



CODE OF PRACTICE

WORKING CONDITION STANDARDS FOR SUPPLIERS, SUB-CONTRACTORS
AND SERVICE PROVIDERS

The Clarks Code of Practice (2018 11.0) has been approved by Clarks Executive Committee and summarises the minimum standards that we expect our suppliers to adhere to in the production of all Clarks products.

PREAMBLE

Clarks is committed to ethical business practices in all our operations, to maintaining our reputation for fair dealing and retaining the confidence our consumers have in us as a company. We expect all our business partners to treat their employees and those they have dealings with fairly and with respect.

We require our business partners to abide by all applicable laws and regulations, including those regarding human & labour rights, workplace safety and worker compensation and treatment and to uphold the labour conventions of the United Nations International Labour Organization.

We support the principle of continuous improvement and where any non-compliance to Clarks working condition standards is identified we expect and require suppliers to take action to correct it. In the event that a supplier does not take effective action in a timely manner withdrawing our business remains the final sanction.

As used in Clarks Code of Practice the term “Supplier” includes but is not limited to vendors, agents, licensees, factories, sub-contractors and material & component suppliers.

As part of Clarks commitment to transparency we publish information on the suppliers and partners we work with on our own website and through other media as we deem appropriate. This information will include at least the name, address and the type of production undertaken at each facility.

APPLICABILITY

These standards apply to all areas of a factory, including non-production areas such as on or off-site factory provided accommodation (dormitory), canteen, material and finished goods stores and to any service providers contracted to provide services at the facility.

The supplier is responsible for the human and labour rights of all those working on the facility premises whether employed directly by them or not. The standards apply equally to all groups of employees working at the facility, including but not limited to permanent, temporary, seasonal and agency workers, legally-accepted young workers (minors), part-time, shift and migrant workers; regardless of how their payment is determined.

STANDARDS

The standards set out below are the minimum standards we expect our suppliers to adhere to in the production of all our products. Where there is any difference between these requirements and national or local legislation & regulation then the higher standard shall apply. Where any non-compliance to any of these standards is identified a supplier must take effective and timely action to ensure sustained improvement.

MANAGEMENT

Clarks requires all suppliers to work openly and actively towards compliance with this Code of Practice which forms part of the terms and conditions of trade for Clarks.

A supplier will not provide, use or rely on the use of falsified documents or records for legal compliance or for meeting the requirements of Clarks Code of Practice.

Unrestricted access will be provided to Clarks, or our designated representatives, to all areas of factories and to workers where Clarks products, materials or components may, are or have been produced.

Suppliers must establish appropriate management systems to ensure they meet and maintain the standards set out in Clarks Code of Practice and support the process of continuous improvement.

CHILD LABOUR

No children under 15 years or the minimum school leaving age of the country where it is higher are to be employed or engaged in the production of Clarks products.

The Supplier must have effective procedures for age verification as part of the recruitment process and a documented policy & effective procedure for the remediation of any child found to be in their employment which is at least equivalent to Clarks Child Labour Remediation Plan.

Young workers (defined as those being less than 18 years of age) must be afforded appropriate protections as required by local law that at least include not working overtime, not working at night or in hazardous conditions and be provided with regular health checks.

EMPLOYMENT CONDITIONS

Workers will be employed on the basis of negotiated, legal, written contracts and are provided with a copy of it in a language or format they understand.

The excessive use of fixed-term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.

Employees must be able to freely resign without prejudice or penalty by giving the contractually or legally required period of notice.

Suppliers shall only employ or use workers with a legal right to work in the country.

FAIR TREATMENT

Employees must be treated with respect and dignity. No worker will be subject to any physical, sexual, psychological, or verbal harassment, violence, exploitation or abuse.

No employee shall be subject to any discrimination in employment, including hiring, salary, benefit, advancement, discipline, termination, or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, pregnancy, maternity or social or ethnic origin.

All suppliers must establish a grievance policy in line with Clarks guidelines and an effective process for individuals to raise concerns without fear of retaliation.

FORCED LABOUR

All work must be conducted on a voluntary basis, and not under threat of any penalty or sanctions. The Supplier shall not use any form of forced, bonded, indentured, trafficked, slave or involuntary prison labour.

Suppliers must adhere to the key principles:

- Every worker should have freedom of movement – the ability of workers to move freely should not be restricted by the employer through physical restriction, abuse, threats and practices such as retention of passports and valuable possessions.
- No worker should pay for a job – fees and costs associated with recruitment and employment should be paid by the employer, not the employee.
- No worker should be indebted or coerced to work – Workers should work freely, aware of the terms and conditions of their work in advance and paid regularly as agreed.

All workers should be provided free and unrestricted access to potable water and clean toilet facilities.

FREEDOM OF ASSOCIATION

Workers have the right to form and join trade unions and bargain collectively without prior authorization from suppliers' management. Suppliers shall not interfere with, obstruct or prevent such legitimate activities.

Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers shall not hinder alternative forms of independent and free worker representation and negotiation, in accordance with international labour standards.

WAGES

Payment for all hours worked must be in cash or into the worker's bank account at rates that at least meet the legal minimum standard. Payment must be prompt and in full without any disciplinary deduction or deductions not provided for by national law without the expressed permission of the worker concerned.

Workers shall be provided all benefits required by national and local law including paid leave and contributions for all social insurances.

Overtime shall be paid as a minimum at least at the rate (or premium rate) required by national or local law.

All workers shall be provided with written and understandable information about their employment conditions in respect of wages before they enter into employment and about the particulars of their wages for each pay period when they are paid.

WORKING HOURS

Working hours should comply with local legal requirements and in any event the working hours including overtime must not exceed 60 hours per week on a regular basis.

Clarks conditionally accepts more than 60 hours in a week in the peak season so long as it does not exceed 12 hours per day, 6 days per week for a total of 72 hours in a week and is limited to no more than 17 weeks distributed throughout a one-year period.

Workers must have at least one rest day in every 7-day period.

The working of overtime must be on a voluntary basis.

HEALTH AND SAFETY

Suppliers shall comply with all applicable laws, regulations and standards for health & safety and shall take all reasonable precautions to ensure that the working conditions, facilities (including dormitories where provided by the Supplier) and equipment are safe, hygienic and not detrimental to the health of workers.

This includes the regular monitoring of risks and hazardous that may impact the safety or health of workers including, but not limited to risks associated with the structural integrity of the facilities, fire, electrocution and hazards associated with exposure to noise, dust and chemicals.

BUILDINGS

All buildings used by a supplier must be structurally sound and used only for the purpose for which they were constructed. The supplier must have and be able to provide all the required certificates to demonstrate the safety of the building, including for any additions or alterations made since the initial construction.

A supplier must have sole use of all buildings used for production operations and storage of materials and finished goods.

Where provided, dormitory or accommodation buildings must be separated from the workplace.

ENVIRONMENT

Suppliers shall comply with all applicable laws and regulations regarding the protection and preservation of the environment.

Suppliers shall adopt environmental management practices to minimise the use of energy & natural resources; to minimise all forms of discharge & waste; to maximise reuse & recycling and to manage & minimise adverse impacts on the environment.

SUB-CONTRACTING AND HOME WORKING

Factories are not permitted to sub-contract any part of the manufacture of Clarks products, including the use of homeworking without prior written consent and approval from Clarks.

Similarly, sub-contractors are not permitted to further sub-contract any part of the manufacture of Clarks' products without prior written consent and approval from Clarks.

Where sub-contractors or homeworking are approved by Clarks, the Supplier is responsible for ensuring that the standards set out in this Code of Practice are also maintained by them.

Unrestricted access to sub-contractor or homeworker facilities will be provided to Clarks or our designated representative to enable the assessment and verification of compliance with the standards of Clarks Code of Practice.

ETHICAL BUSINESS

We expect all our business partners to maintain high standards of integrity and encourage Suppliers to share our commitment to the principles of the Clarks Code of Business Ethics.

Suppliers shall not offer bribes, gifts, discounts or other unlawful or unethical payments or compensation in dealings with public officials or individuals in the private sector, including Clarks employees or representatives to influence any act or decision or otherwise to secure a business advantage.

COMMUNITY

Suppliers are encouraged to engage either directly or through collaboration in projects that improve the social wellbeing of their workers and their workers' families and communities.

IMPLEMENTATION

All suppliers and partners are obliged to inform Clarks of all facilities used in the production or storage of our products. This includes all owned or sub-contracted facilities where any production operation or storage is undertaken. Any change to these or additional facility proposed to be used for Clarks production must be approved by Clarks prior to its use for any bulk production.

We monitor suppliers' adherence to the standards set out in this Code of Practice through audits as well as informal visits and assessments. Audits may be undertaken by Clarks own auditors or by an independent third party appointed by Clarks. Audits may be undertaken as announced, semi-announced or unannounced. During audits we require unrestricted access to all areas of the facility, to all documents necessary to determine compliance with these standards and to all employees for confidential interviews.

Clarks expects all our suppliers and partners to be transparent and honest in the information they provide. We seek to work with our suppliers to achieve sustainable improvements in working conditions. We expect ethical behaviour, as set out in Clarks Code of Business Ethics from our own auditors and the equivalent from those engaged through any third party appointed by Clarks. Any breaches of that should be immediately reported to Clarks via ethics@clarks.com.

Where an audit or monitoring identifies any gaps between the standards set out in this Code of Practice and the actual conditions the supplier will be required to complete and provide an Improvement Action Plan to show how they will take timely and effective action to ensure sustained improvement. This will identify the root cause for the finding, the action to be taken, the action owner and the time frame for it to be completed. Failure by a supplier or partner to take appropriate action may ultimately lead to a reduction in or loss of business with Clarks.

The working conditions and improvement actions as assessed through audits are used in both the operational and strategic assessment of suppliers and inform Clarks sourcing and buying decisions.

WORKERS INVOLVEMENT AND PROTECTION

Clarks encourages suppliers and partners to establish effective communication practices that involve workers and their representatives in meaningful dialogue on workplace issues to ensure workers are aware of their rights and responsibilities and that these are met. Where necessary appropriate training should be provided to ensure all levels can participate effectively in this process.