



## **PURPLE PEACH STATEMENT OF INTENT**

Purple Peach recognizes that we share responsibility for the labour conditions and human rights practices within our supply chain. As a company we are committed to working with Partner Suppliers to achieve long lasting positive change in workers standards and conditions.

This is an ongoing commitment underpinned by Purple Peach's values and founded on our key beliefs. We have put in place an ongoing programme of activity that follows up on this commitment to ensure that we are working towards the achievement of our long term goals. Our programme is underpinned by our Beliefs and designed to meet our Objectives.

### **1 – Beliefs**

#### ***Respect:***

We believe that progress can only be achieved through transparent partnerships of mutual respect. There should be no 'us' and 'them' mentality as positive change will bring benefits for all the parties.

#### ***Openness:***

We believe that all issues and challenges can be addressed openly and respectfully. So, mutual transparency is a key element in attaining our goals and there should be no intention to hide information or mislead partners.

#### ***Continuous Improvement:***

We believe that it isn't about where we are at today – it must be about the positive change we can achieve and the steps we need to take to continue to improve.

#### ***A moral imperative AND a business need:***

We believe that achieving positive change actively reflects our ethical and moral standards whilst also increasing productivity and profit.

### **2 – Objectives**

- We are developing this programme to achieve long term and sustainable change - working in partnership with our Customers, Suppliers, Employees and Consumers.
- Long term improvements can only be achieved through an honest, fair, transparent, and equitable dialogue with our Partner Suppliers.
- We aim to increase the awareness amongst our Partner Suppliers of the standards that they should be meeting and why these are increasingly relevant to our ongoing business relationship.
- We will provide access to tools and resources to assist our Partner Suppliers in reaching the standards set forth in this document and outlined in more detail in our Vendor Guidebook.
- We want to ensure that Partner Suppliers understand what is entailed in achieving and sustainably maintaining Purple Peach's compliance requirements.



- We want to ensure that our Customers understand the important role they can play in helping provide the right environment for social compliance by acting responsibly.
- And our ultimate goal is to ensure that, over time, the programme equips Partner Suppliers to continue the process without Purple Peach's help.

### **3 - Fundamental concerns**

Having reviewed the experience so far with our programme and the advice of experts in the field, there are two key areas that particularly concern Purple Peach. The failure to meet our standards in these areas may result in the decision to sever the business relationship.

**3.1 Lack of trust and transparency** – Where there is no trust in relationships between supplier and client it is understandable that there is little or no transparency. Purple Peach's approach demands transparency within our partnerships and we will set an example to demonstrate the real value of our commitment through our own openness in relationships. Partner Suppliers should therefore have trust in the process. Obviously this commitment can only be proven over time, however, if Purple Peach has reason to believe that a Partner Supplier is continuing to intentionally cover up or attempt to hide important information that is relevant to assessing the working conditions and workers treatment in their factory, then Purple Peach will consider this an act of non-compliance and may not be able to continue working with that factory.

**3.2 Persistent use of excessive overtime** – is a common problem amongst manufacturers constantly under pressure to provide increased production to ever tighter business timescales. There are multiple causes of excessive overtime, but the end result is that the health of workers and productivity can both suffer significantly. In addition, of great concern is where the overtime is forced – which should never be the case – or the appropriate overtime reward rate is not paid. In cases where Purple Peach identifies sustained and long-term instances of excessive overtime hours being employed in a factory and, after solutions have been proposed, if management remains unwilling to make appropriate changes to their production process within a defined time period to address these concerns, Purple Peach will consider this a significant failure to meet a key standard and condition for continued business.

### **4 - Priority ranking of key compliance issues**

The whole area of 'Social Compliance' and the ETI Base Code specifically, encompasses a broad range of responsibilities and it is important to clarify the priorities from Purple Peach's perspective. The ranking below sets out these priorities based on Purple Peach's experience. These priorities should not be read to mean that other areas of the ETI Base Code are not important, rather that these are the areas of greatest importance for Purple Peach. Obviously, greater detail on the minimum expectations in each specific area is provided by the ETI Base Code itself and the Purple Peach Vendor Guidebook:

#### **4.1 - Non negotiable areas of immediate compliance (*Zero Tolerance Category*)**

If it becomes clear through a risk assessment/audit process that a specific factory does not comply with the ETI Base Code in the following areas, then immediate corrective action needs to be agreed and followed through. Failure to do so will mean that Purple Peach cannot work with this facility.



- Forced or Bonded Labour - There should be no forced, bonded or prison labour or other forms of involuntary labour used in factories producing products for Purple Peach.
- Child Labour - There should be no children under 16 working in a factory producing products for Purple Peach.
- Juvenile workers aged 16-18 should be employed and treated according to the national and local laws regarding juvenile workers.
- Sexual or Physical Abuse – Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited.
- Minimum wage - all workers should be paid the legal minimum wage

#### **4.2 - Key priorities for medium term resolution**

If it becomes clear through a risk assessment/audit process that a specific factory does not comply in the following areas, then a clear set of remedial actions with a timetable needs to be put in place to ensure that corrective action will be taken. Bearing in mind the factories individual circumstances and capability, real improvements will be expected within three to six months.

- Harassment and other abuse/inappropriate treatment of workers should not occur. In particular any unjust deductions, penalties or fines should not be levied against workers or decided on in an arbitrary or inappropriate manner
- Excessive work hours should be avoided:
  - Total working hours should not exceed 60 hours per week including overtime
  - Overtime should always be voluntary and paid at the appropriate premium rate
  - Piecework should be avoided as the primary method of calculating pay and rewards. Where it is used, it is essential that the calculation of pay, and especially rewards for overtime hours worked, be fair and equitable. The targets should be achievable by the average worker within a normal working day.
  - 'Peak working' to meet *unexpected* demand cannot equate to more than three months in any year and even then:
  - Workers should *always* have one day off in every seven.
- It is our belief that the factory's minimum wage should always be at a level which provides a living wage for workers by local standards.



- Occupational Health and Safety

- 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
- Access to clean toilet facilities and to potable water should always be provided
- Accommodation, where provided, should be clean, safe, and meet the basic needs of the workers and obey the local legal requirements.

- Environmental Health and Safety - Supplier Partners must comply with all applicable environmental laws and regulations.

### **5 - General Principle**

Partners Suppliers must operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations – including those relating to labour, worker health and safety, and the environment.

Partner Suppliers should allow Purple Peach and/or any of its representatives or agents unrestricted access to their facilities and to all relevant records at all times, whether or not notice is provided in advance.