lighting, heating and water and try to keep these to a minimum.
- Whenever possible choose organic, recycled or well managed cellulosic fibres.

b. Certifications

Suppliers using sustainable raw materials must have certification to confirm this to the buying/technical team at Monsoon & Accessorize. This certification may be factory or product certification. In the first instance please confirm this is in place to the buyer selecting the product. A copy of the certification will be required for any product purchased and must be forwarded to the technical team.

Suppliers must ensure all products are made in accordance to the requirements of the certification and the certification must be kept up to date. It is the supplier's responsibility to ensure they meet all branding and licensing requirements of that certification.

Certifications may include, but not limited to:

- Global Recycling Standard
- Organic cotton Standard (OCS)
- LENZING™ ECOVERO™
- Recycled 100 claim standard
- Forest stewardship Council (FSC)
- Responsible wool standard
- Fairtrade

Committed to our People:

Many of the workers involved in making our products are employed by supplier companies based in countries where laws designed to protect workers' rights are inadequate or not enforced. Our objectives are in line with the *International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work*, the *UN Convention on the Rights of the Child*, the *United Nations Guiding Principles on Business and Human Rights* and the *Sustainable Development Goals*. These stipulate that local and national legislation on working hours and conditions, health and safety, wages, terms of employment and minimum age of employment must be observed.

Conscious of our Planet

Our commitment to our planet is to continuously strive for less waste, more sustainable fabrics and materials and minimise our impact on the environment, whilst continuously striving for the sustainable development goals.

Our commitment to responsible sourcing is recognised at the highest level within Monsoon Accessorize. Our Code of Conduct, the cornerstone of our sustainable sourcing requirements, has been explicitly endorsed by the Board and commitment to implement. Our Code incorporates the ETI Base Code in its entirety and the Board signs off our sustainability strategy.

c. Sustainable Sourcing Principles

Confidentiality:

Any communication in respect to our Code will be treated in the strictest of confidence. Any worker can contact and raise a grievance to us via our confidential hot line.

Application of our Code:

All elements of our Code should be implemented in its true sense at all the factories and production sites (including contractors / subcontractor units) that manufacture for Monsoon Accessorize Ltd.

Display and familiarisation of our Code:

Our Code (Appendix A) or equivalent must be displayed on your factory's main notice board, canteens, rest rooms and dormitories, both in English and in the local language¹ as understood by the majority of workers on site.

We strongly encourage the use of training and supporting material, including audio-video media, to ensure that all factory staff and workers, both permanent and temporary, are made aware of and are familiar with the Code.

Monitoring:

By signing this agreement you acknowledge that inspections of manufacturing sites help resolve sustainability issues and authorise Monsoon Accessorize and our preferred third-party auditors to conduct announced and unannounced audits. You also agree to provide and/or support access to all areas of your production sites (including contractor / subcontractor / supplier sites) to:

- Review and take copies of relevant documentation
- Conduct worker interviews
- Take photos as necessary
- Conduct

Corrective Actions:

Ethical audits are based on our Code of Conduct and carried out by Monsoon Accessorize's compliance staff or preferred third-party auditors. We recognise that some challenging non-conformities cannot be resolved immediately. In addition to monitoring, we will work closely with our suppliers to help implement a programme of continuous improvement known as a Corrective Action Plan. These consist of time-bound actions to be completed by each production site. Once the action has been completed the supplier must submit evidence proving this and it may be verified in a follow up visit. If applicable, support and advice will be provided to help our suppliers achieve the improvements.

Anti-corruption/Bribery:

Any activity / assertion made by you or your representatives, attempting to influence business decisions by any staff or third-party partner of Monsoon Accessorize, will be viewed very seriously and Monsoon Accessorize management reserves the right to take appropriate

¹ An approved translation is available at <http://www.ethicaltrade.org/resources/eti-base-code>

action. By signing acceptance of our Code, you agree to refrain from any such activity which would be deemed to be an act of bribery or corrupt practice.

d. Code of Conduct Compliance Minimum requirements

Monsoon Accessorize's sustainable sourcing commitment is based on the implementation of our Code of Conduct (see Appendix A) across our supply base. Our Code is applicable for all products made exclusively for us and a commitment to compliance is mandatory. We expect all suppliers, their factories, contractors and subcontractors to work towards full compliance with this Code and we conduct regular audits to assess these are practiced continuously. As our relationship with a supplier develops, we expect them to improve working conditions in line with the more demanding standards promoted in the Monsoon Accessorize Code. Agents also have a responsibility to ensure that our Code is understood, implemented and applied by those production units for whom they act.

We will work with suppliers to support any necessary improvements but will also take action, which may involve financial sanctions, cancelling contracts and ceasing to trade, if suppliers are not prepared to make appropriate changes or where standards are continuously not met.

e. Subcontractor Declaration and Labelling

From time to time, suppliers may need to add resources to increase capacity or capability as some Monsoon Accessorize goods are produced with techniques that require specific skills. Although there are a number of challenges associated with outsourced production, we recognise that it can be a positive contributor to a family's income (see section 4 for further information on our Artisan initiative).

To ensure supply chain transparency at all times, suppliers must share with us in advance details of the production site(s) to be used for each order or part of an order that contributes to the finished product. No subcontracting or homeworking of our orders is permitted unless it is pre-disclosed. It is our policy and expectation that suppliers keep an up-to-date record of all subcontractors on our sourcing database, Lighthouse.

Subcontractor and homeworker sites will form part of our third-party ethical & responsible sourcing compliance programme and we are determined to do everything we can to bring sustainable, ethical & responsible sourcing principles to all stages of our supply chain. Monsoon Accessorize may therefore decide to conduct an ethical audit at any given moment either by our own compliance team or one of our preferred third-party auditors. We expect that our suppliers facilitate these inspections.

We expect our suppliers to understand social, environmental and other ethical business practices' risks in the sites which they supply from. We expect suppliers to work together with and support their subcontracted and sub-suppliers to meet minimum requirements and to continually improve. Suppliers are expected to have a good understanding of the visibility, stability & viability of sub-suppliers and in the case of any financial issues at a supplying site e.g. non-payment of wages, bribes etc., and the supplier is expected to bear the cost of remedying any issues.

Please note: we require our suppliers to ensure that these subcontractor units or homeworker sites meet acceptable ethical standards, are continuously improving, and are

fully compliant with our minimum Code of Conduct requirements as outlined in section 2c. In all cases, any Monsoon Accessorize label must be approved in writing before given to a subcontractor or homemaker as part of any manufacturing.

f. Freedom of Association & Collective Bargaining

We recognise the fundamental importance of independent and democratic worker organisations in respecting the fundamental human rights and achieving healthy dialogue and in turn sustainable improvements. Monsoon Accessorize therefore encourages an open and positive attitude towards such groups or organisations and their role in collective bargaining. We would like to see employee representative committees within factories as a minimum standard where there are over 15 employees.

g. Prevention of Child Labour

Our own Monsoon Accessorize assessments show that child labour can still be a reality in global supply chains and we take this issue very seriously. We expect all suppliers to have a Child Labour Remediation Policy and process in place. The first time a child is discovered working for a supplier or its subcontractor, we expect that the supplier takes its responsibilities seriously communicates the finding within 24 hours and together with Monsoon Accessorize, finds a solution that is in the best interest of the child. If we find child labour being employed by the same supplier or one of its subcontractors on a second occasion, we will cease trading with the supplier.

2. APPROVAL PROCESS FOR NEW SUPPLIERS AND NEW FACTORIES

a. Minimum Requirements

Before production can begin, all suppliers and agents supplying Monsoon Accessorize must ensure all production sites (factory or subcontractor units) meet the following minimum requirements:

- No forced or child labour (the local law on statutory minimum age applies) in any form.
- Absence of any form of forced labour.
- No sexual harassment or physical abuse.
- Payment of at least the applicable local minimum wage and ideally the living wage.
- Health & safety provisions which would cause a risk to life and limb.
- Access to all relevant production site areas.

Where we will commence working if there is a clear plan of action to remediate which has been approved by the Monsoon Accessorize Ethical team.

- No excessive working hours.
- Intentionally fraudulent practices or records
- Full transparency of product supply chain.

Ethical audits are Monsoon Accessorize's main tool for monitoring suppliers' compliance with our Code of Conduct.

We require all manufacturing sites to be audited on a regular basis. All new suppliers that have a third-party audit report conducted by a preferred audit company which is less than a year old can submit this to the sourcing team for review. A list of preferred auditors in your country will be provided to you separately, however they must be an APSCA approved auditor as well as an APSCA approved audit company.

As part of this process we also ask you to register on Sedex (Supplier Ethical Data Exchange) and link the supplier and factory to the relevant subsidiary so that we can access any audits on this platform. The Sedex SAQ (Self-Assessment Questionnaire) also requires to be completed.

b. Ethical Requirements - Initial Three –Month Review Period

Suppliers that do not have an ethical audit report for their manufacturing site that meets the above outlined criteria will need to provide one within three months of Monsoon Accessorize placing the first order. Within this three-month period, suppliers are required to:

- Facilitate a *risk assessment visit* where requested by the Monsoon Accessorize in-house compliance team (where this is not feasible, to arrange a VC / phone call with our team).
- Register an *account on Sedex and link* to the relevant Monsoon Accessorize brand (see below for further information)
- Complete the Self-Assessment Questionnaire (SAQ) on *Sedex*.
- Arrange an independent *third-party SMETA audit* by an APSCA Member firm and of preferred auditors in your country will be provided to you separately. The audit company must *upload the audit report* to the Sedex platform, grant visibility access rights and inform the Monsoon Accessorize sourcing and ethical team once it is ready for review.
- Participate in a *six month performance review* (together with the Monsoon Accessorize buying, technical and sourcing team) to discuss performance and the business relationship going forward.

Please refer to section 3.b. -3.f. below for further information.

c. SEDEX² Members

Sedex (Supplier Ethical Data Exchange) is an online platform that allows global suppliers to share supply chain information confidentially and securely with their customers in an effort to reduce audit duplication.

As a member of Sedex, we are able to track the current and historical compliance performance of the manufacturing sites that produce for us.

We therefore require all our suppliers and agents to have a registered account.

One of the key tools that Sedex members use to inform their responsible sourcing programmes is the Sedex Self-Assessment Questionnaire (SAQ). The SAQ is to be completed by suppliers when they register a new site. The SAQ helps you share information about your ethical practices with multiple customers saving time, money & resource. In addition to a site

² For information on membership cost and SMETA audits see:
<http://www.sedexglobal.com/>

profile section containing details on the site of employment, the SAQ collects data across four key pillars: Labour Standards, Health & safety, the Environment and Business ethics.

If you have questions on how to register an account, link to the correct Monsoon/Accessorize brand and grant us access rights to your company information and audit reports, please contact the Sedex Helpdesk who will provide detailed support:

Sedex Helpdesks:

Help Desk in the UK

Tel: +44 207 9022 320

Email: helpdesk@sedexglobal.com

(Languages spoken: Spanish, Portuguese, Italian, French, German, Turkish, Russian and Hindi)

Help Desk in China

Tel: +86 (0) 21 6103 1622

Email: helpdeskchina@sedexglobal.com

Skype: sedex_china

Help Desk in India

Tel: 0008004404072 (+91 not required)

Email: helpdesk@sedexglobal.com

d. SEDEX Linking

Following your membership account registration, you will receive a unique:

- Company number starting with ZC followed by 7 to 9 digits
- Manufacturing site number starting with ZS followed by 7 to 9 digits. You will receive individual ZS numbers for each manufacturing site you register.

To link to the relevant brand, you can search on Sedex for the following:

- Monsoon Children: ZC1092778
- Monsoon Ladies: ZC1092768
- Accessorize: ZC1091904

e. Third-Party SMETA Audits

SMETA was designed to streamline ethical auditing, benefitting both suppliers and exporters. It was developed in response to member demands for an ethical audit report format that could more easily be shared.

All manufacturing sites at tier 1, and in some instances below, used for Monsoon Accessorize products are required to undertake a Sedex Members Ethical Trade Audit (SMETA) by a preferred third-party auditing company. A list of preferred auditors in your country will be

provided to you separately. We accept both two- and four-pillar audits³, however we strongly recommend suppliers to use the industry best practice of a four-pillar SMETA audit.

SMETA is not a certification process, but describes an audit procedure which is a compilation of good practice in ethical audit technique.

f. Lighthouse Ethical Information

In order to ensure that we have accurate information about workers and manufacturing sites across our supply chains, we ask you to provide us with the following information on our sourcing database Lighthouse:

- Unique Sedex ZC and ZS numbers
- Factory capability and capacity
- Minimum wage
- Factory certification
- In-house and subcontracted processes

g. In-house Audits / Risk Assessments

Monsoon Accessorize uses a combination of independent third-party audits (as above) and assessments carried out by our in-house compliance teams. These assessments are done against our Monsoon Accessorize Code of Conduct (see Appendix A). A member of our team may inform you if we wish to do our own ethical audit or risk assessment at your manufacturing site and we also carry out unannounced audits.

4. Preferred suppliers

a. Artisan Initiative

Given our heritage and brand identity, hand-crafting has become a key and unique feature of Monsoon. As part of our commitment to sustain hand-techniques, we have launched the ARTISAN initiative with suppliers.

ARTISAN is a consumer-facing initiative with its own label that promotes artisanal product. It unifies the variety of techniques used in making our products and sends a consistent message to our customers. The label is used on any product where the hand-crafted element is at least 10%. It currently covers⁴:

- Hand-embroidery

³ *Two-pillar audits focus on labour standards and health & safety and four-pillar audits assess additional aspects on environment and business ethics*

⁴ *Machine embroidered products can be included as long as there is at least 10% of embroidery done by hand.*

- Hand-embellished for beaded or sequined products
- Hand-block printing
- Dip-dyed
- Tie dyed
- Batik
- Hand-woven fabric (e.g. for scarfs)
- Hand-crocheted / Hand-knitted
- Hand-painted

Hand-crafted items may be produced in informal units (via a subcontractor) or in villages where workers work in their homes (i.e. homemaker). There are a number of specific ethical challenges associated with production at this level of the supply chain.

All suppliers are required to disclose the location of subcontractors and homemaker sites used for our production and each of them will require approval by the India and China ethical team before production can begin. An assessment of four key compliance areas determines if a subcontractor/homemaker site is ethically acceptable:

- Supply chain is transparent
- Working environment is safe
- Legal minimum wage is paid
- No child labour is used

A supplier and his supply chain are approved if these criteria are met.

Please note, that due to the vulnerable position these workers are in, our in house ethical teams conduct training for them, using our Homemaker Reference Handbooks. The in house ethical team will conduct off site interviews (particularly with home workers, at their homes) with these participating workers as part of the on-going due diligence to assess the effectiveness of the program.

Our homemaker policy is set out in Appendix C.

b. S.E.W. Eco range

Our S.E.W. Range is our labelling to showcase to customers where sustainable materials have been used.

Suppliers using sustainable raw materials must have certification to confirm this to the buying/technical team at Monsoon & Accessorize. This certification may be factory or product certification. In the first instance please confirm this is in place to the buyer selecting the product. A copy of the certification will be required for any product purchased and must be forwarded to the technical team.

Suppliers must ensure all products are made in accordance to the requirements of the certification and the certification must be kept up to date. It is the supplier's responsibility to ensure they meet all branding and licensing requirements of that certification.

Certifications may include, but not limited to:

- Global Recycling Standard
- Organic cotton Standard (OCS)
- LENZING™ ECOVERO™
- Recycled 100 claim standard
- Forest stewardship Council (FSC)
- Responsible wool standard
- Fairtrade

c. Other Above and Beyond efforts

We encourage all our business partners to be good corporate citizens by investing back into the communities which they operate in. Suppliers should map out their material risks also with the sight of their impact on their community to ensure they are not having a material negative impact.

However above and beyond we expect suppliers to be proactive in finding or supporting community efforts above and beyond the minimum. Where suppliers are being creative or have participated in a community action, programme or made donations, please be proactive in letting the sustainability and ethical team know. These efforts may include Community Benefits such as HIV programmes, education or literacy programs or contribution to sports facilities.

5. Transparency & Continuous Improvement

Monsoon Accessorize expects all our business partners to meet the minimum Code of Conduct requirements in all aspects of their business. Suppliers are expected to be transparent throughout the business relationship and work together in an open and transparent manner to resolve issues and challenges.

Any breaches of the monsoon Accessorize code of conduct should be immediately reported to the Sustainability and ethical team at Ethical&Sourcing@monsoon.co.uk.

Monsoon Accessorize sustainability and ethical team will work with suppliers on completing any remediation and corrective actions. However where suppliers show a continuous unwillingness or a continued failure to action corrective actions which put the relationship at risk, Monsoon Accessorize retains the right to review the relationship and this can lead to reduced orders and ultimately a termination (exiting).

These instances will not be taken lightly and will be escalated to brand director and subsequently to the CEO / Founder for a review.

There may be other instances where we discontinue work with a supplier e.g. one-time range, specific product for one season only etc. In these instances, buyers will aim to re-working with historic suppliers before sourcing new suppliers.

APPENDIX A: MONSOON ACCESSORIZE CODE OF CONDUCT

We have adopted the Ethical Trading Initiative (ETI) Base Code as our international standard and expect our suppliers to follow this. The Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice⁵.

0. MANAGEMENT SYSTEMS:

- 0.1. O.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.2. O.B.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.3. O.B.3 Suppliers are expected to communicate this Code to all employees.
- 0.4. O.B.4 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with.
- 0.5. O.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

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.

⁵ For further background and support information see: <http://www.ethicaltrade.org/eti-base-code>

- 2.3. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4. Where the right to 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 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. There shall be no new recruitment of child labour.
- 4.2. Companies shall develop or participate in and contribute to policies and programmes 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; "child" and "child labour" being defined in the appendices.
- 4.3. Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4. These policies and procedures shall conform to the provisions of the relevant ILO standards.

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

- 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.
- 6.7. Workers shall be entitled, fairly compensated and have no restrictions to accessing all nationally allowed holiday as well as other entitled leave including maternity, paternity, sick and other national leave as per local law.

* International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

7. NO DISCRIMINATION IS PRACTICED

- 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.
- 8.3. Dismissals

RESPONSIBLE RECRUITMENT

- 8.4. Businesses have full understanding of the entire recruitment process including all labour recruiters and intermediaries in terms of required legal and/or ethical requirements.
- 8.5. There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract, agency, temporary or casual labour.
- 8.6. Employment agencies must only supply workers registered with them.
- 8.7. No workers' pay recruitment fees at any stage of the recruitment process.
- 8.8. Workers' contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

SUB-CONTRACTING & HOMEWORKING

- 8.9. 8A.1 There should be no sub-contracting unless previously agreed with the main client.
- 8.10. 8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

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.
- 9.2. Companies should provide access to a confidential grievance mechanism for all workers.

10. A. ENTITLEMENT TO WORK

- 10.1. 10A.1 Only workers with a legal right to work shall be employed or used by the supplier.
- 10.2. 10A.2 All workers, must be validated by the supplier for their legal right to work by reviewing original documentation.

10. B.4. ENVIRONMENT

- 10.3. 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
- 10.4. 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
- 10.5. 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements
- 10.6. 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- 10.7. 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
- 10.8. 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).
- 10.9. 10B4.7 Businesses shall make continuous improvements in their environmental performance.
- 10.10. 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

- 10.11. 10B4.9 Businesses should have a nominated individual responsible for coordinating the site's efforts to improve environmental performance.

10C: BUSINESS ETHICS

- 10.12. 10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10.13. 10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.
- 10.14. 10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10.15. 10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.
- 10.16. 10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10.17. 10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10.18. 10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.
- 10.19. 10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

THE PROVISIONS OF THIS CODE CONSTITUTE MINIMUM AND NOT MAXIMUM STANDARDS, AND THIS CODE SHOULD NOT BE USED TO PREVENT COMPANIES FROM EXCEEDING THESE STANDARDS. COMPANIES APPLYING THIS CODE ARE EXPECTED TO COMPLY WITH NATIONAL AND OTHER APPLICABLE LAW AND, WHERE THE PROVISIONS OF LAW AND THIS BASE CODE ADDRESS THE SAME SUBJECT, TO APPLY THAT PROVISION WHICH AFFORDS THE GREATER PROTECTION.

APPENDIX B: MONSOON ACCESSORIZE CHILD LABOUR REMEDIATION POLICY

Background

Our Code of Conduct, which all Monsoon Accessorize suppliers are required to sign, prohibits the use of child labour anywhere in our supply chain. This is non-negotiable and we closely monitor full compliance. However, due to a range of economic and social factors, child labour remains prevalent in sourcing regions where so many children drop out of school to support family incomes or care for siblings. Monsoon Accessorize therefore expects all suppliers to have a Child Labour Remediation Policy in place.

Our position

Should a child be discovered working for a supplier or its subcontractor, we expect that the supplier takes its responsibilities seriously and works to remediate the situation. The supplier should work together with Monsoon Accessorize, and any other appropriate third-party partner, to seek an alternative solution in the best interests of the child.

Definitions

Monsoon Accessorize defines child labour to be work undertaken for others by children below the minimum age for work. Minimum ages are selected by individual countries, generally not less than 15, per the ILO Convention 138 concerning Minimum Age for Admission to Employment, 1973. The UN Convention on the Rights of the Child (CRC) defines a “child” as aged under 18.

Our commitment under the policy

We will work with our suppliers, in coordination with any appropriate partners, to support children leaving the workplace and entering suitable care and education.

Remediation of child labour incorporates a broad range of actions that can be taken to create long term and sustainable solutions for children found working, including rehabilitation and enrolment in education. Supporting access to education ensures vulnerable children are in a protective environment, able to build the knowledge and skills necessary to develop into productive, resilient adults.

Our suppliers’ commitment under the policy

We expect those we are sourcing from to have a Child Labour Remediation Policy in place and to communicate this policy to all subcontractors they may work with in production for Monsoon Accessorize. Should child labour be identified anywhere in production for Monsoon Accessorize, suppliers and subcontractors are expected to act in accordance with their policy as well as in partnership with us to offer remediation in each individual circumstance.

APPENDIX C: MONSOON ACCESSORIZE HOMEWORKER POLICY

Background

Monsoon Accessorize has worked with craftspeople and homeworkers since 1973, and depends on them to help create the unique hand-crafted Monsoon look and feel.

Our early collections were born from clothes made in Indian villages using vegetable dyes, hand-loomed cotton and local crafts. Whilst we may have grown into a global company, with over 900 stores, we remain committed to our hand-crafted bohemian roots.

We are a founder member of the Ethical Trading Initiative and are committed to improving working standards in our supply chains through the application of international labour standards. This includes a commitment to improving standards in those parts of the supply chain which are the most difficult to reach.

Historically, the lack of visibility of homeworkers in supply chains, combined with their complicated employment status in many countries, has made them a vulnerable group of workers. We believe that one of the first steps towards reducing the vulnerability of these workers is to take an open and positive position towards homeworkers.

By reacting negatively to instances of homeworkers in our supply chain, there is a danger of:

- sending homeworkers underground and thus preventing any progress on improving their labour conditions;
- triggering unintended consequences whereby workers could have their sole means of income removed.

Our position

Valuing homeworking

We are proud of our long-standing links with craft communities and homeworkers. We value the specialist and craft related skills that homeworkers provide and depend upon them to help create our unique hand-crafted products.

As well as offering craft skills, homeworkers can provide specialist components which cannot be made by machinery or small quantities of intricate, high quality items. From the perspective of homeworkers, the option to work from home can offer a degree of flexibility not met by traditional site-based work. Homeworkers frequently cite the advantages off-site working offers in enabling paid work to be balanced with domestic and family responsibilities. Where women are not able to work outside the home for cultural or other reasons, homeworking offers them a valuable opportunity to making a living from a craft related skill.

Commitment to improving homeworkers' conditions

Concurrently, however, we also acknowledge that labour conditions enjoyed by homeworkers may not always meet those set out in the ETI Base Code. We are therefore committed to taking action, together with our suppliers and other partners, to improving these conditions. The first step in such action, we believe, is to make our position on homeworking clear.

Defining 'homework'

Our definition of homework is based upon the ILO definition (1996, C177, Article 1) which states:

- (a) the term homework means work carried out by a person, to be referred to as a homemaker,
- (1) in his or her home or in other premises of his or her choice, other than the workplace of the employer;
 - (2) for remuneration;
 - (3) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions;
- (b) persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;
- (c) the term employer means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity.

Our commitment under this policy

We acknowledge that improving labour conditions for homeworkers is a complex issue.

Under this homeworker policy we commit:

- to communicate our position on homeworking throughout our company, to those who supply to us, and those we supply to;
- to ensure that the presence of homeworkers in the supply chain will not lead to the relocation of work or cancellation of orders;
- to work with our suppliers for the sustainable improvement of labour conditions within, homeworkers in our supply chains. We will aim to do this by following the guidance set out in the *ETI Homeworker Guidelines*.

Our suppliers' commitments under this policy

We expect those we are sourcing from to:

- adopt a shared policy of acceptance of homeworking and commitment to improving homeworkers' labour conditions where these do not meet those set out in the ETI Base Code;
- communicate this policy to all those in the supply chain below them, including homeworkers themselves;
- work with us to identify where homeworking occurs in the supply chains beneath them;
- work with us to develop an action plan for improving labour conditions with homeworkers where these are found to be below those set out in the ETI Base Code.

APPENDIX D: MONSOON ACCESSORIZE ENVIRONMENTAL POLICY

We recognise that our business activities affect the natural environment in a number of ways. We strive through continuing improvement to minimise the adverse effects on the environment and the earth's natural resources, whilst safeguarding the health & safety of our employees and the public. We purposely seek out suppliers who take positive action to minimise both waste and the impact of their manufacturing processes on the surrounding environment.

Emissions – Suppliers operate their business with full compliance should measure and have targets in place to reduce their carbon and other GHG emissions. Where applicable suppliers shall phase out of chlorofluorocarbons (CFCs) and other ozone-depleting substances.

Energy – where possible suppliers shall move to renewable energy sources.

Waste & Recycling (Product & Textiles Waste) – suppliers shall work with the technical teams to minimise the waste through effective lay plans.

Water effluents & treatments – suppliers shall endeavour to minimise the use of water and other natural resources where possible. Where it is not possible, have systems in place to return water to the environment safely.

Waste & recycling – Packaging & Other Production Waste – All products and their product packaging shall be as environmentally friendly and as sustainable as possible. The key areas are:

- Packaging - We require suppliers to comply with all International environmental laws and regulations and suppliers shall ensure that product packaging is kept to a minimum and recyclable materials used. This shall be inspected by the DC upon arrival.
- Paperwork / Labels - Please ensure recyclable materials are used where possible.
- Plastic shall not be used for packaging, where this is not possible, all plastics shall be recycled.

Transport – transport of goods needs to be shipped. Where this is not possible, this must be agreed with the Monsoon Accessorize buying team and will require Director approval. Suppliers shall not use any of the Suppliers must demonstrate evidence compliance to the RSL through testing or through other means.

For further information please contact the Ethical Trading Manager on 0203 372 3695.

**APPENDIX E:
DECLARATION AND COMPLIANCE AGREEMENT**

I hereby acknowledge receipt of the Monsoon Accessorize Ethical Sourcing information, and agree to comply with and action the requirements detailed within this document. This is considered an obligation arising from our status of being a vendor / supplier to Monsoon Accessorize Ltd.

In particular, I acknowledge that I am expected to provide and/or support the access of Monsoon Accessorize or preferred third-party partners to conduct ethical audits and risk assessment visits to all areas of production including contractors and subcontractors.

Further I confirm that a Child Labour Remediation Policy is in place and applicable to all areas of production for Monsoon Accessorize.

To be completed by the Supplier

Supplier Company Name:

Signature:.....

Print Name:

Position held in company:

Date:

To be completed by the Factory

Factory Company Name:

Signature:.....

Print Name:

Position held in Factory:

Date:

Please sign above to confirm your agreement by uploading via the documents tab within your Lighthouse supplier profile:

<https://monsoon.etlighthouse.com>

APPENDIX F:

Monsoon Accessorize Modern Slavery Act Statement 2016-2017

This statement is published in accordance with section 54 of the Modern Slavery Act 2015 for the period 1st September 2016 to 30th August 2017 and provides information on the steps Monsoon and Accessorize has taken during the year to ensure that slavery and human trafficking is not taking place in its business.

What is Modern Slavery?

Modern slavery has many different forms: slavery, servitude, forced and compulsory labour and human trafficking. Ultimately it involves one person controlling another person thereby depriving them of their liberty with the aim of exploiting them for personal or commercial gain.

Company information

Monsoon was founded in 1973 by Peter Simon following his inspirational travels to India. The first branch of Accessorize opened in 1984 and the company now has approximately 1,000 stores globally across 50 countries.

At the Monsoon Group we aim to run our business responsibly. With this in mind, in producing this statement we have looked at all areas of our business and identified that our product supply chain represents the greatest risk of slavery and this is where we have focused our resources.

Our Supply Chain

The majority of our stock suppliers are located in China and India where we have dedicated employees to manage relationships with our suppliers and work with them to drive improvements and become sustainable businesses.

We are a member of various collaborative initiatives including the Ethical Trade Initiative (ETI) and join a powerful collection of companies, trade unions and civil society groups in the pursuit of decent working conditions for workers. Our stock suppliers are required to agree legal provisions ensuring their compliance with the Modern Slavery Act and to sign up to our Code of Conduct as a condition of working with us. The Code of Conduct is based on the ETI's Code which includes: no forced labour, living wages, no discrimination, no harsh or inhumane treatment and no child labour. We also have a separate Homeworking Policy, Child Labour Remediation Policy, and Animal Welfare Policy on our website.

We conduct risk assessment checks to assess conditions for each stock supplier before a partnership is confirmed. Through third party and direct audits, as well as visits to suppliers and production sites, we ensure compliance with our Code on an ongoing basis. We recognise, however, that ensuring decent, non-exploitative work as well as sustainable business practices which respect the people and communities requires a commitment from us and a partnership with suppliers. For example, where the potential for improvement is identified, we offer training to suppliers and have facilitated engagement with third party organisations including NGOs and consultants to support suppliers in implementing positive change.

In particular we have a long standing relationship with GoodWeave, who investigate our supply chain for forced and bonded labour and ensure where issues are found, the workers and their children are taken through a remediation process, which keeps their

GoodWeave works to stop child and forced labour in global supply chains. As a part of this larger mission, our work involves partnering with brands and their suppliers to uncover hidden supply chains and create a market for goods made without child and all forms of forced labour. Through the establishment of clear and rigorous standards and verification of compliance through supply chain mapping and inspections of factories, worksites, and facilities all the way down to home-

based work sites, GoodWeave identifies and remediates cases of child labour found in supply chains and applies its full suite of labour rights criteria. The inspections—which are random, unannounced, and frequent—lead us to exploited children and serve as a powerful deterrent to child labour. To complement this supply chain work, GoodWeave implements community-based programs that ensure children in home-based worker communities are enrolled in school and learning, instead of working on production destined for global markets.

GoodWeave is proud to partner with Monsoon in this work, and to share this quarterly update on inspection findings and educational progress made by the children in the home-based worker communities of Salai, Jaee, Kanwara, and Tilbegumpur.

We have directly supported suppliers in efforts to progress worker/management dialogues through worker representatives and committees.

As part of our commitment to ensuring transparency at all levels of our supply chains, field teams work with key suppliers in India, China and Europe to map production down through all tiers to homeworking and commodity levels. This is in addition to the mapping of production to homemaker level conducted for items in our Artisan range. Our Artisan range reflects our commitment ethnic sustainability by supporting handicrafts and homework in production. Suppliers producing for our Artisan range are supported in incorporating and acknowledging artisanal techniques in production. Relationships with these suppliers are well established as a result of long term development of the range.

Service providers, Non-Stock Suppliers and Partners

Monsoon Accessorize has a substantial number of service and non-stock suppliers as well as a range of partnerships with, for example, online marketplaces and international franchisees. All such suppliers and partners are contractually required to comply with the Modern Slavery Act and all other applicable legislation. Additionally, our franchise partners are also required to sign up to our Policy Manual, which includes our Code of Conduct.

Staff training

The Modern Slavery Act requires all company employees to consider the relationship that they have with other companies and to be alert to the possibility of slave labour and/or human trafficking. We provide a training programme to teach employees about the risks of Modern Slavery which begins on our staff Induction Day and continues through role specific training provided to those that require it. We operate a Confidential Helpline for employees who wish to raise concerns about treatment or practices within our business or supply chain without fear of reprisal.

This statement was approved by the board of Drillgreat Ltd. the parent company of the Monsoon and Accessorize brands.



Paul Allen
CEO, Drillgreat Ltd.
2018