

Ethical trading at Warehouse

Warehouse is committed to achieving positive outcomes for workers in our supply chain, good welfare standards for animals and wider benefits for other stakeholders too. We have always had an ethical trading ethos, which was put into words over ten years ago with the adoption of our first code of conduct – a reflection of a shifting sourcing landscape in an increasingly globalised world.

As a small, high-street brand, loyalty to our suppliers has played a crucial part in our success. Over the years, we have developed long-standing and direct relationships with our supply base (many of whom have been business partners for over 15 years). Our suppliers have shared in our growth and success and this has allowed us to use our influence with them when it comes to ethical trade (over 80% of our production comes from our top 20 suppliers). We work closely with them to understand working standards, monitor workplaces and drive improvements that deliver benefits to workers.

This is not without its challenges but honest and regular conversations with our suppliers allow us to address each situation on a case by case basis without the 'tick-box' approach to ethical trading. We use a limited but diverse range of suppliers, with most based in China, Turkey, Vietnam, Bulgaria and Romania and a small number in India, Pakistan and Tunisia too.

Supply chain employees

Our Code of Conduct is based on the conventions of the International Labour Organisation. It includes no child labour, safe working conditions, a living wage, no excessive hours, no discrimination, freedom of association, no forced labour, regular employment and no harsh treatment. Suppliers are also expected to comply with national law and, where the Code and local law address the same subject, to apply the provision that affords greater protection to workers.

Our audit programme is the chief way in which we monitor compliance with our standards. Our largest sourcing country is China where our own in-house Ethical Trading team is responsible for the audits. Notwithstanding some of the limitations of audits, we endeavor to ensure our assessments are rigorous and reliable. The audit involves an extensive review of records (including pay, hours and contracts, amongst others), confidential interviews with workers, discussions with management and a physical inspection of premises. By doing our own audits we are able to take a flexible approach to the assessments where this may be needed. For example, we may decide to interview additional workers to hear more about their views, cross-check a greater number and type of records or spend more time at one of the factories. Another advantage is that we are able to establish relationships with the factory teams, which is vital to effective follow (i.e. monitoring progress and verifying improvements).

Outside of China we have a much smaller number of suppliers and use third-party audits to monitor our suppliers. However, we only use a small number of external companies that have excellent reputations for quality of audits. As SEDEX members, we have access to a wide range of assessments, but only accept those we believe are credible and rigorous. Where audits show non-compliances with our standards, we invest time with suppliers to understand the causes of non-compliances. From

this we develop action plans with suppliers that are realistic and can ensure progress can be made over a reasonable timeframe.

Audits have enabled us to understand each country's working practices and identify where improvements can be made but we do not rely wholly on these alone to promote good labour practices. We have also created tools to help factories better manage production. Our training programme for factory management teams focuses on the synergies between ethical trading and good competitive practices so that both workers and suppliers benefit (e.g. effective incentive schemes to reward good performance, ways to reduce worker turnover and importance of clear communication within factory teams,). We have delivered our ethical trading training to suppliers in both China and Vietnam.

Ethical training sessions delivered at one of our factories in China



Our Code of Conduct states all workers should be paid a living wage. A living wage must cover basic needs and a discretionary sum. In 2011 we started benchmarking workers' salaries in China against a living wage benchmark (for the purposes of this exercise we are using the Asia Floor Wage figure). We also survey workers to find out whether they consider their pay satisfactory. Both sets of data feed into our overall Living Wage strategy. Previously we ran a pilot project with our largest Chinese supplier to increase wages and reduced hours based on efficiency improvements. The learning from this has been shared with other factories. Please see the report by Labour Behind the Label to find out more (see profile on Aurora Fashions): <http://www.labourbehindthelabel.org/campaigns/itemlist/category/294-report>

In 2011, Warehouse joined with other stakeholders (including trade unions and industry peers) to publicly support a ban on sandblasting. Sandblasting is a process that involves projecting sand onto denim to create a worn effect. It can be extremely damaging to the health of workers if the sand is inhaled and can lead to a disabling and potentially fatal lung disease called silicosis. Our policy bans not just sand but other abrasive substances too.

We have also banned cotton from Uzbekistan as a result of long standing concerns regarding child and forced labour in the harvesting of Uzbek cotton.

Animal welfare

We believe in good animal welfare standards. Our policy sets out over 10 standards, including no animal testing, no real fur, no angora yarn, no use of endangered species (as listed under either the Convention in Trade of Endangered Species of Wild Fauna and Flora or International Union for Conservation of Nature), no mulesing of merino sheep, no live plucking of feathers/down and no feathers/down from foie gras birds, leathers/skins must be a by-product of the meat industry, and no cruel treatment towards animals. We support standards of the World Organisation for Animal Health (OIE). In 2015, the RSPCA reviewed our policy and provided advice on content.

Environment

We follow REACH –an EU regulation designed to protect human health and the environment from dangerous chemicals – and require all suppliers to adhere to REACH standards. In terms of production, we audit factories to ensure they comply with local, environmental laws. We also recycle paper, plastic and fabric in our head office. In 2015, we commenced a pilot project to trace the supply chain of viscose, a fabric that comes from timber. The aim of the project is to learn more about where the raw materials in our products come from with the aim to ensure these are from sustainable sources.

Warehouse promotes ethical trading to our employees by training and developing our teams about our policies, expectations and key issues. This reinforces a joined-up approach between our commercial and ethical functions.

Communities and Charities

At Warehouse we are passionate about nurturing and supporting young talent as well as giving back to our community.

Since 2009 we have partnered with the British Fashion Council's Colleges Council, to provide paid six month placements to graduates in order to give them support and industry experience to develop their collections from design and production through to marketing and in-store delivery.

We support Newlife Foundation for Disabled Children. The charity provides equipment to help children who are affected by all types of disability and terminal illness, as well as funding vital medical research, to improve child health. Warehouse supports by donating unsold stock from UK and European stores to Newlife. This is de-branded, recycled or resold and profits are used to support the important work of the charity.

Since 2010 Warehouse staff have supported Evelina's children's hospital - a specialist hospital that aims to be a world leading centre of life-changing care for children. Warehouse has provided sample products to patients, donated stock to help raise funds and our own teams have organised Christmas parties for patients.

Over several years, Warehouse has supported the children's hospice and charity Richard House, through financial contributions and helping to raise funds. Richard

House provides care and support to children and young people who are at risk of death because of a life-limiting or life-threatening health conditions.

Warehouse has supported Breakthrough Breast Cancer since 1997 and has continued this support for Breast Cancer Now, the new charity created by the merger of Breast Cancer Campaign and Breakthrough Breast Cancer. By retailing pink t-shirts, tops and other fashion items, we have helped raise over £500,000 to date, which has been invested in life-saving research that has helped Breast Cancer Now's scientists make incredible advances. Our own staff have also raised money through a variety of fundraising events'