



SUPPLIER CODE OF CONDUCT

Last updated May 2021



OUR APPROACH

At peony, we care deeply for our environment and our community. Our approach is to work alongside our suppliers to create consciously, engage in ongoing reflection and continually drive progress forward towards sustainability, circulatory, inclusivity and transparency.

We choose to partner with suppliers that share our vision for a more sustainable future.

This Supplier Code of Conduct (Code) was drafted in reference to the Universal Declaration of Human Rights and International Labour Organization (ILO) core conventions. It outlines our minimum social, ethical, environmental and legal standards and forms part of our business relationships with our suppliers.

To ensure adherence, we present this Code to our suppliers and engage with them directly to fully understand their operations. We conduct regular supplier visits or engage third party partners to do so on our behalf and report back to us with findings (prior to COVID-19).

PROGRESS, NOT PERFECTION

As we progress down this path towards sustainability, we recognise there is always more to learn, new ways to adapt and endless possibilities to evolve. We celebrate how far we have come, and we recognise how far we have to go. We believe in progress, not perfection, because we know real change takes time. We see our journey towards sustainability as an open and honest conversation with our suppliers, retailers, and our community.



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SCOPE

Our Code terms apply to all peony suppliers, their employees, agents, parent, subsidiary or affiliate entities and subcontractors. Should a direct partner require a subcontractor, peony must be notified in writing. It is the supplier's responsibility to communicate our code to the relevant parties, in the local language where applicable, and to ensure their compliance. In order to do business with peony, we require all suppliers to read our code and acknowledge it in writing.

COLLABORATION

Nurturing genuine, long-term and mutually beneficial relationships with our suppliers is a cornerstone of our sustainability vision. Our aim is to work alongside our suppliers to drive progress. This involves transparent, open and honest communication and collaboration. If you are not confident in being able to meet any of the terms outlined in our Code, we ask that you advise us of this so that we can work together and support you to make it achievable.

CONTINUOUS IMPROVEMENT

We acknowledge that it takes time to create meaningful change. We require our suppliers to meet our minimum criteria and we support, promote and encourage greater responsibility in the pursuit of continuous improvement.

GOVERNANCE AND ETHICS

We build our business relationships on mutual respect and adherence to the highest legal and ethical standards. We expect our suppliers to adhere to international best practice at all times.

BRIBERY AND CORRUPTION

We have a strict zero-tolerance policy for accepting bribery or engaging in corrupt business practices. A bribe includes financial or other advantages which are given, promised, offered, accepted, requested or received with the intention to influence the ability to make objective and fair business decisions.

SUSTAINABLE SOURCING, TRACEABILITY AND TRANSPARENCY

Suppliers must use designated and approved fabrics, raw materials and components. Unapproved substitutes must not be used. We reserve the right to request information such as the country of origin, identity and location of the sources of components and raw materials. As a part of our need to ensure transparency and validate sustainability claims, we require full compliance and cooperation from all our suppliers in providing this information. Due to reports of severe human rights violations in these regions, cotton from Kazakhstan, Tajikistan, Turkmenistan, Uzbekistan or Xinjiang is strictly prohibited.



SUBCONTRACTING

Unauthorised subcontracting is strictly prohibited. Subcontractor use must be discussed and approved in writing. This code applies to all peony suppliers and subcontractors.

COMMUNITY DEVELOPMENT

We believe a healthy environment facilitates thriving communities, near and far. Peony is proud to partner with various community based enterprises that share our values and it is our expectation that our suppliers share our desire to support, enrich and empower their communities.



People

INVOLUNTARY LABOUR

Employment must be freely chosen and employees must have complete freedom of movement. No person shall be forced to work against their will.

CHILD LABOUR

Employees must be legally eligible to work and suppliers must comply with applicable child labour laws. No employee shall be under 16 years of age.

HOURS OF WORK

Hours of work per day and number of days worked per week shall not exceed the legal mandate of the local law where work is performed. Adequate and regular breaks shall be provided.

GLOBAL LIVING WAGE

Employees must be paid a living wage in a timely manner. This living wage must allow employees to meet their basic living needs for themselves and their families. Peony adopts the Global Living Wage Coalition's definition of a living wage as "the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events."

OVERTIME

Overtime is voluntary and should be compensated at a fair rate as determined by local laws.

HEALTH AND SAFETY

Employees must be provided a safe, comfortable and healthy work environment which complies with all applicable health and safety laws or regulations.

PRIVACY

Personal information and data privacy must be respected at all times.

FREEDOM OF ASSOCIATION

Suppliers must respect the rights of employees to associate, organise and bargain collectively in a lawful and peaceful manner, without penalty, interference or intimidation.

DISPUTE MANAGEMENT

Employees must be free and able to make complaints about their employment without fear of retaliation. It is the suppliers responsibility to implement protocols to facilitate this.



TRAINING AND DEVELOPMENT

Employees should be given the opportunity for further training and development as a part of their employment.

NON-DISCRIMINATION

No person shall be discriminated against for any reason or at any time. This includes, but is not limited to, discrimination on the basis of gender, age, religion, race, caste, birth, social background, ablism, ethnicity, nationality, union membership, affiliation, opinion, sexual orientation, family responsibilities, marital status, disease or illness. Employment relationships should include effective mechanisms to protect against discrimination.

DIGNITY, RESPECT AND KINDNESS

Employees must be treated with dignity, respect and kindness at all times. The working environment must be free from harassment, abuse, intimidation or threats of any kind.

HOUSING AND ACCOMMODATION

If suppliers provide housing or accommodation to employees, they must ensure it is clean, safe, dignified and comfortable. Employees must not be subject to hazardous conditions. Suppliers must ensure accommodation has adequate bathing and toilet facilities, water supply, light, ventilation, fire prevention and safety protocols.

MODERN SLAVERY

At peony, we value human rights and dignity above all. We believe that everyone, everywhere, deserves to live free from slavery of any form.

We acknowledge that the fashion industry is the second largest modern slavery industry in the world. As a part of the industry, we believe it is our responsibility to understand and actively work towards eliminating the risks of modern slavery within our business and the wider industry.

We include this statement as a demonstration of our commitment to ensuring that our business and supply chain reflects our values and fundamental respect for human rights. Aligning with our core values and beliefs, we are committed to maintaining and improving practices to combat modern slavery and human trafficking throughout our business. This includes the use of violence or coercion to recruit workers, forced or bonded labour, descent-based labour, child labour or any behaviour that undermines the freedoms or rights of a human being. We are committed to ensuring all people connected to our business are treated fairly and respectfully, paid for their work in line with applicable legal standards and work under pre-approved conditions that provide freedom, safety and security.

We expect our suppliers to share our commitment to providing an ethical work environment. As per the below acknowledgment, it is a requirement that you do not condone or operate any form of coercion that undermines the freedoms or rights of a human being.



INFECTIOUS DISEASES AND COVID-19

Suppliers must prepare and plan in accordance with local and international laws and recommendations, to help limit the spread of infectious diseases. Commercial pressures must not ever take priority over the health and well-being of people.



Environment

MINIMUM REQUIREMENT

As a minimum, suppliers must comply with all local, national, and international environmental rules, regulations and standards applicable to their operations. As a brand committed to reducing our environmental impact throughout our entire supply chain, we strongly encourage our suppliers to always strive for more environmentally conscious practices in relation to water usage, chemical use, waste and carbon emission minimisation.

RESPONSIBLE CHEMICAL USE

The safety of employees is paramount in the use of chemicals. Adequate training and safety gear must be provided to minimise the risk of harm. Suppliers must implement policies and procedures to ensure chemical use is safe and in adherence to relevant laws and regulations.

RESPONSIBLE WATER USAGE

Suppliers must comply with relevant laws and regulations in the use of water and in the management of wastewater.

GREENHOUSE GAS EMISSIONS

Suppliers must comply with relevant air emission laws and regulations and take steps to minimise or offset emissions where possible.

WASTE

Peony is committed to the reduction of waste and is taking steps to move towards a circular model. As a minimum requirement, suppliers must implement processes for responsible recycling of waste. Beyond this, we expect our suppliers to strive for ongoing waste reduction and implement processes to continually work towards zero waste.

RESTRICTED SUBSTANCES

Suppliers must adhere to restricted substances list. Suppliers must ensure annual audits and/or certification by Oeko-Tex Standard 100.

PRODUCT QUALITY AND SAFETY

Suppliers shall ensure that all products meet our quality and safety standards as required by law, or as set out in our product specifications or other instructions.



Animal welfare

NO ANIMAL DERIVED PRODUCTS

Peony does not use any animal-derived products or materials.

We advocate for animal welfare and encourage our suppliers to do the same. Although we do not use animal derived products, it is our expectation that our suppliers also adhere to the highest standards of care and treatment for all animals within their supply chains, including implementing processes to ensure supply chains engage cruelty-free practices and materials supplied comply with local and international laws and regulations.

FIVE ANIMAL FREEDOMS

We respect the Five Animal Freedoms and ask that suppliers acknowledge and adhere to these principles within their operations.

1. Freedom from hunger and thirst by ready access to fresh water and a diet to maintain full health and vigour.
2. Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area.
3. Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment.
4. Freedom to express normal and natural behaviour by providing sufficient space, proper facilities and company of the animal's own kind.
5. Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering.



Compliance

AUDITS

We are committed to ensuring our suppliers adhere to our code at all times. If we become aware of a breach, or have doubts as to whether our code is being adhered to, we will take steps to verify compliance. For example, we may request proof of compliance or conduct a site inspection.

NON-COMPLIANCE

In the case of ongoing code breaches, peony may decide to terminate our partnership with the supplier effective immediately.

ACKNOWLEDGEMENT

We require all peony suppliers to review and acknowledge this code in writing. The standards set out in this code are in addition to provisions contained within legal agreements and contracts between peony and our suppliers.



ACKNOWLEDGED BY THE SUPPLIER

Please also initial on each page.

Name:

Position:

Company:

Date:

Signed

