

The Fair Wear Code of Labour Practices for labour conditions in the garment sector

In cooperation with the Fair Wear Foundation implements the Code of Labour Practices (see below). Rights and obligations of both ALBIRO AG and Fair Wear Foundation arising from this cooperation are described in Fair Wear Foundation's 'manual for affiliates'. By signing this Code of Labour Practices, ALBIRO AG becomes an affiliated member of Fair Wear Foundation as of 13 June 2012.

- 1. ALBIRO AG undertakes to only trade in garments that have been produced under dignified working conditions.
- 2. To that end ALBIRO AG agrees to implement the Fair Wear labour standards (section 3) in its factories and agrees to put sufficient and effective efforts¹ into ensuring that this code is followed by its contractors, subcontractors, suppliers, and licensees.

3. Labour Standards

The Fair Wear labour standards are based on the conventions of the International Labour Organisation (ILO) and the Universal Declaration on Human Rights. In the text below references are made to specific conventions. Where clarifications of ILO Conventions are required, the Fair Wear Foundation follows ILO Recommendations and existing jurisprudence.

3.1 Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)

¹ The expression "effective and sufficient efforts" implies that, depending on the circumstances in which the company operates, full compliance with the Fair Wear labour standards will not always be required for membership. Rather, the company will be judged against the completeness and the intensity of the efforts it has undertaken to achieve full compliance.



3.2 There is no discrimination in employment

Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps. (ILO Conventions 100 and 111)

3.3 No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)

3.4 Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98) ALBIRO AG shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

3.5 Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

3.6 No excessive working hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every sevenday period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)



3.7 Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

3.8 Legally-binding employment relationship

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 arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

- 4. ALBIRO AG undertakes to assure that its contractors, subcontractors, suppliers, and licensees abide by the standards established in the Fair Wear Foundation Code of Labour Practices and shall work toward the verification of these standards.
- 5. ALBIRO AG shall stipulate that contractors, subcontractors, suppliers, or licensees who demonstrably fail to comply with one or more of the standards laid down in the Fair Wear Foundation Code of Labour Practices, take appropriate measures to ensure that the situation is improved. If necessary, the offending party shall be sanctioned by cancellation of its contract, thus prohibiting it from producing or organising the production of garments for ALBIRO AG.
- ALBIRO AG declares that it agrees to independent verification of its compliance with the Fair Wear Foundation Code of Labour Practices and in that regard undertakes to follow the instructions of the Fair Wear Foundation.
- 7. Disputes regarding the interpretation of this Code of Labour Practices will be handled according to procedures established by the Fair Wear Foundation.

Drawn up and signed in duplicate,

Sumiswald, 13 June 2012

H.F. van Doorn

Director

Sumiswald, 13 June 2012

Roland Loosli

CEO

Peter van Londen

COO