



the**warehouse**.co.nz

ETHICAL SOURCING AT THE WAREHOUSE

2018 REPORT

2019 UPDATE

CONTENTS

4 // Introduction

5 // The Warehouse and its supply chains

7 // Ethical sourcing programme structure

13 // Policy Themes and commentary

5.1 Management Systems

5.2 Child Labour

5.3 Voluntary Labour

5.4 Health & Safety

5.5 Wages and Benefits

5.6 Working Hours

5.7 Freedom of Association and Collective Bargaining

5.8 Environment

5.9 Subcontracting

5.10 Business Integrity

22 // New Initiatives

Apparel Supplier Survey & Tier 2 Discovery

Customer Survey – New Zealanders views on Ethical Sourcing

ELearning – online resources for factory managers

Worker Voice - Integrated Audits

Responsible Workplace Programme - Malaysia

31 // Trending now

Transparency

Living wages

Bangladesh

Human Trafficking and Modern Slavery

37 // Programme Update January 2019

40 // Appendices

Factory Lists

List of The Warehouse's Private Label ("House") Brands

Country Working Hour and Wages table



Ethical Sourcing at The Warehouse 2018 & 2019 Report

The structure and content of this report was informed by:

The Warehouse Group Ethical Sourcing Policy (2017)

The Modern Slavery Act (UK) 2015 and its guidance on Transparency in Supply Chains.

Baptist World Aid Australia's ongoing series of "Behind the Barcode" reports on the Fashion industry.

Data within this report is derived from labour audits undertaken for The Warehouse in calendar years, 2017 & 2018 and from our internal purchase order management systems.

Where data or commentary is derived from external sources these are referenced in the footnotes on each page.

The report was compiled and authored by our Ethical Sourcing Manager and reviewed and approved by our Executive.

INTRODUCTION

The Warehouse Ltd is the largest subsidiary of The Warehouse Group¹ – New Zealand’s largest publicly listed non-food retailer. The genesis of our Ethical Sourcing programme dates to the values and vision of our founder and cornerstone shareholder Sir Stephen Tindall.

Sir Stephen’s and The Warehouse Group’s vision is to help communities throughout New Zealand to flourish and to contribute to a more sustainable country and planet.

At The Warehouse, with our extensive direct sourced, private label merchandise programme, we recognise that we have a special duty to protect the welfare of workers in our supply chain. Since 2004 we have been on a journey to continually improve and extend the scope and effectiveness of our programme.

This report is intended to inform the reader openly and transparently about conditions “behind the barcode” in our source factories. It describes how our Ethical Sourcing Programme functions, and how we work to ensure that the profit in our enterprise and the value we deliver to customers is also functioning to protect and improve working conditions for those at the origin of our supply chain.

The information in this report is presented through the lens of our January 2017 Ethical Sourcing Policy² – so readers can see how we have implemented the policy in practice over the past year. We have also taken account of the “Transparency in Supply Chains” guidance³ provided by the UK Government to companies preparing public statements under the UK’s 2015 Modern Slavery Act. Although no such legislation exists yet in New Zealand it has attracted considerable interest in Government, NGO, and Academic circles. Closer to home, reports published by Baptist World Aid Australia and Oxfam addressing labour issues and setting expectations for apparel supply chains have also captured media

attention. We have provided disclosures and commentary in relation to these NGOs’ expectations - even where they currently exceed our capabilities. This reflects our commitment to transparency and continuous improvement.

Our report also highlights several new initiatives undertaken during the year and for the first time a list of our apparel factories along with a comparative real wage and working hour table across different source countries.

Despite significant progress on our journey to date there remain many issues to address. Each year we reset our strategy according to our learnings and emerging external expectations. It’s impossible for any single sourcing

organisation to tackle these challenges alone – even in tiers of the supply chain where there is direct contact and influence. We need further collaboration between business, government, and civil society. Consumers also have an important role to play by informing themselves about the ethical attributes of the choices available to them and continuing to support those businesses who are meeting their expectations. We aim to be one of those businesses, and look forward to informing you further about our progress in the future.

Nick Grayston
Group Chief Executive Officer
The Warehouse Group

Your feedback or questions are welcome at ethical.sourcing@thewarehouse.co.nz



Team members at The Warehouse
Tauranga Crossing store

1. <http://www.thewarehousegroup.co.nz/>

2. <http://docs.thewarehouse.co.nz/red/pdfs/suppliers/ethical-sourcing/the-warehouse-group-ethical-sourcing-policy-01.17.pdf>

3. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/649906/Transparency_in_Supply_Chains_A_Practical_Guide_2017.pdf



THE WAREHOUSE AND IT'S SUPPLY CHAINS

THE WAREHOUSE AND IT'S SUPPLY CHAINS

The Warehouse is New Zealand's largest general merchandise retailer with 92 stores throughout New Zealand and a large online presence at www.thewarehouse.co.nz

Our customers represent a completely diverse group of New Zealanders. Our marketing, and wide ranges of general merchandise and apparel, are focused primarily on families, and shoppers looking for great everyday bargains.

At the time of The Warehouse's listing on the New Zealand Stock exchange in 1995 through to the early 2000s' the dominant model for most large general merchandiser retailers was to source both branded and private label⁴ merchandise through a New Zealand network of local agents, manufacturers, wholesalers and importers. These enterprises in turn sourced merchandise through their own supply chains – additional networks of "middlemen" (trading companies) and factories predominantly in Asia⁵.

This old model was characterised by highly dispersed supply chains, multiple

layers of margin capture, with the origins of manufacture usually invisible to the retailer if not the local wholesaler as well.

Commencing with opening of our own direct sourcing office in Shanghai in 2004 The Warehouse set about revolutionising this model, flattening the supply hierarchy, and securing direct access to manufacturing sources with an attendant leap forward in traceability and transparency. For our customers, this has meant reduced prices for most product classes while maintaining our position in an increasingly competitive marketplace. This trend has continued to accelerate in recent years to a point where at the end of 2017 more than a quarter of our merchandise is sourced direct through our own sourcing offices.

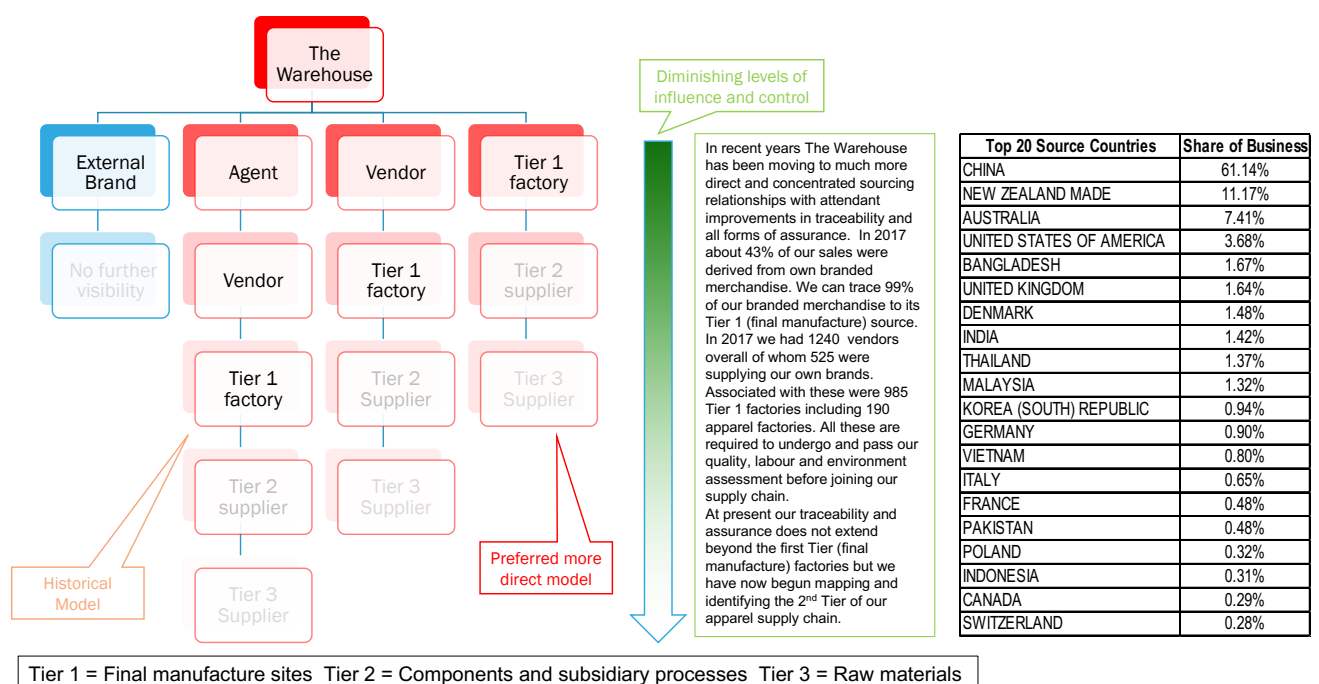
By far our biggest source of general merchandise, apparel, and electrical

goods is China. Everyday consumables and grocery items tend to be sourced closer to home in New Zealand and Australia. Recently we have seen a growth in home textiles and apparel being sourced from India and Bangladesh. To support this, we opened another sourcing office in New Delhi India in January 2017.

The most recent trend transforming retail everywhere is the advent of the online giants such as Amazon offering consumers efficient direct access to vast ranges of merchandise where ever they might be.

Fortunately, because of the work we have already done flattening our supply chain, developing our direct sourcing expertise, and investing in our online webstore The Warehouse is very well placed to meet the challenges of an international and digitised market place.

THE WAREHOUSE PRODUCT SUPPLY CHAIN



4. A retailer's own brand versus a national or international brand owned by a supplier external to the retail enterprise. You can see List of The Warehouse private labels on page 41

5. During this and previous eras in NZ there remained a base of light manufacturing supplying retailers however this has declined significantly with the liberalisation of trade in the 1980s culminating in free trade agreements of the early 2000s.

WAREHOUSE THE
GROUP

ETHICAL SOURCING PROGRAMME STRUCTURE

ETHICAL SOURCING PROGRAMME STRUCTURE

The Warehouse's Ethical Sourcing programme contains the three elements of policy, due diligence, and remediation or corrective action described in the United Nations Guiding Principles on Business and human rights.⁶

Our policies, and a description of our due diligence and remediation processes are published on The Warehouse Supplier website.⁷ In practice our due diligence is implemented through supplier pre-qualification processes (for new factories), ongoing factory monitoring (for active factories), and continuous improvement initiatives and training. Through these activities we strive to ensure that only factories which meet or exceed our standards can supply goods bearing one of The Warehouse's private labels.

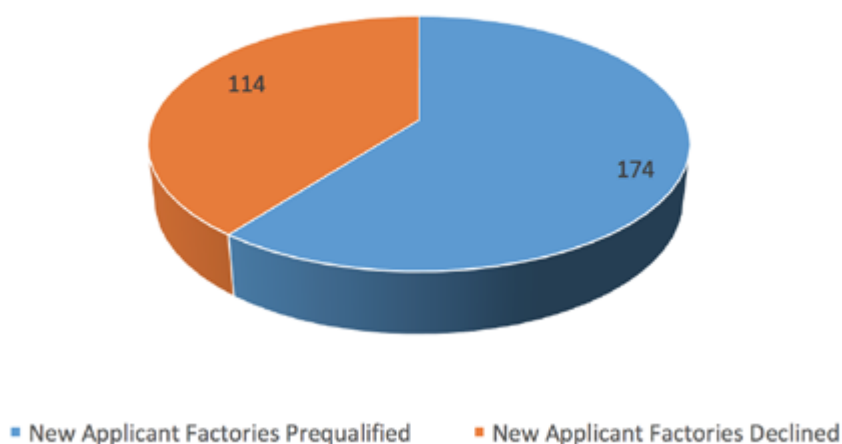
To qualify new candidate factories (from an Ethical or Labour Standards perspective) we first invite the factory to submit any existing labour standard credentials they may have in the form of a recent audit report undertaken for another customer. This is to avoid unnecessary duplication and to minimise audit fatigue for factories. However, we are very conservative in our approach to such mutual recognition and reject about half of such desktop submissions. In these cases, the factory must undergo our own audit⁸ if they wish to qualify. These audit findings are then assessed against our policy, especially for zero tolerance standards like child labour, voluntary labour, or non-transparent audit practices. The overall pass rate for new factory submissions in 2017 was 60%.

Once a factory is qualified and manufacturing for one of our private labels we maintain visibility of standards through an ongoing monitoring and continuous improvement (remediation) cycle. Monitoring is achieved either via our own commissioned follow up audits or via a desktop review of improvement actions evidence submitted by the factory. Face to face support from our internal Ethical Sourcing specialists is available to assist factories with their remediation path. We hold regular

development workshops and training for factories who need help to improve their labour management practices. In addition, from December 2017, we have made an online library of eLearning courses, focused on common corrective action themes, available to factories in their local language to support their remediation and improvement initiatives.

Our prequalification processes are intended to screen out poor performing factories before they enter our supply chain, however should a zero-tolerance

New factories Qualified in 2017



6. Page 16 http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

7. <https://www.thewarehouse.co.nz/c/suppliers/ethical-sourcing>

8. Executed by 3rd parties according to our policy and audit protocol



issue be encountered within an active factory we suspend business and call for an immediate rectification of the issue. If this is not achieved, we permanently discontinue trading.¹⁵ active factories were discontinued for standards failure in 2017. For less critical issues, training and support is provided for the factory to demonstrate improvement within an agreed time frame.

Programme Scope and Scale

Although our Ethical Sourcing policy is directed to all suppliers, our monitoring and enforcement work is focused on factories manufacturing our private label merchandise.⁹ As we are primarily an “own brand” retailer this is a very significant share of our product range – about 43% of purchases in 2017 – equivalent to NZD \$500 million. This was sourced from 985 factories represented by 525 vendors. We can trace 99% of this business back to its (Tier 1) factory of origin. The largest 300 of these account for about 80% of private label purchases.

At present our programme is focused the first Tier of the supply chain – i.e. the final manufacture sites. This is where we have the most control and influence, and our progressive improvements in transparency and traceability over time have been significant. However, beyond Tier 1 there exists a complex

array of Tier 2 suppliers - manufacturing components, and undertaking subsidiary manufacturing processes. Below this level still lie the (Tier 3) raw material suppliers – natural and synthetic fibers in the case of apparel; plastic resins, minerals, timber, leather and so on in the case of general merchandise products classes. At present, we can't make any assurance statements about these levels of our supply chain (Tier 2 & 3) except for FSC certified timber products¹⁰ and products containing certified sustainable palm oil.¹¹

However, in 2017 we began to map the characteristics of the second tier of our Apparel supplier base and to capture the identity and location of the various fabric mills, dye and wash houses, print shops and accessory suppliers associated with our garment factories. You can read more about the outcome of this work in the feature on our Apparel supply chain on page 23.

Audits

All our labour audits are undertaken by third party audit firms that specialise in labour standards and worker rights auditing. They have many years' experience working in this way on behalf of international brands. Each audit report is subject to an internal quality assurance review by the service provider before being submitted to The Warehouse

Ethical Sourcing team for further review, analysis, and eventual response to the supplier. Our three main service providers at present are Elevate¹², Taos Network¹³, and Asia Inspection Services¹⁴. Our own internal Ethical Sourcing staff travel regularly with these auditors in the field, exchange reciprocal training, and draw on their expertise to inform our policies and gain deeper insight into actual practices in factories. We prioritise the deployment of these resources based on a historical risk profile for the factory, region or industry. In 2017 22% of audits were undertaken on an unannounced basis. Each audit includes an anonymously captured record of worker interviews and a wage and working hour table which clearly illustrates any variances in a sample of workers' pay from legal entitlements. In a small number of cases we supplement the audit findings with offsite observations and worker interviews. We don't publicly share our audit reports but this report discloses our audit findings and activity at an aggregated level.

Our audit traverses five sectors of a factories Labour and Environmental management performance: Employment Policies, Compensation & Hours, Health & Safety, Dormitory, and Environment. Each audit report generates an overall score, highlights any core standards or

9. See current list of our private labels on page 41

10. <http://docs.thewarehouse.co.nz/red/pdfs/suppliers/product-quality/wood-product-sourcing-policy-mar15.pdf>

11. <http://docs.thewarehouse.co.nz/red/pdfs/suppliers/product-quality/palm-oil-product-sourcing-policy-may16.pdf>

12. <http://www.elevatelimited.com/>

13. <http://taosnetwork.org/>

14. <https://www.asiainspection.com/>

transparency issues and contains extensive contextual commentary from the auditors along with a record of any corrective actions agreed with factory management at the time of the audit.

The average overall audit score in 2017 was 84.25%

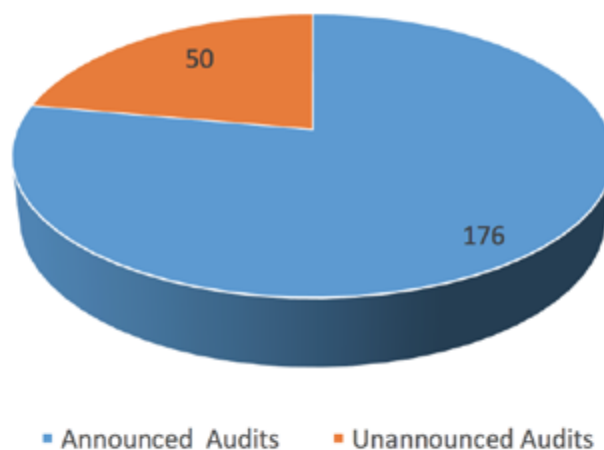
Programme Management and Accountability

Within our management structure accountability for the strategy and operational outcomes of The Warehouse ethical sourcing programme lies with the Executive General Manager of Sourcing and the CEO of Sourcing Support for The Warehouse Group.

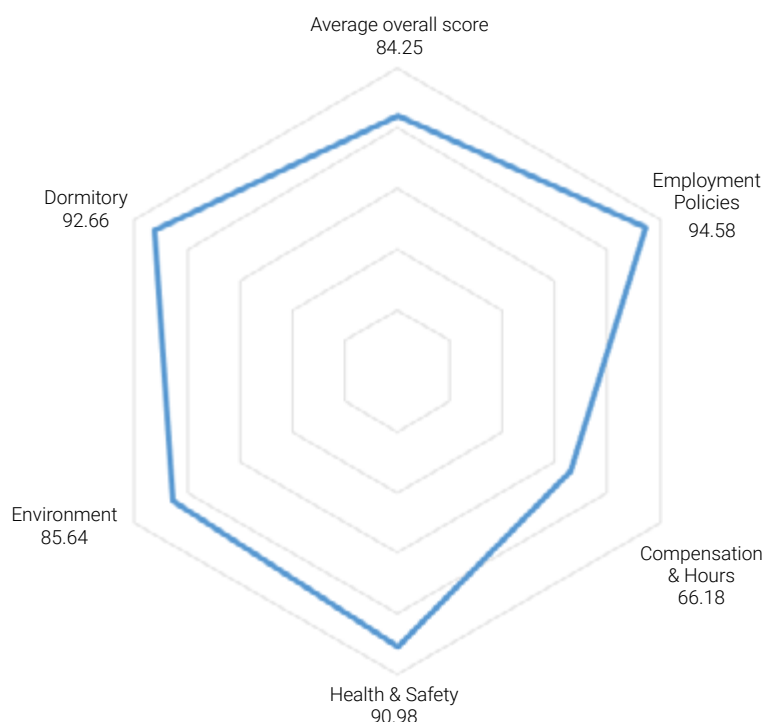
The execution of our strategy is monitored through a typical plan-act-review cycle and our quarterly reporting meetings are also attended by the Head of Risk and Audit for The Warehouse group. Operations are overseen by our Ethical Sourcing manager and team based in Auckland and Shanghai. All sourcing and merchandise personnel based in Asia or New Zealand receive an orientation and ongoing updates to our policies and programme. One of the strengths of our programme is its close engagement with our senior sourcing personnel who have full visibility of the programme's progress and the status of all supplier factories. They regularly lend their commercial support to the Ethical team's efforts to motivate and engage factories in improvement initiatives.

An internal protocol dictates that all zero tolerance issues such as underage labour, bribery attempts, or involuntary labour are immediately escalated to the CEO of Sourcing Support for review to secure an Executive mandate for any consequential actions.

Factory Audits 2017



Audit Sector Scores %





POLICY THEMES AND COMMENTARY

5.1 MANAGEMENT SYSTEMS

The average audit score for policies in 2017 was 94.5%

Within the first section of every audit we undertake, there is a comprehensive series of twenty seven checkpoints which examine the factories policies and management systems.

These address wages, benefits and hours, overtime rates, discipline and termination, grievance procedures, harassment and abuse and written contracts. Also included are age identification, freedom of association and collective bargaining rights, prohibitions on: child labour, forced or

bonded labour, and non-discrimination on grounds of pregnancy or other reasons.

The policies section typically scores highly within audits – its relatively easy for a factory to assemble the requisite policy documents required by various customer codes. A common failure in factories however is in deploying the requisite management and information systems needed to give effect to policies – for example when it comes to tracking and controlling working hours.

Adequate Management Systems are deployed.

"Suppliers should maintain all necessary policies, management and information systems, facilities and human resources needed to ensure they comply with all applicable local laws and regulations and the requirements of this policy."

- Policy extract



5.2 CHILD LABOUR

This is a core or zero tolerance issue within our due diligence approach. Our auditors carefully review identity records for any evidence of underage workers or falsified identity records along with careful observation of workers during interviews and the factory tour.

In 2017 we had just one incident of confirmed underage labour.

Footwear factory Zheijiang China July 2017

This factory was undergoing a follow up audit. Two underage workers were found onsite. They were proximate to working age -16 and working during the school holidays. The factory followed all the auditors recommendations and provided documented evidence that these actions had been taken :

- 1) "These underage labourers should stop their work immediately.*
- 2) Terminate the employment relationship with these two workers immediately and pay their wages according to the hours they had already worked.*
- 3) Arrange health examination for them as soon as possible. The health examination fees should be paid by the factory and examination results should be kept on files.*
- 4) Compensation should be given to these workers until they turn to 16 years old, a minimum legal working age. The compensation amount should no less than local legal minimum wage per month.*

5) Contact the parents and legal guardians and provide transportation and meals package to assist them to return home safely. All the cost should be paid by the factory; bus/train tickets should be kept on files.

6) Review all personnel files and take all possible measures to identify the real ages of the current employees, especially those workers who are young-looking.

7) Establish age-verification process for all new workers and conduct personnel file screening regularly through self-monitoring to prevent the employment of child labour at the factory."

Notwithstanding the factory's positive response to these findings there were other significant non-conformances uncovered during the audit it's overall audit score was 62% and failed 6 of 10 core standards including the zero tolerance underage labour finding above. We ceased trading with this factory.

Child labour shall not be used.

"Suppliers shall not employ workers younger than the national minimum working age. Juvenile or young workers are employed in accordance with local law and shall not be required to participate in night work or hazardous work. Children are not permitted in the workshop areas of the factory. Where underage workers are detected during a compliance audit, the factory shall take responsibility for repatriating the child and enduring the continuity of their education and welfare until they attain legal working age."

- Policy extract

Whatever the cultural tolerance or rationale present in these instances, they are violations of local laws and in every case, we issue the factory a warning along with a requirement that they take steps to help the underage worker leave the workplace while ensuring they are in safe keeping until the school term recommences or the child reaches the legal working age.

We cannot categorically exclude the possibility of more systemic and abusive child labour practices existing within the subsidiary levels (Tier 2 & 3) of our supply chain but can say we have never encountered it within our due diligence work to date at the final manufacture level (Tier 1) of our supply chain.



Child labour on the streets

5.3 VOLUNTARY LABOUR

This policy provision addresses some of the most potentially egregious labour abuses. In addition to checking for a factory's policies on these topics our auditors also closely examine payroll practices for evidence of delayed or withheld payments, or deductions associated with disciplinary fines.

Employment is freely chosen

"Prison labour is prohibited. Bonded labour is prohibited - suppliers shall not bind workers to their workplace through debt associated with recruitment fees, fines, loans, deferred payment or other means.

Workers shall not be recruited or employed through human trafficking.

Suppliers shall not retain identity documents (such as passports or identity cards,) unless at the request of workers and with written permission. Workers must be able to take leave from the factory for reasons of bereavement, illness, or significant family events and at any time when they are not working. leave, including maternity leave, entitlements shall be upheld. Workers can terminate their employment with reasonable notice and without penalty."

- Policy extract

Where evidence of these practices is found, an immediate corrective action to the offending practice is raised.

Bonded labour is a concern in countries where there are high rates of migrant workers coming from undeveloped countries to take low skilled jobs in developing countries. In these cases, our auditors look closely at the recruitment pathways deployed by the factory, their practices around the safekeeping of identity documents, and worker disclosures about the fees paid to secure their placements or access to working visas. The legality of Visas is closely examined as undocumented workers or those with expired Visas are vulnerable to exploitation.

This year we terminated our relationship with two Malaysian

suppliers because we were unable to satisfy ourselves that our preferred course of continuing to work with the supplier was going to affect positive change for workers. Despite repeated attempts we had been unable to secure management support for changes to their migrant recruitment and labour management practices. We moved this business to another Malaysian supplier with better audit outcomes where we felt that our commercial leverage was more likely to secure improvements for workers. Our interventions in Malaysia have included escalating our concerns to the board of directors of a public company, ensuring freedom of access to identity documents, improving dormitory conditions, and reducing working hours for migrants.



5.4 HEALTH AND SAFETY

Our average health and safety audit score in 2017 was 91%

A safe workplace is the most basic worker entitlement. Our due diligence assessment contains over 57 Health & Safety investigation points

Fortunately, in most cases, because of the long held focus of brands on this area, and the interest of local governments, Health & Safety is consistently one of the highest scoring sectors within our audit reports.

However as with the above concerns for migrants in Malaysia each country has unique labour management challenges. In Bangladesh, because

of deficiencies in the quality of their construction and infrastructure - as evidenced in the tragic collapse of the Rana Plaza building in 2013 - Health and Safety, especially building and fire safety, demand special attention. Consequently, we decided to further strengthen our health and safety assessment capability by joining the Alliance for Worker Safety in Bangladesh.¹⁵ Our membership of the Alliance has delivered major improvements in building safety for all our participating factories. (see our Bangladesh feature on page 34)

Working conditions are safe and hygienic

"Workplace hazards are clearly identified and controlled through a working health and safety plan. Responsibility for health and safety is assigned to a senior management representative. Health and safety training is provided for all workers. Appropriate Personal Protective Equipment is deployed and its use enforced. Access to adequate medical assistance and facilities and drinking water and, if applicable, sanitary facilities for food preparation and storage.

Suppliers shall ensure that residential facilities for workers, where provided, are clean and safe. An accident and injury register is maintained. All legal building, electrical, and fire safety, requirements are met. The operating safety of machinery and equipment is assured through a documented maintenance schedule. hazardous Chemicals are clearly identified, and stored and handled in accordance with local regulations and or international best practice. A natural disaster or emergency preparedness plan and training is in place.

The workplace and its recruitment practices are free from harassment, or abuse. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on age and race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. A written grievance procedure and training should be established for workers that ensures confidentiality, freedom from reprisal and a pathway to resolution. Establishment for workers that ensures confidentiality, freedom from reprisal and a pathway to resolution."

- Policy extract



Alliance Safety Signage in The Warehouse Garment Factory Dhaka Bangladesh

15. <http://www.bangladeshworkersafety.org/>

5.5 WAGES AND BENEFITS

In 2017 the average audit score for wages and working hours was 66.2%

Determining workers' actual pay and its relationship to legal entitlements and working hours is one of the most important and challenging tasks for our auditors.

The baseline indicator an auditor must be aware of is the legal minimum wage for that region and any benefit entitlements such as workplace insurance. In many developing country workplaces, especially in China, workers are paid by pieces produced rather than an hourly rate. Auditors must convert a worker's total pay into an equivalent hourly rate for regular hours worked and an overtime rate for overtime hours worked. To make this calculation true auditors must have both accurate payroll data and accurate working hour data and then validate that this amount was paid to the worker either in cash or via bank account deposits. A random sample of payroll records for individual workers are analysed

and averaged over several months, cross checked with payslips and dialogues with the workers. These calculations are then summarised in a wage table (sample below for a Chinese factory) which illustrates the local monthly minimum wage, the number of days worked in the month, the total number of overtime hours worked in the month, a projected entitlement at a benchmark overtime premium of 1.5 times the legal minimum hourly rate, the actual pay received, and a percentage variation against the entitlement. This calculation is then used to score the factory against its minimum and overtime wage obligations.

While factories typically pay in excess of minimum wage entitlements, and weekday overtime rates, they often do not achieve weekend overtime premiums.

Examples of wage calculation table:

Workers monetary entitlements are met or exceeded

"Wages for regular working hours shall meet or exceed local minimum rates, enable workers to meet their basic needs, and provide some discretionary income.

Where labour is employed indirectly through a licensed agency or broker wages for regular working hours shall meet or exceed local minimum rates, enable workers to meet their basic needs and provide some discretionary income. Where workers are paid by piece, the factory's piece rate schedule should enable workers to achieve at least the minimum legal payment applicable to all regular and overtime hours worked.

When commencing work, all workers must have signed contracts in accordance with local law which include relevant information about their employment conditions, wages, working hours and benefits.

Suppliers shall provide each worker pay slips in their local language detailing regular hours and wages, overtime hours and wages, any bonus paid, and any legally permitted deductions. Suppliers shall not make any wage deductions unauthorised by law. Wages shall not be withheld beyond due dates. Suppliers shall not terminate and re-hire workers in a manner that avoids paying applicable legal benefits.

Where stipulated by law, the supplier shall provide work-related injury insurance for all workers."

- Policy extract

Employee No	Name	Department	Normal Working Day	Total Monthly OT hours	Total Pay @ 1.5 OT Std.	Total Pay According Records	Variation %
N/A	Liu Chenghui	Tie dye	22	142	3577.01	3272.44	-8.5%
N/A	Yu Xiaoqing	Tie dye	22	132	3439.08	3412.35	-0.8%
N/A	Xu Lanfang	Dyeing	22	135	3480.46	4052.14	16.4%
N/A	Xu Fang	Dyeing	22	117	3232.18	4157.07	28.6%
N/A	Xu Youlan	Washing	19	132.5	3225.29	3904.63	21.1%
N/A	Liu Guoshun	Washing	22	141	3563.22	4063.85	14.0%
N/A	Yu Youqin	Pressing	22	127	3370.11	3425.12	1.6%
N/A	Yang Le	Printing	21	105	2993.10	3032.04	1.3%
N/A	Zhou Shuwang	Cutting	22	117.5	3239.08	4757.52	46.9%
N/A	Lan Dong	Sewing	22	106	3080.46	4765.79	54.7%

Month, Year:	Jun-17	Local Min Wage:	1600	Total Local Regular Working Days for Calculation	21.75
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5.6 WORKING HOURS

Of all the prescriptions within the ILO Labour Conventions and other codes such as the Ethical Trading Initiative¹⁶ actual developing country working hours show the greatest deviation from local law and international codes and conventions.

We have been tracking developing country working hours data for more than ten years. Unlike progressive increases in wages, and significant improvement in health, safety, and environmental measures, working hours have remained persistently high – especially when viewed from a western perspective. Long hours remain despite the intensive monitoring efforts of numerous brands and multi-stakeholder initiatives. Unless local governments decide to strictly enforce this element of their labour law, change is unlikely, as production worker earning aspirations, and competitive labour markets continue to dictate working hour norms - even where wages have grown significantly.

Our approach is to place transparency at the forefront and seek a reliable account of working hours in every audit we undertake. This often entails rejecting documentary evidence which is too good to be true and engaging factories

in a constructive debate about the importance of transparency and integrity within the overall business relationship while at the same time demonstrating an understanding of local norms and practices.

According to data from our active factory audits in 2017 average weekly working hours were 69 hours. In a much wider sample of audits undertaken for multiple international brands working hour averages for China and Bangladesh respectively were 65 and 70 hours per week.¹⁷

We believe by pursuing transparency and accepting local working norms we are much better able to identify excessive hours and reduce these via the corrective actions plan agreed with the factory. A typical corrective action request where excessive hours are identified is to first reduce weekly hours to 72 or less with one rest day per week.

Working hours are not excessive.

Regular working hours, excluding overtime, should not exceed 40 or 48 hours per week (whichever is defined by local law). All overtime hours should be voluntary and compensated.

Workers shall be provided with at least one day off in every seven-day period or two days off in every fourteen-day period.

The supplier must record workers' regular and overtime hours accurately as the basis for controlling excessive working hours and providing correct compensation.

Seasonal peak or deadline based demand for overtime must be offset by rest days and reduced working hours.

- Policy extract



The Warehouse Consumer electronics factory Shenzhen China

16. <https://www.ethicaltrade.org/eti-base-code>

17. You can view a comparative table of various countries' working hour data on pages 42-43.

5.7 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Each audit we undertake includes an evaluation as to whether these worker rights are being restricted. However, the legal sanction for such rights varies by country.

China for example has not ratified the ILO conventions related to the rights to organise, associate, and collectively bargain.¹⁸ Nor has it ratified the convention obliging ILO members to maintain a system of labour inspection. Bangladesh by contrast has ratified both these conventions and their garment sector alone has more than 500 registered trade unions. Notwithstanding China's position our audits have never revealed any attempts by factory management to

restrict these rights and intermittent protest is feature of the Chinese labour landscape. These protests are typically organised outside the auspices of the All-China Federation of Trade Unions (ACFTU) the only trade union that is legally allowed to exist in the country. The relative absence (in a western sense) of workplace unions in China and the lack of enforcement of many labour law elements are important elements of the moral case made for programmes like ours.

Freedom of Association or Collective bargaining are not restricted.

Where the right to freedom of association and collective bargaining is restricted by law, the employer does not hinder, the development of parallel means for independent and free association and bargaining.

Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

- Policy extract



Seamstresses The Warehouse Garment factory Dhaka Bangladesh

18. http://www.ilo.org/dyn/normlex/en/f?p=1000:11210:0:NO:11210:P11210_COUNTRY_ID:103404

5.8 ENVIRONMENT

Factories' environmental scores have been improving and averaged 86% in 2017.

The suite of environmental check points within our audit tool seeks to assess first whether the factory has achieved any form of external environmental accreditation such as ISO 14001¹⁹, or Oeko-Tex²⁰.

We examine the factories' environmental planning resources such as its policies, environmental hazard register, records associated with energy and water conservation. Finally, we track the practical and legally required actions being taken to monitor wastewater discharge, control air pollutants, dispose of solid waste, enable recycling, and deal with any hazardous wastes.

The Chinese Government's determination to address its pollution problems was very visible in 2017 with a series of crackdowns on polluting factories rolling through the industrial provinces.²¹ In our case, several dye houses associated with our garment factories were shut down without notice while they underwent government inspections before reopening.

In 2017 we began profiling this 2nd tier of our apparel supply chain in much more detail requiring garment factories to identify such secondary sites and describing what kind of environmental oversight they deploy (see our apparel supply chain feature on pages 23-24)

Environment Protection measures are sound.

Suppliers must comply with all local laws and regulations pertaining to environmental protection. Suppliers must maintain an environmental policy and management plan sufficient to control and minimize all Environmental Hazards, Wastes or Pollutants unique to the factory.

Suppliers should be able to trace the origin of all their primary materials and components and provide the disclosure to The Warehouse Group on request.

- Policy extract



Fabirc Mill Waste Water treatment ShaoXing China

19. <https://www.iso.org/iso-14001-environmental-management.html>

20. https://www.oeko-tex.com/en/business/certifications_and_services/ots_100/ots_100_start.xhtml

21. <https://www.ft.com/content/f48c9674-ae68-11e7-beba-5521c713abf4>; <https://www.npr.org/sections/parallels/2017/10/23/559009961/china-shuts-down-tens-of-thousands-of-factories-in-unprecedented-pollution-crack>

5.9 SUBCONTRACTING

Although this requirement pertaining to subcontracting has always been implicit in our policy we decided to make these expectations very explicit when we released our updated policy in January of 2017.

Ensuring that production is occurring in qualified designated source factories is a challenge in many supply chains - especially in apparel and footwear. In the past 18 months, we have taken additional measures to strengthen our assurance systems in this regard. In Bangladesh, we deploy our own quality control inspectors to factories daily rather than our former practice of releasing shipments based on final inspections by third parties. In Chinese garment factories if we don't think we are maintaining sufficiently frequent contact with factories we have deployed 3rd party auditors to factories on an unannounced basis to analyse the factories recent production schedule and look for evidence of subcontracting. In November, we employed a full-time specialist within our Shanghai office to focus on production validation and corrective action plan support for factories – primarily in the garment sector. We have been emphasising this policy requirement in all our recent supplier communications – at our September vendor conference

in Shanghai and in our regular face to face meeting with vendors in China, Bangladesh and elsewhere.

We documented 12 instances of unauthorised subcontracting in 2017.

In the instances where we uncover instances of unauthorised subcontracting at minimum we suspend trading with the responsible vendor or factory until and if we can re-establish confidence that they understand and will adhere to our policies. We also check to see if we have contributed in any way through a lack of communication or overbooking the factory in relation to its capacity and ability to meet production deadlines.

However, unless a final manufacture site is very large and vertically integrated some processes and most procurement of materials and components must be sourced from subsidiary suppliers or processors. This is a necessary and entirely legitimate form of subcontracting.

Subcontracted production or processing is disclosed and authorised.

Facilities engaged by the supplier or factory for subsidiary processing must be disclosed at the time of factory registration. Subsidiary processing facilities may be inspected at any time at the discretion of The Warehouse Group. Purchase orders must be manufactured at the factory designated by the supplier on the purchase order. Order diversion or subcontracting to a factory other than designated on the purchase order shall only occur with the advance knowledge and written authority of the The Warehouse Group.

- Policy extract



Fabric Mill Waste Water treatment Fujian China

5.10 BUSINESS INTEGRITY

Our overall transparency score in 2017 was 76% - an improvement from 66% in 2016.

This policy element goes to the heart of why our programme exists.

We know our customers²² and team members expect our supply chain behaviours and standards to be consistent with The Warehouse Group's vision to help communities throughout New Zealand to flourish and to contribute to a more sustainable country and planet. Every audit we undertake contains the auditor's assessment of the transparency and reliability of the audit findings.

Our auditors function within a protocol that demands an immediate notification of any integrity breaches such as bribery attempts. We received 2 such notifications in 2017.

Bribery Notifications

- Home Decor Factory Shanghai China December 2017

Attempted bribery during audit on challenge to non-transparent records. After we received the immediate notification from our auditor the factory manager met with our China Sourcing Manager and provided a documented retraction and commitment to the provision of transparent records. These were later validated by our internal Ethical Sourcing specialist. Conditions in the factory are otherwise positive (audit score of 94%) and we continue to trade with this factory.

- Home Décor Factory Yiwu China August 2017

Attempted bribery during an initial audit (despite signing the audit

integrity commitment which is a feature of every audit opening meeting). This was the first social compliance audit undertaken by this factory. The audit score was 62%, with four core standards failures and non-transparent practices. We ceased trading with this factory.

By far the most common breach of integrity we encounter is an attempt during an audit to misrepresent payroll and working hour data. This is a zero-tolerance issue for us and unless this is resolved promptly we terminate the trading relationship. Another important integrity risk highlighted in our policy, is fraudulent or doctored product test reports or certifications. For this reason, our QA technicians always validate these documents with their associated test lab prior to commencing their own review.

New Zealand is still fortunate enough to enjoy a number 1²³ ranking in Transparency International's World Corruption Perceptions Index. In their open letter to the then Prime Minister, Transparency International stated that "New Zealand is perceived as the least corrupt nation in the world; integrity is New Zealand's most important asset." We are lucky that "doing the right thing" is still a core Kiwi value. At the Warehouse, we are determined to do our best to uphold this value wherever we operate. We know we are not perfect - we find challenges everyday - but we are continuing to press forward with our continuous improvement initiatives.

No unethical or illegal conduct.

Suppliers shall not offer gifts or money to an employee or service provider engaged by The Warehouse.

Assistance with transportation shall be limited to local hub connections. Hospitality shall be limited to working lunches or dinners.

Where an employee or service provider of the The Warehouse Group solicit gifts, money or any other benefit this must be declined and reported to The Warehouse Group at ethical.sourcing@thewarehouse.co.nz.

Suppliers and their employees shall not attempt to fraudulently meet the requirements of this policy, quality standard, or any other business requirement through any kind of intentional misrepresentation or deception whether documentary or verbal in nature.

The provision of copies of audit reports as evidence of the suppliers conformance with this policy shall be deemed as permission to contact the auditing body for report verification purposes. Likewise, any copies of test reports or certifications submitted in support of any product's conformance with any regulation or standard shall be deemed as permission to contact the test laboratory or certifying body for verification purposes. Suppliers shall participate in any audits or assessments undertaken with respect to their compliance with this policy in a cooperative and transparent manner.

- Policy extract

22. See page 25 for our recent survey of customer's ethical sourcing expectations.

23. <https://www.transparency.org/country/NZL>



NEW INITIATIVES

APPAREL SUPPLIER SURVEY & TIER 2 DISCOVERY

In October 2017, we distributed an online survey to all our active Apparel vendors. The main purpose of the survey was to begin to map the characteristics of the second tier of our garment manufacturing base.

These are the fabric mills, dye and wash plants, fabric printers, accessory and packaging suppliers supplying the final garment manufacturing sites making our private label clothing ranges. A secondary objective was to understand what forms of assurance apparel vendors deploy over their own supply chains.

Following on from the survey we have begun to capture the location and identity of these diverse Tier 2 sites. This along

with the Tier 2 assurance disclosures provided in the survey will inform our interest in extending our ethical assurance programme into this level of the apparel supply chain.

Quantifying

In 2017 we sourced from 103 apparel vendors associated with 190 (Tier 1) factories. At the time of the survey we had consolidated this to a group of 66 vendors of whom 55 participated in the

survey. Based on our survey responses we estimate that underlying this group of vendors and their Tier 1 factories is a larger group around 1000 Tier 2 suppliers. Survey data indicates that the largest number of these are fabric mills (21%) followed by accessory suppliers (17%) and dye houses (16%). The remainder are distributed among various kinds of specialists such as embroidery shops, screen printers, and packaging suppliers.

APPAREL SUPPLY CHAIN MAP : VENDOR/TIER1/TIER 2

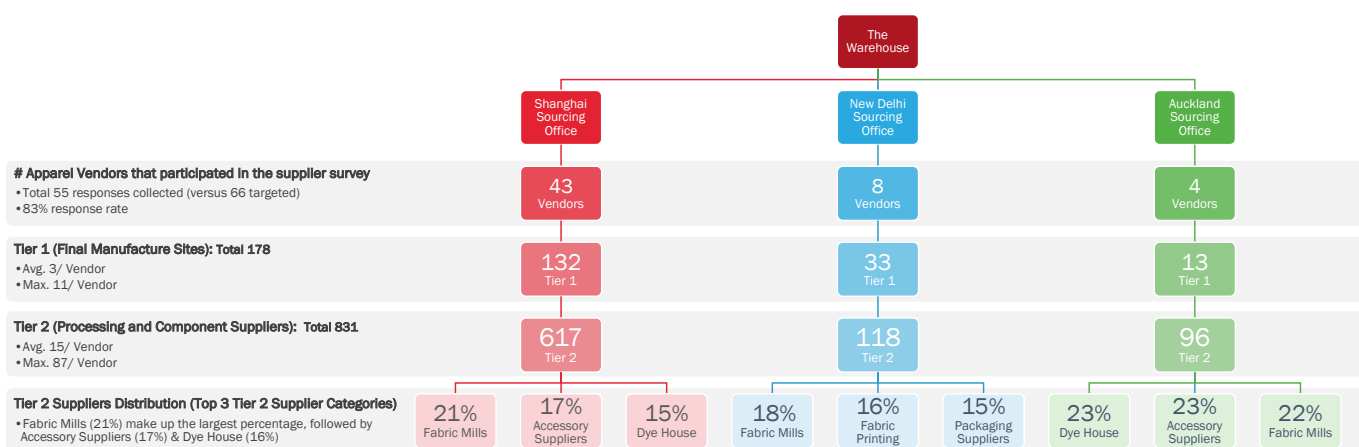


Chart illustrates the network of apparel vendors, their Tier 1 final manufacture sites, and Tier 2 subsidiary suppliers associated with our three sourcing offices in Shanghai – China vendors and factories, New Delhi – Bangladesh vendors and factories, and Auckland – New Zealand vendors also sourcing from Asia.

Assurance

Securing any labour, environmental, or quality assurance over this part of our supply chain is complex especially as our transactional significance and influence is increasingly diluted at each descending

tier of the supply chain. Nevertheless, as a first step within the survey we asked vendors several questions about the kinds of Environmental & Labour assurance they maintain over their Tier 1 and 2 supply chains.

The results for the 55 survey respondents are illustrated in the accompanying infographics.

TIER 1 ENVIRONMENT AND LABOUR ASSURANCE

Tier 1 = Final manufacture sites

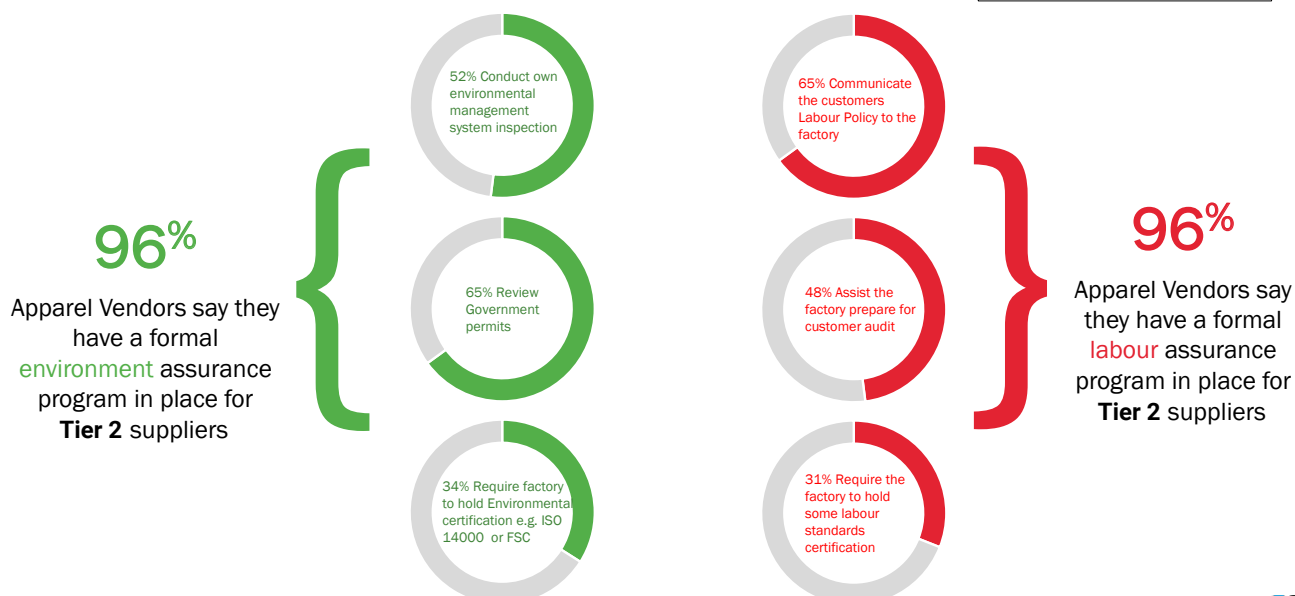


thewarehouse //



TIER 2 ENVIRONMENT AND LABOUR ASSURANCE

Tier 2 = Subsidiary suppliers – Fabric Mills, Accessory Supplier, Dye Houses



thewarehouse //



CUSTOMER SURVEY – NEW ZEALANDERS' VIEWS ON ETHICAL SOURCING

In August 2017, we undertook 2 focus groups to better understand customers' views and expectations concerning Ethical Sourcing.

The themes explored included:

- The level of importance to customers when choosing a retailer?
- What does responsible sourcing mean?
- Who does it well/not so well?
- What are the issues?
- What is the best way to communicate about responsible sourcing?
- The Warehouse and responsible sourcing?

Customers told us that they don't have ethical sourcing top of mind and they don't generally think about the supply chain of the retailers they shop at and products they purchase, but said it could be easily brought to mind by the media. They recommended we be proactive with

communications about Ethical Sourcing rather than passive or reactive to media stories. They identified reputation and trust, as important factors when choosing a retailer. They felt that hearing it from The Warehouse up front (before any negative media exposure) gives reassurance.

The focus group members had plenty of suggested actions retailers could take to exercise responsible sourcing:

- Assist factories to achieve better standards, not to cut off sourcing from them
- Get actively involved and give them time to improve
- Provide charitable support to communities factories are in

- Develop own standard of conduct to apply
- Incorporate ethical clauses in contracts
- Communicate sourcing with customers – they would rather hear it from the horse's mouth
- Training modules for staff to complete so they can share this information with customers if they ask (should be based on NZ national standards that are used by all/many retailers)
- Advertise this information on social media, in-store e.g. posters, and on retailer's website (must not be in your face, yet easy to find)
- Stickers on products to show it's ethically sourced e.g. like star rating /Health tick on food or SPCA tick on eggs

Responsible sourcing was seen by focus group members as just one element of overall responsible retailing.



ELEARNING – ONLINE RESOURCES FOR FACTORY MANAGERS

Support for factories remediation or corrective action is the vital third element of the threefold prescription (of policy, due diligence, and remediation) described in the United Nations Guiding Principles on Business and human rights.²⁴

A new initiative we have developed with our service provider (Elevate) in 2017 and intend deploying in 2018 is the delivery of ELearning courses addressing some of the most common improvement and remediation themes encountered during factory audits. The courses are intended to supplement the direct contact and communication we have with factories, but the digital learning format enables

us to deliver the resources and insights smaller factories often lack, more effectively and uniformly than via our typical training workshops. The courses are delivered in local languages.

The initial library we intend distributing in 2018 includes courses on:

- Authentic preparation for workplace assessments (audits).
- Transparency & Ethics
- Corrective Action Plans
- Working Hours
- Working Hours Management Systems
- Working Hours Recording Systems



24. http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

WORKER VOICE

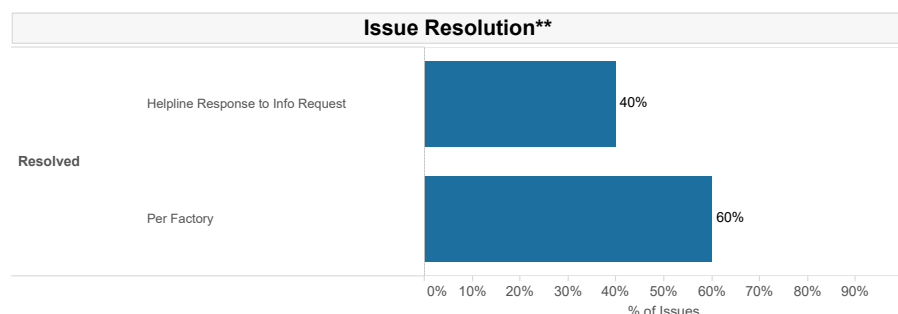
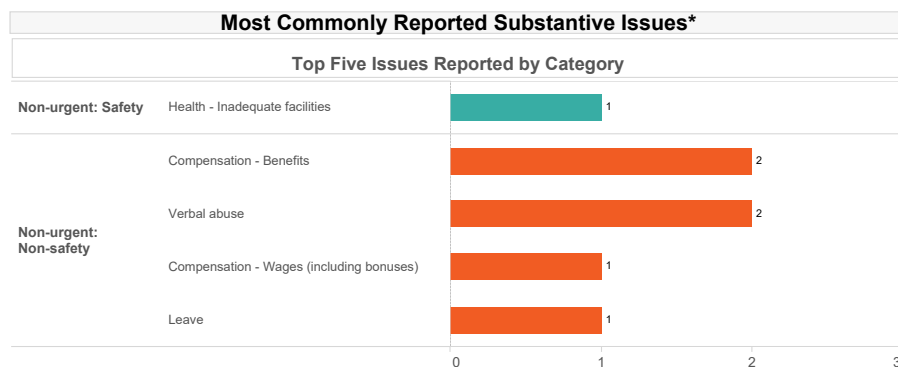
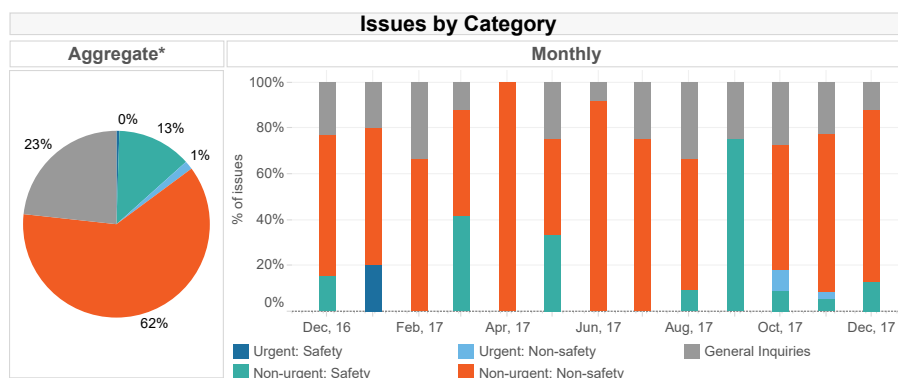
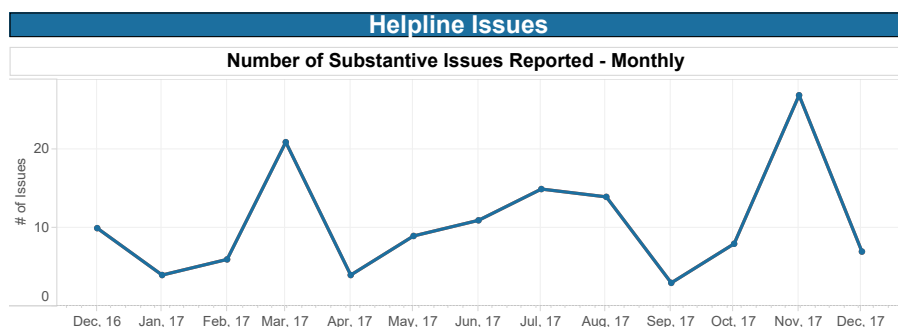
For most of the history of our programme our primary means of directly accessing workers' opinions and perceptions has been the worker interview conducted within every factory audit.

A skilled auditor can put workers at ease and secure reliable anonymised information. We estimate that we have been able access over 5000 workers' views over the past 3 years in this fashion. However, we have been trying to develop a mechanism to enable workers' perceptions and concerns to be captured independent of any audit – and potentially at any time.

Our first effort in this regard was via the Worker Helpline operated by The Alliance for Worker Safety in Bangladesh. All workers in our Bangladesh factories have access to the helpline. The Helpline—Amader Kotha²⁵ (“Our Voice”) in Bangla—provides workers with a reliable 3rd-party reporting channel that allows them to raise safety concerns anonymously.

The Helpline was first piloted and launched in July 2014, and has received thousands of calls from workers.

The adjacent chart profiles helpline calls received from workers in Bangladesh factories supplying The Warehouse



Monthly views show last 13 months of data.
* Data collected before December 1, 2014 is not included in the analysis of issues.
** Issue resolution data is reflected from June 15, 2015 (beginning of data collection) onward.

Integrated Assessment

In another initiative, we are piloting a new form of integrated assessment (audit). In addition to the standard audit tool and methodology (which includes face to face worker interviews) the new audit format we are piloting includes Labourlink²⁶ technologies. Using a variety of mobile technologies, from Interactive Voice Response (IVR) to WeChat (China's ubiquitous messaging, social networking

and procurement platform) Labourlink is an efficient way to collect unfiltered feedback directly from workers. Workers can access the feedback survey privately and in their own time. The survey we are deploying at present captures worker insights on job satisfaction, worker safety, factory conditions, working hours and wages, and relationships with managers. Output from the survey creates a much more holistic view of

a factories performance and worker engagement than a typical audit which is more compliance oriented. Feedback from the survey is aggregated and anonymised before being relayed back the factory management as an adjunct to the continuous improvement plan arising from the existing elements of the audit

Integrated audit worker survey data below:

WORKER SATISFACTION



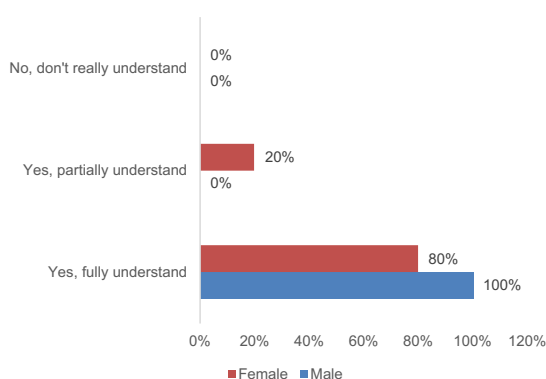
BUSINESS OBSERVATIONS

1. Grievance Mechanism	Risk Workers have not raised suggestion/complaint in the last 12 months
	Recommendation If workers have not raised suggestions or complaints, factory should evaluate if there is a process for documentation of worker feedback, how management is made aware of the feedback, and how feedback is handled. Where the volume of suggestions or complaints is especially high, the factory should evaluate if effective processes are in place to review and resolve issues raised. A high number of complaints or suggestions does not always mean that workers are dissatisfied. Instead, frequent use of a channel shows that workers know and trust the process to speak up.
2. Working Hours	Risk Workers have worked on a designated holiday or rest day
	Recommendation The minimum rest day per calendar week in China is 1 day per calendar week. If workers report receiving less, factory management should conduct an internal review of its working hours policy.
3. Grievance Mechanism	Risk Workers are not willing to speak up if they have a suggestion/complaint
	Recommendation Factory should proactively educate workers on existing grievance mechanisms and communicate with workers on issues that matter to them, such as asking for workers' feedback on canteen services, production arrangement and toilet conditions. Actively seeking workers' opinions cultivates an open environment and encourages them to raise concerns before major problems develop.

HIGHLIGHTS

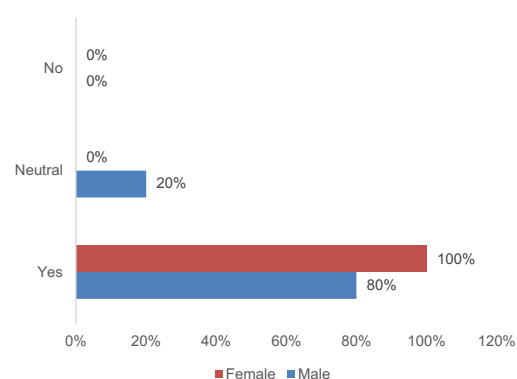
Wages

Do you understand how your wages are calculated?



Relationship with Supervisor

Do you feel comfortable talking to your direct supervisor (e.g. your line leader/supervisor)?



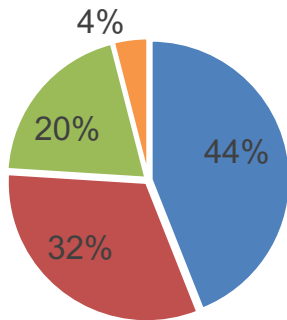
26. <https://www.mylaborlink.org/>

Integrated audit worker survey data below:

HIGHLIGHTS

Trust in Grievance Mechanism

Which channel do you trust the most to raise a suggestion or complaint?



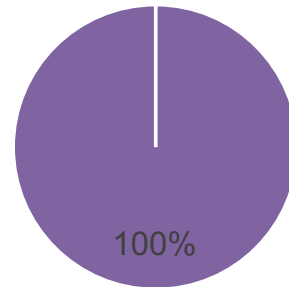
Directly to management
Suggestion box
Union or worker committee
Hotline in the factory
External hotline
No trusted channel exists

100% of females trust in a system to raise a suggestion or complaint.

96% of migrants trust in a system to raise a suggestion or complaint.

Harassment

Have you ever been harassed or physically harmed by someone in your factory?



Considered striking or quitting because of it
Discussed it with co-workers, a supervisor, or union representative
Yes, but you have not taken any action
No, it is not a concern

0% of females have been harassed or physically harmed.

0% of migrants have been harassed or physically harmed.

RISK IDENTIFIED

Issue	Total Factory Risk	Male	Female	Migrant Worker
Not willing to speak up if had a suggestion/complaint	12.00%	6.67%	20.00%	13.04%
Have not raised suggestion/complaint in the last 12 months	96.00%	100.00%	90.00%	95.65%
Do not think suggestion/complaint would be treated seriously by management	0.00%	0.00%	0.00%	0.00%
Do not understand how wages are calculated	0.00%	0.00%	0.00%	0.00%
Think they are paid unfairly for their work	4.00%	0.00%	10.00%	0.00%
Worked 10+ hours on any given day	0.00%	0.00%	0.00%	0.00%
Worked 10+ hour days for more than 7 days	0.00%	0.00%	0.00%	0.00%
Worked on a rest day or holiday	56.00%	46.67%	70.00%	56.52%
Do not feel comfortable talking to a direct supervisor	0.00%	0.00%	0.00%	0.00%
Have been publically embarrassed or yelled at by a supervisor	4.00%	0.00%	10.00%	4.35%
Has been harassed or physically harmed by someone in the factory	0.00%	0.00%	0.00%	0.00%
Do not see themselves working here in 1 year's time	0.00%	0.00%	0.00%	0.00%

RESPONSIBLE WORKPLACE PROGRAMME

Addressing forced labour risks in Malaysia.

Among the countries we source from, Malaysia has the highest number of foreign migrant workers. China has large numbers of migrant workers as well, but these are workers migrating from the interior provinces in China to the industrialised coastal provinces.

As mentioned in the commentary on the forced labour provisions of our policy (page 14) we have been working for some time to consolidate our supplier base in Malaysia and to identify those vendors in Malaysia with a strong interest in moving to best practice in the management of foreign migrant workers.

In 2018 two of our most important partners in Malaysia – Muda Paper¹ Converting (our leading school stationery

supplier) and Evergreen Fibreboard² (a leading supplier of flat pack furniture) joined us in participating in an innovative Responsible Workplace Programme³ intended to improve the recruitment and management of foreign migrant workers in Malaysia. In addition to management and supervisor training, another important element of the programme is the anonymous baseline and follow up surveys taken of the foreign migrant workforces in these enterprises. These are intended to provide deeper insight into migrants' experiences during the recruitment process in their country of origin and once employed in Malaysia.

Foreign migrant workers play a very important role in many economies (including New Zealand's) but they are

vulnerable to unwitting or deliberate exploitation. We are delighted that our Malaysian partners have accepted our invitation to join the Responsible Workplace Programme.

In February 2019 The Warehouse will join a forum in Penang updating all participants on progress and insights from the programme to date. The forum will also be attended by representatives from the Malaysian Government.

More information:

1. <http://www.mpmsb.com/mpc/>
2. <http://evergreengroup.com.my/>
3. <https://www.responsiblebusiness.org/media/docs/RWP-RRP.pdf>



Evergreen migrant workers receive guidance on survey participation



Our Impact range of exercise books in production at Muda



Migrant workers in the programme have access to an anonymous helpline and survey.



Muda Paper Converting - our largest school exercise book supplier



TRENDING NOW

TRANSPARENCY

The use of the term transparency has increased dramatically over the past decade reflecting the full flowering of the information age. In a business and institutional context transparency has come to be seen as a social good and an important reputation marker for consumers and civil society generally.

Transparent (def.)

- a: free from pretence or deceit
- b: easily detected or seen through
- c: readily understood
- d: characterised by visibility or accessibility of information especially concerning business practices

The provision of transparent and accurate working hours and payroll records is a baseline we strive to achieve in every factory audit we commission or report that we review. Without a foundation of transparency audit findings are not reliable representations of workers' true situations. According to our audit findings in 2017, factory managers were transparent from the outset (providing reliable disclosures and documentation) 65% of the time. This is an improvement over the equivalent measure for 2016 and brings our 2017 audit transparency score to 76% once you add the 11% of cases where managers provided reliable

disclosures after deeper dialogue with our audit professionals. This compares very favourably with a transparency score for China of 50% over a much larger sample of audits conducted by our service provider.²⁷

We have a zero-tolerance approach to non-transparent audit behaviours for new candidate factories i.e. they won't be permitted to join our supply chain. If these actions occur when auditing an active incumbent factory, they are given one opportunity to provide correct information and are placed on an amber list. They will receive direct contact from our internal Ethical sourcing team

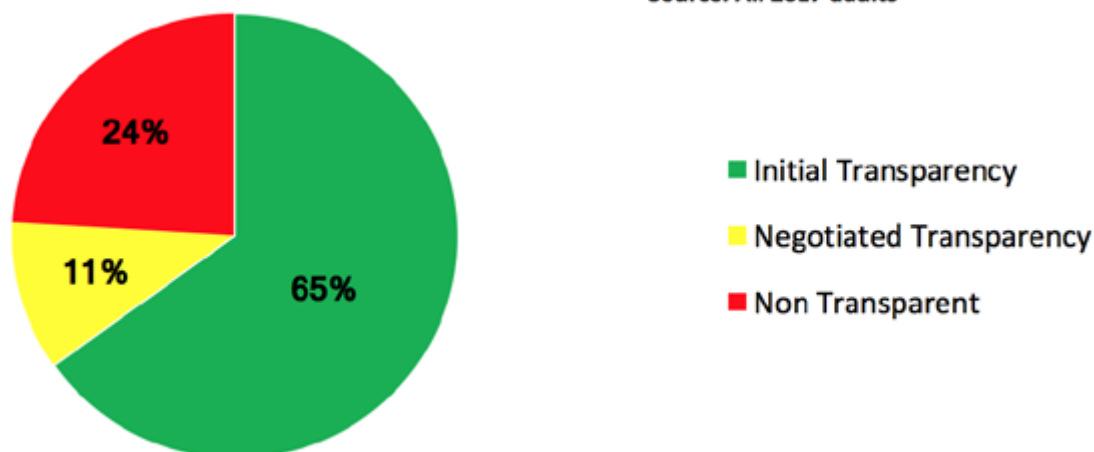
members. Going forward from 2018 this will be supplemented by an ELearning course on transparency and ethics.

We have commented at length about the root causes of non-transparent behaviours in previous reports.²⁸

Because of the frequency of non-transparent practices, we treat the submission of existing labour credentials by new candidate suppliers with caution. In 2017 we declined to recognise about half of the audit reports submitted to us by factories and instead insisted on carrying out our own inspection.

Management Transparency 2017

Source: All 2017 audits



27. Elevate – overall transparency disclosure based on aggregated audit data

28. 2017 Ethical Sourcing Report pages 2 -3. <http://docs.thewarehouse.co.nz/red/pdfs/suppliers/ethical-sourcing/The-Warehouse-Ethical-Sourcing-Report-2017.pdf>

From an internal supply chain perspective, transparency also means our ability to see into and trace the origin of our goods (and their accompanying social and environmental characteristics.) As mentioned above we now have the capacity in our database to trace the final manufacture origin of 99%²⁹ of our own label merchandise. Within our apparel supply chain, we have now begun a process

of tracing back to 2nd Tier -component suppliers and subsidiary processors and have validation processes in place to physically cross check that our purchase order to source factory linkages in our database match the actual (Tier 1) production site.

Finally, from an external standpoint, transparency means our ability and willingness to share meaningful

information (as in this report) with our customers and the wider public about the characteristics of our merchandise and supply chain and the steps we are taking to protect worker rights and ensure that the worst forms of labour abuse such as Modern Slavery or Child Labour are excluded from or not being unwittingly supported by our supply chain.

Traceability of Private Label orders	% Value
Calendar 2017	99.4%
Financial Year 2017	99.3%
Financial Year 2016	98.9%
Financial Year 2015	83%

Scope of Private Label Assurance - orders placed in audited factories

Calendar 2017	94.70%
Financial Year 2017	94.30%
Financial Year 2016	94%
Financial Year 2015	67%

Audit Result Risk Profile

High Risk*	0.2%
Moderate (Non Transparent)	7.58%
Moderate (Unkown source or unaudited factories)	2.4%
Acceptable (corrective actions may be pending)	90%

*Overall score <70%+> 3 core standard failures



LIVING WAGES

Many labour advocates, including here in New Zealand, advocate for the implementation of transparently calculated “living wages” versus the typical, country or region specific, legal minimum wage.

The wage data we capture in every audit shows that in general workers' monthly incomes significantly exceed the monthly legal minimum wage. Our policy stipulates that monthly incomes should meet or exceed legal entitlements. We have not encountered any factories who use the calculations promoted by living wage advocates but factory managers are highly sensitive to the need to retain workers and reward their skill and productivity. Wages are increasing steadily in most countries in which we source our merchandise. Sometimes this is driven by governments increasing minimum wage rates otherwise by

market forces such as the need to attract and retain skilled workers.

According to 2017 country wage data shared with us by Elevate³⁰ average production worker monthly take home wages in Bangladesh, India and China were \$116, \$136, and \$536 USD respectively. These figures are significantly less than those projected by living wage advocates (more so for Bangladesh and India) as illustrated in the table below. This especially so when you consider that living wage entitlements are considered to accrue within regular working hours – excluding overtime work.

This is an important issue and goes to the heart of debates about the degree of social equity being created by globalisation and free trade. China is the best contemporary example of rapid economic development and wage growth being driven by their manufacturing sector supported by stable government and an open trading environment. The Warehouse supports the right of governments to set wages based on their view of their countries' strategic interests, and workers' rights to organise and enter wage bargaining where sanctioned by law.

Country	Average USD Monthly Take Home Salary (The Warehouse data*)	Average Monthly Take Home Salary (Elevate data)	Projected Monthly "living wage" Anker calculation ³¹	Projected Monthly "living wage" Asia Floor Wage calculation ³¹
Bangladesh	123	116	198	358
China	600	536	386	628
	<i>This amount includes regular wages and overtime wages - does not include any additional allowances benefits incentives or bonuses. Its is derived from the wage data within our 2017 Apparel Factory audit reports wherein we judged the wage data to be reliable.</i>	<i>This amount includes all wages & deductions i.e. regular wages, overtime wages, allowances / benefits / incentives / bonuses and deductions. Its is derived from the wage data within Elevates 2017 audit reports (for multiple brands) wherein wage data was judged to be reliable.</i>	<i>"The Global Living Wage Coalition brings together Fairtrade International, Forest Stewardship Council (FSC), GoodWeave, Sustainable</i>	<i>The Asia Floor Wage Alliance (AFWA) is an international alliance of trade unions and labour rights activists who are working together to demand garment workers are paid a living wage. Asia Floor Wage has defined its own formula and methodology to calculate a living wage www.asia.floorwage.org</i>

Disclaimer: Differences in the timing of wage data collection and currency conversion rates mean that figures in the table should be taken as broad relativities rather than precise measures.

30. <http://www.elevatelimited.com/>

31. Oxfam - A Sewing Kit for Living Wages. <http://whatshemakes.oxfam.org.au/wp-content/uploads/2017/10/A-Sewing-Kit-for-Living-Wage.pdf>

BANGLADESH

Our business in Bangladesh continues to grow. In 2017 12% of our apparel sales were derived from garments made in Bangladesh.



When sourcing from Bangladesh our normal Ethical sourcing procedures of supplier pre-qualification, ongoing factory monitoring (for active factories), and continuous improvement initiatives and training all apply. To these we add the additional support and scrutiny available via our membership of Alliance for Worker Safety in Bangladesh.³² All factories we source from in Bangladesh must maintain positive momentum in any remediation path generated by building and fire safety assessments conducted by Alliance (or Accord)³³ engineers. In addition to achieving these physical building and fire safety standards the entire production workforce along with security guards at our Bangladesh factories are required to participate in safety training. This includes the formation and training of a safety committee. Finally, every worker has access to an anonymous helpline

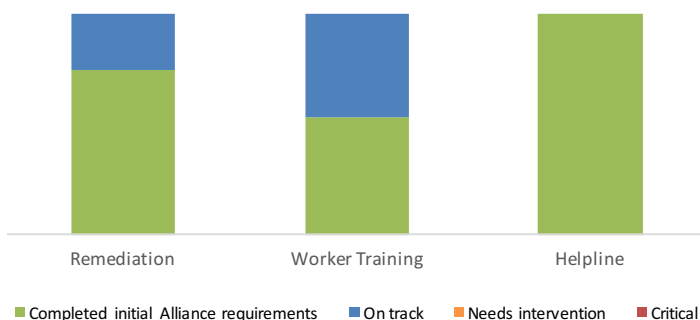
where they can report safety or other issues to the Alliance who will relay the concerns on behalf of the worker to management for resolution. As an Alliance member, we have constant real-time access to a dashboard detailing the status of a factories progress against their remediation and training critical paths. Likewise, we can access a profile of all helpline³⁴ calls placed by workers within our factories. Our sourcing teams are regularly called upon to lend encouragement to the factory management as they work along their critical paths.

Its pleasing to note that as at January 2018 all our Bangladesh supplier factories had either completed or were on track with any physical building and fire safety remediation work, worker training and the provision of helpline services, and there were no unresolved urgent safety

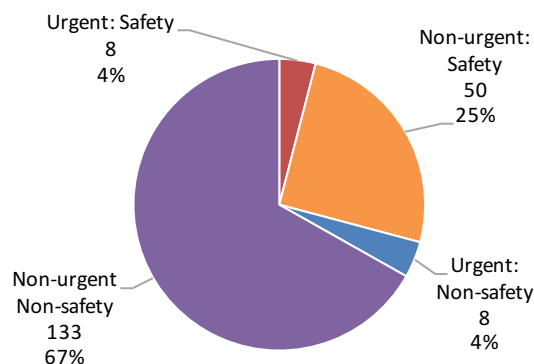
issues arising from helpline calls. These measures compare favourably with the status of overall members' factories; as shown in the charts below.

The Bangladesh Accord and Alliance initiatives have been one of the most successful industrial safety interventions in history. They have not been without criticism, and factories whose customer base lies outside the Accord or Alliance, have escaped these expectations and opportunities. The Bangladesh readymade garment sector is currently the largest single contributor to it's economic growth. There remains much more to do between stakeholders to ensure further progress especially regarding curbing excessive working hours – which are high when contrasted to other developing countries, and to increase wage rates.

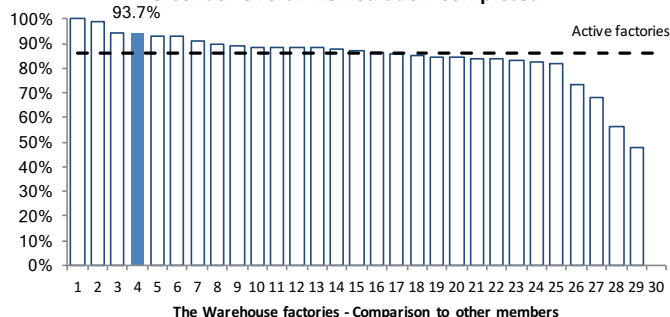
The Warehouse Factory Statuses at January 2018



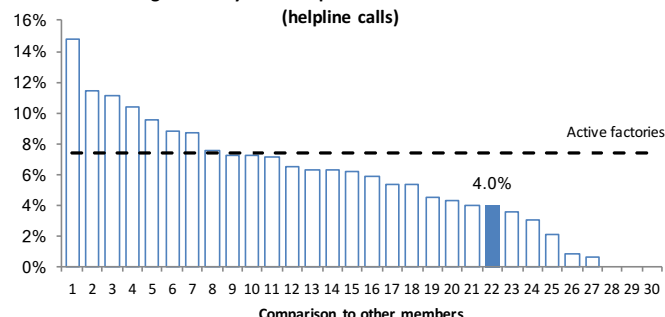
The Warehouse Factory Helpline Substantive Issues



Percent of Overall Remediation Completed



Urgent Safety issues as percent of substantive issues (helpline calls)



32. <http://www.bangladeshworkersafety.org/en>

33. <http://bangladeshaccord.org/> some factories are remediating under the Accord on Building and Fire Safety – an alternative multi-stakeholder safety initiative in Bangladesh.

34. <http://www.bangladeshworkersafety.org/en/what-we-do/worker-empowerment/worker-helpline/319-worker-helpline>

HUMAN TRAFFICKING AND MODERN SLAVERY

As mentioned in the introduction, The UK's Modern Slavery Act³⁵ is beginning to gather interest in Australia and New Zealand.

In August 2017, The Australian government published a public consultation paper outlining its proposal to create a Modern Slavery in Supply Chains Reporting Requirement for Australian companies. Under the UK Act companies of a certain size must prepare and publish a slavery and human trafficking statement each financial year. The possibility of a New Zealand Act with similar intentions is beginning to be discussed in government, academic and NGO circles in New Zealand.

In 2016 The Warehouse participated in a Modern Slavery Act Survey lead by researchers from the UK's Hult International Business School and the Ethical Trading Initiative (ETI). The research focused on the role of corporate leadership in addressing modern slavery. Twenty-five leading brands and retailers

were interviewed, and a further 46 brands participating in an in-depth survey. The resulting report³⁶ can be downloaded at the Ethical Trading Initiative website.

Human Trafficking and Modern Slavery are very strong terms and point to the extreme end of a spectrum of potential labour abuses. Tragically it is estimated that millions of people around the world today are trapped in forms of modern slavery.

We have not encountered definitive evidence of such extremes in our assurance work to date. However, the reality is that no organisation can make categorical statements excluding this possibility especially in more remote and indirect tiers of their supply chain. This report is a representation of the steps we have and are taking to exclude all forms of labour abuse from our supply chain

and to ensure our trade is rewarding suppliers who are upholding worker rights and entitlements. We believe that our programme in its current state already achieves most of the objectives of the Modern Slavery Act – at the 1st Tier of our supply chain. Nevertheless, we have engaged a Modern Slavery Act consultant to help us identify areas where we can improve.

A strong risk factor for modern slavery is any situation where there are high rates of migrant workers coming from undeveloped countries to take low skilled jobs in developing countries. These risks are compounded if there are corrupt immigration services or agents and a demand for labour that exceeds that available through government quotas.



35. Modern Slavery Act. <http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

36. Report - Corporate Leadership Modern Slavery. <https://www.ethicaltrade.org/resources/corporate-leadership-modern-slavery>

PROGRAMME UPDATE JANUARY 2019

An update and commentary on our activities for the 2018 calendar year.

Public Reporting and Transparency

Last year we substantially deepened our public disclosures and narrative with the publication of our most comprehensive public report yet and the launch of our consumer facing website. Included in our public disclosure for the first time was a detailed model of our supply chain (page 6) and a list of our apparel factories (page 41). We also endeavored to explain how each of the key elements of our policy are implemented in practice. (pages 11 -21)

Communication like this is vital to ensure our audiences understand our achievements. To date idealized labour and environment benchmarks still exceed the reality and capacity of most consumer goods supply chains, and external rankings don't necessarily reflect the depth of effort or complexity of challenges implicit in responsible sourcing programmes like ours.

This year we have participated for the first time in the Baptist World Aid Fashion Report³⁷ survey – administered in New Zealand by Tear Fund³⁸. It has been helpful to assess the effectiveness of our programme in the light of the survey framework. Where feasible we will certainly endeavour to address any areas for improvement our survey ranking may highlight.

2018 Highlights

The table adjacent summarises our primary activities and outcomes for the year.

Positive highlights revealed in these statistics include our ability to trace 95% of our merchandise to a qualified

Key Measures and Activity Summary	2017	2018
# Active factories (all categories)	702	798
# Active factories (apparel only)	155	150
<i>Factories with orders in the period</i>		
# Traceability of orders to Qualified Factories	94.30%	94.90%
# New factories qualified*	174	128
# New factories declined	114	93
<i>*Success rate of new applicants - 58% in 2018</i>		
# Audits completed (all)	226	169
# Audits completed (unannounced)	50	87
<i>Labour and Environmental audits by qualified 3rd parties</i>		
# Audit Waivers (desktop recognition) Approved*	100	56
<i>*Recognition of an existing audit report from a qualified 3rd party</i>		
Average Overall Audit Score	84%	85%
Policies	95%	94%
Wages and Working Hours	66%	68%
Health & Safety	91%	90%
Dormitory	93%	92%
Environmental Management	86%	87%
<i>Average Audit Subsection scores:</i>		
Audit Transparency achieved	76%	78%
<i>% Validated verbal and documented audit disclosures</i>		
# Unauthorised subcontracting findings*	no comparable measure	30
<i>*Discovered via unannounced production audits... subject to financial penalties</i>		
# Underage worker findings	1	2
<i>Incidents always followed by the remediation process described on Page 13</i>		
#ELearning Lessons completed	no comparable measure	1191
<i>Topics include, assessment preparation, working hours control, transparency and ethics, corrective action plans, vendor responsibility</i>		
# Supplier Responsibility Trainings	no comparable measure	21
<i>Face to Face workshops with vendors</i>		
# Corrective Action Plan progress follow up	no comparable measure	72
<i>Corrective action plan progress validation carried out at desktop and in situ</i>		

37. <https://baptistworldaid.org.au/>

38. <https://www.tearfund.org.nz/>



Automated production lines illustrate the increasing sophistication of the Bangladesh garment sector

production source, and sound health, safety, and environmental management practices. It's great to see the popularity of our new online ELearning platform with over 1000 lessons completed in the period. The high entry threshold of our qualification process screened out 42% of candidate factories - meaning that our due diligence is working to reward those factories with better standards. In most cases these new factories were qualified by undergoing our own audit, however in 33% of cases we accepted a factory by recognising an existing report with reliable credentials (an audit waiver). This is an important way to acknowledge the efforts of other brands and to reduce audit fatigue for factories.

In 2018, we deployed new technical personnel at source and rolled out a library of ELearning lessons. These initiatives reflect our strengthened focus on supplier development and carrying out more spot checks for unauthorized subcontracting.

We also began to extend the first phase of our assurance programme (factory registration and desktop assessments) to other private label ranges within The Warehouse Group of companies and to a group of our largest non-trade accounts supplying The Warehouse Group.

Our response to challenges

Challenges illuminated in our 2018 data include working hours, audit transparency, and subcontracting risks identified in some pockets of our supply chain. For more detailed commentary on these topics – see the relevant sections in the preceding 2018 report pages.

We don't shy away from these challenges. "Negative" statistics like these show us where we need work harder to motivate and help build the capability of suppliers to improve their standards.

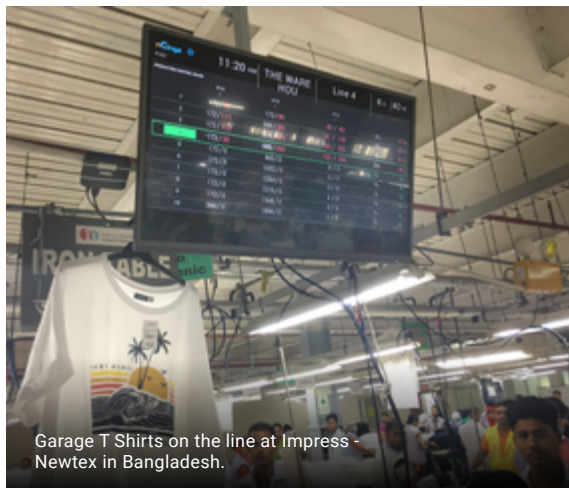
We have been developing new policy and audit responses to unique labour market challenges in Malaysia and India.

In Malaysia, we have begun to enroll our vendors and recruitment agents in a multi stakeholder programme³⁹ intended to promote better management and recruitment practices for foreign migrant workers. (see feature page 30)

The growth of our Indian supply chain in 2018 brought to light the challenges inherent in the deployment of labour contractors in some Indian industries. To better understand and respond to this we consulted with labour market experts to develop a specific audit tool designed to help us assess whether the use of labour contractors in any workplace is in accordance with the local legal framework.

We are currently reviewing and externally benchmarking our audit tool and consulting with our service providers on revisions that will standardize these more detailed enquiries into labour contracting and the circumstances of foreign migrants.

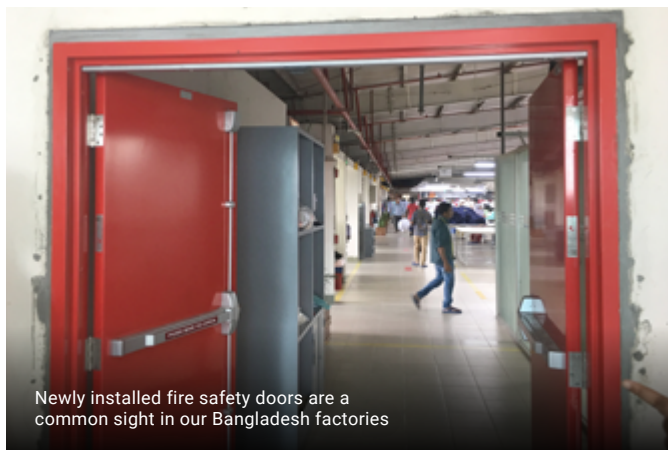
39. <https://www.responsiblebusiness.org/media/docs/RWP-RRP.pdf>



Garage T Shirts on the line at Impress - Newtex in Bangladesh.



Our Shanghai Assurance Officer Tonny Ding checks production records at JDX in Xiamen China



Newly installed fire safety doors are a common sight in our Bangladesh factories



This Xiamen supplier representative conveys his supplier responsibility learnings

The latter concern has seen Australia follow the UK into the adoption of Modern Slavery legislation and the New Zealand Immigration department and Human Rights Commission has been exploring the potential of this kind of legislation as well⁴⁰. Recent local cases illustrate that New Zealand is not immune to the kind of foreign migrant worker exploitation that is driving the uptake of this legislation.

Beyond Assurance

We have begun to consider how we can further extend our support for worker welfare beyond the work of monitoring adherence to our standards. We have chosen HERProject⁴¹ as vehicle we can use to make these voluntary contributions. HERProject is dedicated to unlocking the potential of women in global supply chains. In 2019 we have committed to fund at least two "HERProject"s for women in our workforces in India and Bangladesh. These are focused on female workers' health and financial literacy.

In Bangladesh the two multi-stakeholder initiatives focused on building and worker safety – the "Accord" and "Alliance"⁴² were set to expire at the end of 2018. Its vital the momentum and achievements of these two programmes is not lost. The Bangladesh government has pledged to strengthen their own workplace safety programme. While their initiative is developing capability, The Warehouse Group, along with other former members of the Alliance, have pledged funds to ensure the continuity of safety monitoring and training through 2019 and ensure workers still have access to an anonymous safety helpline.

On the sustainability front we have likewise committed to contribute to the sustainability of cotton production by joining the "Better Cotton Initiative"⁴³. As a precursor we have completed the baseline calculation of our overall cotton consumption and intend to formally commence our membership and parallel procurement of "Better Cotton" units in our fiscal year commencing August 2019.

Further dialogue

The continuous improvement of labour and environmental standards in supply chains can only be achieved through collaboration and shared insight. The Warehouse Group is committed to continued transparency and collaboration with multiple stakeholders across the supply chain spectrum. Enquiries, suggestions, or feedback are welcome any time at ethicalsourcing@thewarehouse.co.nz

Trevor Johnston
Head of Ethical Sourcing
The Warehouse Group
January 2019

40. https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12175694

41. <https://herproject.org/>

42. <http://www.bangladeshworkersafety.org/>

43. <https://bettercotton.org/>



APPENDICES

The Warehouse Apparel Manufacture (Tier1) factories - active in 2018

Disclaimer: Our certainty about the completeness of this list and the labour and environmental standards in these factories is provided in good faith and is based on the information accessible to us via the policies and procedures described in this report and on our website. The publication of this list does not constitute an invitation nor permission to visit these factories. These are private businesses - not owned in whole or in part by The Warehouse. Factory access is entirely at the discretion of the owners and management.

Tier 1 - Final Manufacture Factory Name	Product Type: CMT- Cut, Make & Trim ACC- Accessories	number of workers	Street Zone	City	Country
ABA Fashions Limited	CMT	1400	521/1 Gacha	Gazipur	Bangladesh
Birds RNR Fashions Ltd	CMT	2400	113, Baipail	Savar	Bangladesh
Experience Clothing Co. Ltd	CMT	2809	Plot No-72 & 82, DEPZ, Savar	Dhaka	Bangladesh
Impress-Newtex Composite Textiles Ltd	CMT	4700	Mominnagar Gorai, Mirzapur,	Tangail	Bangladesh
Jay Jay Mills Bangladesh Private Limited	CMT	5300	Plot # 2-4 & 9-11, Sector 7/A,	Chittagong	Bangladesh
M.I.M Fashion Wear Ltd	CMT	930	226/1, Tilargati, Shingbari Road	Gazipur	Bangladesh
Manami Fashions Ltd	CMT	1410	Kabirpur, Ashulia	Dhaka	Bangladesh
Matrix Styles Ltd	CMT	990	Degerchala, National University,	Gazipur	Bangladesh
Norpknit Industries Ltd	CMT	3869	North Khalikur, Nawjor, Gazipur-1704,	Gazipur	Bangladesh
Opex Garments Ltd	CMT	1104	56/1, Block-C, Section-13	Dhaka	Bangladesh
Quazi Abedin Tex Ltd	CMT	2300	Shovapur, Rajfulbaria	Dhaka	Bangladesh
Siam's Superior Ltd	CMT	3000	Sector-1, Plot no. 6-8, CEPZ	Chittagong	Bangladesh
Silver Composite Textile Mills Ltd (U-1, Garments)	CMT	3055	BK Bari, Taltoli	Mirzapur	Bangladesh
Starlight Sweaters Limited	CMT	4800	Vogra bypass, Bada Kalmasher, KB Bazar,	Gazipur	Bangladesh
Sterling Styles Ltd	CMT	4600	Baron Earpur Union	Dhaka	Bangladesh
Surma Garments Ltd	CMT	1609	Aichanoadda, Rajashon Road, Savar	Dhaka	Bangladesh
Sweatertech Limited	CMT	998	Plot #898, 1351, Gacha Road	Dhaka	Bangladesh
Texttown Ltd	CMT	2100	Dewan Idris Road	Dhaka	Bangladesh
TM Fashions Ltd	CMT	2400	Chandana Chowrasta	Gazipur City	Bangladesh
Virtual Bottoms Ltd	CMT	800	Plot Sa 179, Rs 1356, Jamgara Ashulia Savar	Dhaka	Bangladesh
Voyager Apparels Ltd	CMT	758	8, Malibag Chowdhury para, Dhaka-1219	Dhaka	Bangladesh
Yunusco (BD) Ltd	CMT	4200	Plot- 224-233, Adamzee EPZ, Siddirgonj	Narayangonj	Bangladesh
IRIS Design Ltd	CMT	1990	Dhaka bypass Road, Zajhor, National University	Gazipur	Bangladesh
Guangzhou Bangqi Leather Co.ltd	ACC	300	No 83#Xiangxing Road	Guangzhou	China
Ningbo Huaguan Art & Crafts Co., Ltd	ACC	40	Zhenxin West Road, Economic Development South Block	Yuyao	China
Pinghu Qingyi Bags & Luggage Co., Ltd	ACC	60	Wuyi Road No.183	Pinghu	China
Henghua Handbag Co., Ltd	ACC	82	#7, Tongxin Street	Huadu, Guangzhou	China
Huai'an Xinghang Gloves Co., Ltd	ACC	98	Top North West Street, Chuzhou District	Huai'an	China
Quanzhou Bohai Handbag & Finery Co., Ltd	ACC	200	Laoba Industrial Park,Huidong Industrial District Dongling Town	Quanzhou	China
Wenzhou Tebang Leather Co.Ltd	ACC	450	No.2,Shenyi Road,Xiyanan Industrial District,	Wenzhou	China
Xiamen Saint Sun Umbrella Co.,Ltd	ACC	50	2nd floor , 57th building ,siming park	Xiamen	China
Yiwu Tingbang Leather Products Co., Ltd	ACC	132	No 655,Qijiguang RD.	Yiwu	China
Zhangjiagang Huaxia Headgear Co., Ltd	ACC	596	European Industrial Park	Zhangjiagang	China
Zhongshan Yueyang Leather Co., Ltd	ACC	60	No.3, Fuxing Industry Road	Zhongshan	China
Anhui Huiyuan Garments Factory	CMT	350	107# Danxia Road	Hefei	China

APPENDICES

-APPAREL FACTORIES

Anhui Zeqian Garment Group Co., Ltd	CMT	345	East Area, Suncun Industrial Park	Wuhu City	China
Anqiu Chengxin Clothing Co., Ltd	CMT	95	68 Xiangyang Road	Weifang	China
Anxi Ashley Garments Manufacturing Co., Ltd	CMT	100	2F, No. 1st Sankui Buliding, Longqiao Economic Development Area	Quanzhou	China
Auskey Apparel Co Ltd	CMT	212	No.281, Baian South Road	Foshan	China
Baijia (Fujian) Underwear Co., Ltd	CMT	1000	Shifeng Industrial Area	Jinjiang	China
Beijing Aikon Textiles Ltd	CMT	104	No. 11, West First Yanqihe Road,	Beijing	China
Changzhou Gaorui Clothing Co., Ltd	CMT	180	No.16 Hongshan Road	Changzhou	China
Changzhou Gaozhao Clothing Co Ltd	CMT	160	No.2 North Xinghuo Road	Changzhou	China
Ci Xi Shi Hai Xin Fu Shi Co., Ltd	CMT	50	Meilin 299	Cixi	China
Cixi Hua Yan Gege Garment	CMT	50	Building No.40,Distric B Textile City	Cixi City	China
Cixi Janson Fashions Co.ltd	CMT	200	7F, Building A, Heng Yuan Square, Bei San Huan Rd East	Cixi	China
Dayuan Garments & Weaving Co., Ltd	CMT	180	East Matou Road	Jinjiang	China
Dongguan Weier Industrial Co., Ltd	CMT	98	No. 5 Tongren Road, Longbeiling Industrial Area	Dongguan	China
Fang Chang Huang Hu Garment Manufactuer	CMT	120	No 8, Huang Hu Street, Suncun Zheng Fangchang	Wuhu	China
Foshan Nanhai Jia Fu Underwear Factory	CMT	298	Nanhai District Dali Town	Foshan	China
Fujian Jief Garments Co., Ltd	CMT	150	No. 28 Jingong Road, Jinshan Investing Zone, Cangshan District	Fuzhou	China
Fujian Jinjiang Huamei Knitting & Clothing Co	CMT	219	2 Donghuan Road, Dongshan Village	Jinjiang	China
Gaotang Shangde	CMT	121	South Of Hesheng Road	Liaocheng City	China
Guangzhou Qiqi Garments Textile	CMT	139	Building A1, 2 Road No.3 Fangzhong Huangshatou Village Xintang Town	Zengcheng District, Guangzhou City	China
Guangzhou Suzanne Betro Garment Limited	CMT	70	Nanpu Dongxiang, Luopu	Guangzhou	China
Guangzhou Tommy Garment Textile Co., Ltd	CMT	200	Floor 1&2, Build 1, No.139 Pacific Ocean Industrial District	Guangzhou City	China
Haining Weiersi Kintting Ltd	CMT	280	Shuanglian Road	Haining	China
Haiyang Huiyuan Clothing Co., Ltd	CMT	80	No.10 Guangdong Road	Haiyang City	China
Haiyang Meixing Textile Co Ltd	CMT	52	Haichang Road	Haiyang	China
Haiyang Worldbest Co., Ltd Sweater Factory	CMT	220	No. 6, Yantai Street, Industrial Park Economic Development Area	Haiyang	China
Hangzhou Yiqun Textile Co.ltd	CMT	100	Lingjiao Industrial Zoo	Jiande	China
He Fei Qi Garments Co., Ltd	CMT	150	No. 7, Huai Road, Xuxiang Village	Changfeng	China
Heze Elegance Fashions Ltd	CMT	500	No.978 JINAN Road	Heze	China
Huaian Shengyuan Clothing Co., Ltd	CMT	100	No.18-16 Xi'an Road Industrial Park, Hua'an City, Jiangsu Province,	Huaian	China
Huazhong	CMT	400	No. 1 Bai Hua Road	Xiang Shan	China
Hubei Amethyst Garments Co., Ltd	CMT	150	Donggang Road	Daye City	China
Insun Garment Co., Ltd	CMT	300	West Zajia Rd.	Langxi	China
Jiangshan Chenxi Garment Co., Ltd	CMT	60	No 43 Zhao Zipeng Part, Jiangshan Di Villiage	Jiangshan	China
Jiangsu Hua Yi Groups	CMT	450	No. 88-1 Chang Jiang West Road	Nantong	China
Jiangxi De.gar Industrial Corporation Limited	CMT	100	No.666 Of 3Rd Block, Dongtai Road, Changdong Industrial Area	Nanchang	China
Jianlong Garment Manufactory Ltd	CMT	130	No.11 Yu Jin Middle Road, Zhu Jin Industrial Area	Shantou	China
Jiaxing Mengdiou Fashion Co., Ltd	CMT	35	No.375 FuMing road HongHe town JiaXing	Jiaxing	China
Jiaxing Qiaolan Knit Fashion Co Ltd	CMT	117	Weat Road	Jiaxing	China
Jin Jiang Shenhu Hongren Knitting Costume Co Ltd	CMT	98	The West Side Of Road	Jin Jiang	China
Jinhua Cinray Apparel Co., Ltd	CMT	95	No.788 Shifeng Road Qiubin Street	Jinhua	China
Jinjiang Jiayuan Garments Co., Ltd	CMT	182	Kenwei Industrial, Yingdun Village	Jinjiang	China
Jinjiang Libixing Garment & Weaving Co. Ltd	CMT	800	Gaohu Industrial Zone	Jijaing	China

APPENDICES

-APPAREL FACTORIES

Jinjiang Shengyi Fashion Weaving Co., Ltd	CMT	150	Jiapai Village, Yinglin Town	Jinjiang	China
Jinjiang Yinuos Garments Manufacturing Co., Ltd	CMT	50	No.113, Mashan East	Jinjiang	China
Jurong City Hengda Knitting Factory	CMT	45	East Baitu Village, Jurong City, Jiangsu Province	Jurong	China
Jurong Yuyi Garments Co. Ltd	CMT	204	Floor 1-3 Buiding 4 East Side Of Fuyuan Road (North Of Zhongrong Metal) Economic Development Zone	Jurong	China
Konghong Garemnt Co Ltd	CMT	76	East 2-3F, B14, Gongtuo Liheng Centre, Fanhua West Road	Hefei	China
Kunshan Bai Ge Garment	CMT	50	No.22 Shanpu West Road	Kunshan	China
Laiyang Futrue Knitting Clothes Co., Ltd	CMT	67	No 569, Longmen West Road	Laiyang	China
Lianyungang Liansheng Clothing Ltd	CMT	60	No 32 ,Zhangzhuang, Shuiquan, Daliang Lane	Lianyungang	China
Liyang Zhong Fang Lian Knitwear Co., Ltd	CMT	270	35 Jinwu Road	Liyang	China
Nanchang Baoma Garment Factory	CMT	150	No 1868 Yifang Road	Nanchang	China
Nanchang Qunfu Knitting Garments Corporation Limited	CMT	200	No.666, Dongtai Road	Nanchang	China
Nantong Yaoxing Garment Factory Co., Ltd	CMT	100	No 33. Xinlu Village Baipu Town	Rugao	China
Ningbo Hairun Garment Co., Ltd	CMT	235	No.139 Xiangshan He Road, Xiangshang, Ningbo	Ningbo	China
Ningbo Ideal Apparel Co., Ltd	CMT	250	No.2 Xiyanggang Industrial Area	Ningbo	China
Ningbo Jiangdong Sunris Houseware Co Ltd	CMT	60	No.266 Qianshengqiubi	Ningbo	China
Ningbo Jinduo Garment Ltd,	CMT	168	Chenhenglou village, 200meters westward from yinxian	Ningbo	China
Ningbo Tongming Fashion Co., Ltd	CMT	50	No. 455, Ding Qiao Village	Ningbo	China
Ningbo Yinzhou Chengyong Fashion Co, Ltd	CMT	120	Industrial Zone, Shenjia Village	Ningbo	China
Ningbo Yongnan Times Garment Co., Ltd	CMT	206	East Xiangshan Gang Road, Juexi	Ningbo	China
Qingdao Huarui Baby Garments Co Ltd	CMT	70	30 Meters South Of The Neighbourhood Committee Of West Qianhai	Qingdao	China
Qingdao Qi Mei Xin Garment Co., Ltd	CMT	50	No. 45 Xiangtan Road, Li Cang District, Qingdao City	Qingdao	China
Qingzhou Nanyang Garments Co., Ltd	CMT	300	No.2279 Yaowang West Road	Qingzhou	China
Qixia Jingxi Garment Factory	CMT	60	Taocun	Yantai	China
Quality & Beauty Garments Mfg Co., Ltd	CMT	500	No.1319 Liquan Street	Gaomi	China
Quanzhou Fengshuo Garment Co., Ltd	CMT	60	Building D, Gaoshan Industrial Zone	Quanzhou Cit	China
Quanzhou Kingstar Garments Co., Ltd	CMT	350	Chongyi Street	Quanzhou	China
Quanzhou Yihui Garments Co Ltd	CMT	60	F-16 (B) West Area	Quanzhou	China
Rundo International Co. Ltd	CMT	200	Donghuan Industrial Estate	Jinjiang	China
Shantou Fulong Garment Co.ltd	CMT	130	No. 67 Gufeng Road	Chaoyang, Shantou City	China
Shao Xing Jinshuangniu Knitting Co., Ltd	CMT	500	Jiu Li Industrial Area	Shao Xing	China
Shaoxing Hanbo Garments Co. Ltd	CMT	60	Gaobei Industrial Zone	Shaoxing City	China
Shaoxing Jinxin Garments Co. Ltd	CMT	158	Fengle Village Shangwang Village	Shaoxing City	China
Shaoxing Keqiao Liaoliang Garment Co., Ltd	CMT	76	Xihuqiao Village, Pingshui Town , Keqiao District ,	Shaoxing	China
Shaoxing Xinnuobao Garment Co., Ltd	CMT	120	G104 Road,Jingfu Line, No.32 Lvjalou, 480 meters to the West, Maoyang Village, Taoyan Town	Shaoxing	China
Shaoxing Yifan Garment Factory	CMT	120	No.26 Xincheng Road	Shaoxing	China
Shaoxing Yiyigda Garment Co., Ltd	CMT	88	The 2nd Floor, No.73, Daming Road, Chengnan Street, Yuecheng District	Shaoxing	China
Suining Guotai Guohua Garments	CMT	900	12-13 The First Industrial Park	Xuzhou	China
Sunny Jet Hosiery Co., Limited	CMT	141	No.9 Longquan Road	Yangzhou	China
Teamway	CMT	292	No. 80 Longxing Nan Road	Zhongshan	China
Tianjiao Huao(Tianjin) Garments Co., Ltd	CMT	100	No. 8 Huan Cheng South Road	Tianjin	China
Tianjiao Huao(Tianjin) Garments Co., Ltd	CMT	100	No. 8 Huan Cheng South Road	Tianjin	China
Tianjin Fa Lai Knitting Co., Ltd	CMT	80	Xi Liu Village	Bao Di	China
Tonglu Kairui Knitting Fty	CMT	47	No.189, Xihuang Road, Shengfeng Village	Tonglu	China

APPENDICES

-APPAREL FACTORIES

Tongyi Knitting Dress Co., Ltd Jinjiang	CMT	250	Matou Street	Jinjiang	China
Travelwell Sportsware Co., Ltd	CMT	150	Huangcang Industrial Zone	Zhangzhou	China
Weifang Ruijie Garments Co Ltd	CMT	52	Xicun Industrial Park	Weifang	China
Weihai Select Garment Co., Ltd	CMT	148	3F, South Gate, No.238, North Qingdao Road	Weihai City	China
Wing Hing Lung Garment Factory	CMT	79	Liang Wu Industrial Area	Hui Zhou	China
Wuhan Haixu Knit Fty	CMT	60	Caijiatian Street	Wuhan	China
Wuxi Everbright International	CMT	400	Chun Hui Road	Huishan	China
Wuxi Style Cap Accessories Co., Ltd	CMT	135	No.195, Xizhang Road	Jiangyin	China
Xiamen Jia De Xing Industrial Co., Ltd	CMT	500	2-5Th Floor, 16Th Building, Huli District	Xiamen	China
Xiamen Yangli Garment Co Ltd	CMT	575	No. 152, Tong An Industrial Park, Tong An Dis.	Xiamen	China
Xiangshan Xingang Apparel Co., Ltd	CMT	118	No 305 Xigu Road	Ningbo	China
Xinlangya	CMT	50	3rd Floor, Ai Hao Di Si Building, Cao Hu Pu, Jin Jing Town, Qunzhou District	Shi Shi	China
Yangzhou Hengtong	CMT	400	No. 18, Jinshan Rd	Yangzhou	China
Yangzhou Topshow Outdoor Products	CMT	95	Block C, Jiangwang Industrial Park	Yangzhou	China
Yantai Huarun Knitted Co., Ltd	CMT	70	Chongqing Road, Taochun Town	Qixia City	China
Yantai Yuexiang Knitted Co., Ltd	CMT	70	Beilaodu	Yan Tai	China
Yishui Jhc Garments Co., Ltd	CMT	500	Hengtai Road	Yishui	China
Yiwu Diyuan Apparel Co., Ltd	CMT	150	No.21,Chang E Road	Yiwu	China
Zaozhuang Baoyuan Garment Co Ltd	CMT	85	No.1210 Road Shuiguo Shizhong District Zaozhuang	Zaozhuang	China
Zhangjiagang China Resources Accessories Co., Ltd	CMT	239	Economic Development Zone No. 16 Changxing Road	Zhangjiagang	China
Zhangjiagang Kingtop Fashion Co., Ltd	CMT	50	Dongnandadao Oukai Area	Zhangjiagang	China
Zhejiang Bangjie Digital Knitting Share Co., Ltd	CMT	1500	South Section, Suxi Town, Yiwu City, Zhejiang (The Whole South Section Is The Factory Location)	Yiwu	China
Zhejiang Hengfeng Top Leisure Co., Ltd	CMT	550	No. 68 Yongping Street, Moganshan Economical Developing Zone	Huzhou	China
Zhejiang Jimtex Industries Co., Ltd	CMT	200	Kaiyuan Road	Shaoxing	China
Zhejiang Zhiyin Textile Technology Co., Ltd	CMT	250	No.8 Jinsan Road	Yiwu	China
Zhuji Menglite Knitting Co., Ltd	CMT	67	Zhangjia Village , Caota Town , Zhuji City , Zhejiang Province(No Detailed Street)	Zhuji	China
Zhuji Yuanjin Textile Co., Ltd	CMT	78	No. 558, Lianyi West Road,	Zhuji	China
Zhujicity Rongxing Knitting Co., Ltd	CMT	98	No. 517 Longtan	Zhuji City	China
Qixia Jiae Garment Co., Ltd	CMT	50	No 8 Beijing Road. Taochun Town,	Qixia	China
United Apparel (Fiji) Ltd	CMT	909	Lot1 Nadawa Road	Nasinu	Fiji Islands

The Warehouse Apparel Manufacture (Tier2) factories - active in 2018

These Tier 2 - Inputs (Fabrics, Accessories, Dying, Washing etc) Supplier Details were provided to us voluntarily by our apparel vendors and trading companies. It is not an exhaustive list. Supplier at this level of our supply chain are not subject directly to The Warehouse's monitoring and auditing processes however our vendors undertake various kinds of assurance themselves (page 24). These sites are also subject to the local laws and regulations where they operate. The publication of this list does not constitute an invitation nor permission to visit these factories. These are private businesses - not owned in whole or in part by The Warehouse. Factory access is entirely at the discretion of the owners and management.

Tier 2 - Inputs Supplier Name	Product / Process	Address	Province / Region	Country
A-TEX International Ltd	Accessory	113/B, Love Road, 2Nd Floor, Tejgaon I/A	Dhaka	Bangladesh
Checkpoint Systems Bangladesh Ltd	Accessory	H # 06 (Level 3, 4 & 5), R # 2B, Block # J, Baridhara, Dhaka-1212, Bangladesh	Dhaka	Bangladesh
Commitment Dyeing Ltd	Accessory	Boardbazar, Gazipur	Gazipur	Bangladesh
Jalal Accessories	Accessory	Baghapur, Vawar Viti, Abdullahpur, South Keranigonji, Dhaka-1311	Dhaka	Bangladesh
Montrims Ltd.	Accessory	Siam Tower, Plot-15, Sector-3, Uttara Model Town, Uttara, Dhaka.	Dhaka	Bangladesh
Mumtex	Accessory	377, Surabari, Kashimpur, Gazipur	Dhaka	Bangladesh
Nine United Bangladesh Limited	Accessory	156 Kamal Attaturk Avenue, Banani, Dhaka: 1213.	Dhaka	Bangladesh
Orient Button Ltd	Accessory	Factory : Kayetpara (Adjacent To Demra Union Office)	Dhaka	Bangladesh
Sun Tin Lun	Accessory	Taiobpur, Zirabo , Ashulia, Dhaka, Bangladesh	Dhaka	Bangladesh
Well Group	Accessory	Raowa Complex (Level-09)	Dhaka	Bangladesh
Iris Fabrics Ltd.	Dye House	Zirani Bazar, Bksp, Kashimpur, Gazipur	Dhaka	Bangladesh
Pa Knit Composite	Dye House	Jamirdia, Materbari, Bhaloka, Mymensing	Mymensing	Bangladesh
Sawftex Ltd	Dye House	Suite No B6, House- 4, Road- 6, Block- E, Niketon, Gulshan 1, Dhaka 1212	Dhaka	Bangladesh
Yunusco T&A Ltd.	Dye House	35, Ab, Kalurghat Heavy Industrial Area, Chittagong-4802	Chittagong	Bangladesh
Dallas Embroider & Printing	Embroidery	Mirpur -Asulia ,Dhaka	Mirpur, Dhaka	Bangladesh
Jamal Uddin Textile Mills Ltd.	Fabric Mill	Madanpur, Kanchpur, Naryanganj	Dhaka	Bangladesh
Labib Dyeing Mills Ltd	Fabric Mill	Kamarjory Road, Signboard, Gazipur	Gazipur	Bangladesh
Montexexpo Ltd.	Fabric Mill	Shilmandi, Panchdona, Narsingdi, Bangladesh	Dhaka	Bangladesh
Nice Cotton Ltd	Fabric Mill	South Panishail, Kashimpur, Gazipur	Gazipur	Bangladesh
Radial International Ltd.	Fabric Mill	Zirani Bazar, Bksp, Kashimpur, Gazipur	Dhaka	Bangladesh
Swalon Co. Ltd.	Fabric Mill	Plot No 51-53, Depz, Savar, Dhaka	Dhaka	Bangladesh
Zongsine Textile Ind. Ltd.	Fabric Mill	Plot No 202-218 (Extn), Dhaka Epz, Savar	Dhaka	Bangladesh
Jr Printing	Fabric Printing	Mogorkhal, Basan, Gazipur	Gazipur	Bangladesh
Lantabur Apparels Ltd.	Fabric Printing	Kewa, Bohererchala, Gila Beraeed, Sreepur, Gazipur	Dhaka	Bangladesh
Polo Composite Ltd.	Fabric Printing	Hemayetpur, Singair Road, Savar, Dhaka.	Dhaka	Bangladesh
Texeurop Design Ltd.	Screen Printing	Vogra, Joydevpur, Gazipur	Dhaka	Bangladesh
Dynamic Packaging Industry Pvt. Ltd.	Packaging	Siya Char, Fatullaha, Kutubour, Narayangong, Bangladesh	Dhaka	Bangladesh
Razzaque Packaging Ltd	Packaging	42 Indira Road, Dhaka	Dhaka	Bangladesh
Sans Packaging Ltd.	Packaging	Kathuriar Chala, Vannara, Mouchak, Gazipur	Dhaka	Bangladesh
Total Packaging & Accessories Ltd.	Packaging	277/1 Sirajuddin Sarker Road, Dattopara, Tongi, Gazipur.	Dhaka	Bangladesh
Checkpoint Systems (Zjg) Co., Ltd	Accessory	B Block, No.25 Gang'ao Road,	Jiangsu	China
Fujian Shilianda Garment Accessories Co., Ltd.	Accessory	No.1 Fuquan Garden, Fufei Road, Fuzhou City	Fujian	China
Hefei Shunli Fushi Garment	Accessory	Linqun Rd, Yaohai District, Hefei City	Anhui	China
Huai'an District Bingjun Plastic Product Factory	Accessory	No. 21, Youyi West Road, Chuzhou District, Huai'an	Jiangsu	China

APPENDICES

-APPAREL FACTORIES

Jiashan Lilong Garment Accessories Factory	Accessory	No. 3, Dali South Road, Datun, Jiashan County, Zhejiang Province	Zhejiang Province	China
Jiashan Yutai Fashion Accessories Factory	Accessory	Jiashan County, Jiaxing City, Zhejiang Province	Zhejiang	China
Jintan Jingbian Decoration Factory	Accessory	No.59, Dan Feng Road, Jin Cheng Gong Industrial Park, Jintan District, Changzhou, Jiangsu	Jiangsu	China
Jinweilong Hardware Plastic Product Factory	Accessory	Zhoubian Industrial Zone, Southwest Street, Sanshui District, Foshan City, Guangdong Province	Guangdong	China
Nantong Datong Clothing Co., Ltd.	Accessory	Private Industrial Park, Digang Town, Rudong, Nantong City	Jiangsu	China
Ningbo Ribbon Factory	Accessory	Ningbo Dongqianhu Industrial Zone	Ningbo	China
Pengxin Hardware Products Factory	Accessory	Xizhao Village, Jinbenzhou Development Zone, Sanshui District, Foshan City	Guangdong Province	China
Qingdao Fuwei Rope Belt Co., Ltd.	Accessory	Zaohang Village Industrial Park, Former Tongji Office, Jimo City, Qingdao	Shandong	China
Qingdao Rong Belt Textile Co., Ltd.	Accessory	Yuhe Er Road, Youhe Industry Park, Tongji Street, Jimo City, Qingdao	Shandong	China
Runtian Line Factory	Accessory	Jun'an Town, Shunde District, Foshan City	Guangdong Province	China
Shanghai Quanhua Fashion Accessories Co., Ltd.	Accessory	Room 202, No. 113, Lane 1801, Zhenhua Road, Shanghai	Shanghai	China
Tic Group	Accessory	No 15 Chuang Ye Da Dao	Zhejiang Province	China
Weihai Shunhe Garment Accessories Co., Ltd.	Accessory	Sanhe Real Estate 519, No. 37 Xinwei Road, Weihai, Shandong, China	Shandong	China
Xinchang Underwear Accessories	Accessory	Dock Road, Shenhu Town, Jinjiang City	Fujian	China
Ycc Zipper (Shanghai Donglong Clothing Co., Ltd.)	Accessory	No. 8 Nanlu Road, Nanhui, Shanghai	Shanghai	China
Zhangjiagang Free Trade Zone Baodian Label Co., Ltd	Accessory	Block B, No. 25, Gang'ao Road, Bonded Area, Zhangjiagang City	Jiangsu Province	China
Zhuji Datang Baixing Plastic Packaging	Accessory	Northeast Of Country Garden, Datang Town, Zhuji City, Zhejiang Province	Zhejiang	China
Zipper Factory	Accessory	Wuxi Yuting Town	Jiangsu	China
Fabric Dyeing Factory	Dye House	Fanchang County Clothing Industrial Park, Anhui Province	Anhui	China
Fujian Fynex Textile Science & Technology Co.,Ltd	Dye House	Fengzhu Industrial Zone, Meiling Street, Jinjiang City, Fujian Province	Fujian	China
Kaixiang Dyeing Factory	Dye House	No.58, Miao Hong Road, Miao Quan Zheng, Changsu, Jiangsu	Jiangsu	China
Tongyi (Quanzhou) Light Industry Co., Ltd.	Dye House	Donghaiyu Development Zone, Shenhu Town, Jinjiang City	Fujian	China
Tongyi Dyeing	Dye House	The Ninth District Of Donghaiyu Development Zone, Shenhu Town, Jinjiang City	Fujian	China
Embroidery Factory	Embroidery	Fanchang County Clothing Industrial Park, Anhui Province	Anhui	China
Chang Shu Rongqi Textile Ltd.	Fabric Mill	198,South Meinan Road, Changsu, Jiangsu	Jiangsu	China
Changshu Xinxin Fabric	Fabric Mill	Changshu City, Jiangsu Province	Jiangsu	China
Chtc Dayao Textile Co., Ltd	Fabric Mill	Tower 26 & 30,Hundsun Science & Technology Park,Zhonghui Ave., Xuxi City	Jiangsu	China
Fabric Weaving Factory	Fabric Mill	Fanchang County Clothing Industrial Park, Anhui Province	Anhui	China
Fuzhou Lifu Plastic Co., Ltd.	Fabric Mill	Nanshangyang Industrial Concentration Zone, Baisha Town, Minhou County, Fuzhou City	Fujian	China
Gths	Fabric Mill	16F Guotai New Century Plaza, Mid Renmin Road, Zhangjiagang City, Jiangsu Province	Jiangsu	China
Gtig-Esen	Fabric Mill	Address:7Th Floor (West Side) , Guotai Times Plaza, Building A, No.65# Renmin Road, Zhangjiagang City, Jiangsu Province, China	Jiangsu	China
Hai'an Oriental Printing And Dyeing Co.	Fabric Mill	No. 12, Xichi Road, Sunzhuang Town, Hai'an County, Nantong City, Jiangsu Province	Jiangsu	China
Haimen Yitong Textile Co., Ltd.	Fabric Mill	Bottom Floor, No. 598, Building 25, Daqian Trade City, Haimen Town, Haimen City	Jiangsu	China
Hangzhou Tianyi Needle Textile Co., Ltd.	Fabric Mill	No. 8, Qiutao Road, Hangzhou	Zhejiang Province	China
Jiangsu Guotaihua Industrial Co., Ltd.	Fabric Mill	28Th Floor, Block A, Cathay Financial Plaza, Gangcheng Avenue, Zhangjiagang City	Jiangsu	China
Jiangsu Shazhou Printing And Dyeing Group	Fabric Mill	Zhenxing Road, Hexing Town, Zhang Jia Gang, Jiangsu	Jiangsu	China
Jiangsu Yingrui Group	Fabric Mill	No. 100, Waihuan East Road, Nantong City, Jiangsu Province	Jiangsu	China
Jinyuan Hengbo Group Co., Ltd.	Fabric Mill	No.189 Haixun Road, Datang Town, Zhuji City, Zhejiang Province	Zhejiang	China
Keqiao Aibu Textile Co., Ltd.	Fabric Mill	2/F, Building 5, Shaoxing Textile Trade Center, 2998 Jinkeqiao Avenue, Keqiao District, Shaoxing	Zhejiang	China
Libixing Garment&Weaving Co,Ltd	Fabric Mill	Gaohu Industrial Zone, Yinglin Town, Jinjiang	Fujian	China
Liyou Textile	Fabric Mill	Shengze Town, Wujiang City, Suzhou City, Jiangsu Province	Jiangsu	China
Nantong Anyi Color Weaving Co., Ltd.	Fabric Mill	Kailu Road, Pioneer Town Industrial Park, Nantong City, Jiangsu Province	Jiangsu	China
Ningbo Flying Textile Co. Ltd	Fabric Mill	Wuxiang North Road No.50 Yinzhou, Ningbo	Zhejiang	China

APPENDICES

-APPAREL FACTORIES

Prosperity Textile (Hk) Ltd.	Fabric Mill	Room 1502, Huawen International, No. 999 Zhongshan West Road, Changning District	Shanghai	China
Qunxing Textile Company	Fabric Mill	Mudu Town, Wuzhogn District, Suzhou City	Jiangsu	China
Ronghui Cloth Industry	Fabric Mill	No. 7, Block A, New Cowboy City, Dongdi Avenue, Pingdi, Nanhai District, Foshan City, Guangdong Province	Guangdong Province	China
Shandong Hengtai Textile Co., Ltd.	Fabric Mill	No. 37, South Street, Lishui County, Shandong Province	Shandong	China
Shaoxing Chujiang Knitting	Fabric Mill	Shaoxing Keqiao Kebei Trade Market	Zhejiang	China
Shaoxing Dingzheng Textile Co., Ltd	Fabric Mill	5018#, 5 Building, South International Trading Center, Keqiao, Shaoxing	Zhejiang	China
Shaoxing Keqiao Chuxiang Textile Co., Ltd	Fabric Mill	2063# Old Trading Market, Keqiao, Shaoxing, China	Zhejiang	China
Shaoxing Keqiao Huangtong Textile Co., Ltd	Fabric Mill	1017-1020#, 10 Floor, 6 Building, Guancheng International, Keqiao, Shaoxing	Zhejiang	China
Shaoxing Keqiao Ruiying Textile Co., Ltd	Fabric Mill	Baige Road No.60, Keqiao, Shaoxing.	Zhejiang	China
Shaoxing Weichen Needle Textile Co., Ltd.	Fabric Mill	No. 201, 1St Floor, North 1St District, Keqiao Textile City, Shaoxing	Zhejiang	China
Shaoxing Yichun Knitting Textile Co., Ltd	Fabric Mill	104-105#, 7Building Of Jinke No.1, No.818 Kebei Road, Keqiao, Shaoxing	Zhejiang	China
Shaoxing Zhuo Cai Textile	Fabric Mill	No. 89, Paozhong Road, Paojiang New District, Shaoxing City	Zhejiang	China
Tianhua Yarn Group	Fabric Mill	No. 3, Luqiao East Street, Huatu Town, Jiangyin City	Jiangsu	China
Zhejiang Tianbao Knitting Co., Ltd	Fabric Mill	Xiuchuan South Road Industrial Park, Chang'an Town, Haining City, Zhejiang Province	Zhejiang	China
Hangzhou Hangmin Meishida Printing And Dyeing Co., Ltd.	Fabric Printing	No.1, Renmin Road, Kanshan, Guali Town, Xiaoshan, Hangzhou	Zhejiang	China
Hubei Chibi Yule Knitting Printing And Dyeing Co., Ltd.	Fabric Printing	Guihuashu Road, Hubei Chibi Pufang Industrial Park	Hubei	China
Hubei Huayouyuan Knitting Printing And Dyeing Co., Ltd	Fabric Printing	Chuandong Avenue, Hanchuan Economic Development Zone, Hubei Province	Hubei	China
Jinjiang Xinyi Garment Co Ltd	Fabric Printing	Building C, Jinba Industrial Park, Yinglin Town, Jinjiang City ,Fujian Province	Jiangsu	China
Kunshan Jinhong Printing And Dyeing Textile Technology Co., Ltd.	Fabric Printing	No. 705, Jindong Road, Jinxi Town, Kunshan City, Jiangsu Province	Jiangsu	China
Live Source Printing Factory	Fabric Printing	Donghaiyu Development Zone, Shenhu Town, Jinjiang City	Fujian	China
Ningbo Hongyuan Printing Factory	Fabric Printing	Zhongyi Village Industrial Zone, Gulin Town	Ningbo	China
Printing Factory	Fabric Printing	Fanchang County Clothing Industrial Park, Anhui Province	Anhui	China
Qianshun Printing Factory	Fabric Printing	4Th Floor, Henghe Company, Jiahao Industrial Zone, Shenhu Town	Fujian	China
Fashionable Packaging	Packaging	Dongxing Road, Jiapai Village, Yinglin Town, Jinjiang City	Fujian	China
Haotai (Fujian) Packaging Technology Co., Ltd.	Packaging	Jinjiang Shenhu Town Underwear Professional Standard Factory Park	Fujian	China
Jimo Heng Xiang Hui Packaging & Printing Factory	Packaging	Songshu Town,Lingshan, Jimo City, Qingdao,Shandong	Police	China
Ningbo Carton Factory	Packaging	Jiangshan Industrial Zone	Ningbo	China
Ningbo Xunxing Trade Co Ltd	Packaging	Agent Of Tic (Retail Accessories) Pty Ltd	Zhejiang	China
Quanpan Carton Factory	Packaging	Jun'an Town, Shunde District, Foshan City	Guangdong Province	China
Zhangjiagang Free Trade Zone Baodian Label Co., Ltd.	Packaging	1-2F, Block B, 25 Gang'ao Road, Zhangjiagang Free Trade Zone	Jiangsu	China
Dahe Clothing Finishing Co., Ltd.	Washing	Nantong City Yongxing Development Zone Yongxing Road North Shougang Gate Intermodal Transportation Company	Jiangsu	China
Jiangsu Huayi Tie Dyeing Division	Washing	88-1 Changjiang West Road, Hai'an, Jiangsu	Jiangsu	China
Washing Water Washing Plant	Washing	Changxing Industrial Zone, Junan Town, Shunde District, Foshan City	Guangdong Province	China
Shaoxing Chunyi Modern Textile Co., Ltd.	Fabric Mill	Kaiyuan Road, Paojiang Development Zone, Shaoxing City, Zhejiang	Zhejiang	China
Suzhou Jinjin Export-Import Company Limited Co., Ltd.	Fabric Mill	West Baiyang Market Road, He Fu Business District, Shengze Town	Wujiang	China
Tianjin New Textile Group Co. Ltd.	Fabric Mill	19-21Th Floor, Chuangzhan Tower, Tianjian 300042, China	Tianjin	China
Fuchun Dyed Yarn	Dye House	Address: Qiaobei Industrial Park, Economic And Technological Development Zone, Wuhu City, Anhui Province	Anhui	China
Tic (Retail Accessories) Pty Ltd	Accessory	Room 2903, Saxon Tower, 7 Cheung Shun Street,	Hong Kong	Hong Kong

Most Popular The Warehouse “Own Brands” in 2018

Products bearing these brands were sourced from factories within scope of our Ethical Sourcing Programme in 2018

Accelor8	Cyclops	Living & Co	Road Rippers
Active Intent	Darn Tough	Lullaboo	Samson
Airwalk	Debut	Maison d’Or	Schooltex
Amco	Decor	Mako	Shotz
A’nD	Design House	Match	SK
Ane Si Dora	Deskwise	Maxistrike	Solano
Aqua Splash	Elemis	Maya	Starplast
Archer	Essentials	Milazo	Stefanplast
Arctic Flannel	Evantair	Multix	Stylo
Artwise	Eztec	Navigator South	Super Dream
Aura	Fur’life	Necessities Brand	Surf
Auto FX	Garage	Nice	Tech.Inc
B52	Gascraft	Nitro Circus	Tinsel Town
Baba	H&H	Onix	Tulip
Babywise	Habito	Paper Scissors Rock	Ultra Max
Back Country	Harrison & Lane	Party Inc	Urban Equip
Basics Brand	Havaianas	Petzone	Urban Shed
Basics Maternity	Intrepid	Pickaberry	Urban Solar
Beach Works	J Lili	Pinnacle	Veon
Blue Denim Co	Just Brand	Play Studio	Westminster
Colour Co.	Kate Madison	Princess Kits	Wonderland
Colour Pop	Kensington	Redondo	Work Tuff
Comfort	Kids’ Art & Craft	Reside	Young Original
Craftwise	Kids Caboodle	Rivet	



Courtesy of Elevate - Business driven Sustainability

WAGES & HOURS DATA

Country working Hours and Wages in 2017 and 2018

Methodology

- Wages & hours data collected during Labour Compliance Assessments and based on a limited sample of the factories' workforce (includes The Warehouse factories)
- Transparent data kept only (factories with falsified or unreliable data excluded from pool)
- All measures extracted (as defined below) have been averaged
- Each country represented has a sample of minimum 30 or more transparent assessments
- 2017 year data is from assessments conducted January 2016 till September 2017. 2018 year data derived from 2018 calendar year
- Countries have been sorted in descending orders based on the legal hourly wage in 2018

Note: Basic wages for Bangladesh garment workers increased substantially in December 2018 - this increase is not reflected in the data below.

WAGES DATA

Country	Legal Wage USD / Hour		Average Monthly Take Home USD		Weekly Hours Average		Days without Rest Average	
	2017	2018	2017	2018	2017	2018	2017	2018
Germany	na	10.30	na	1,843	na	41	na	5
Canada	9.00	9.90	1,642	1,795	39	40	5	5
United States	8.90	9.10	2,241	2,090	43	43	5	5
Italy	8.50	8.20	1,700	1,650	41	40	5	5
Japan	na	7.40	na	1,727	na	43	na	5
Republic of Korea	na	6.60	na	1,948	na	48	na	6
Spain	na	5.10	na	1,388	na	40	na	5
Portugal	3.70	3.80	716	788	41	41	5	5
Taiwan	2.80	3.10	986	894	51	47	6	5
Romania	1.90	2.60	391	347	42	42	5	5
China	1.40	1.40	536	579	65	65	13	13
Guatemala	1.30	1.30	430	426	53	51	6	5
Malaysia	1.10	1.20	393	360	62	59	8	8
Thailand	1.10	1.20	313	337	58	60	7	7
Turkey	1.50	1.20	446	354	51	52	6	6
Indonesia	1.10	1.10	199	205	49	49	6	7
Philippines	0.90	0.90	183	200	54	56	8	7
Viet Nam	1.00	0.70	245	271	57	56	6	7
Mexico	0.50	0.60	274	274	50	50	6	6
India	0.50	0.50	136	124	55	54	9	8
Pakistan	0.60	0.50	160	142	53	54	6	7
Bangladesh	0.30	0.30	116	114	70	68	10	9
Myanmar	0.30	0.30	103	110	57	57	6	6



Next Steps.

In addition to maintaining our baseline due diligence and remediation processes our focus in 2019 will be on embedding and developing the new initiatives described this report. We will continue our journey of consolidating and developing more direct relationships with factories, strengthen our control over unauthorised subcontracting, and deepen our insight into modern slavery risks such as those associated with foreign migrant workers, and those at the origin of Cocoa and Cotton supply chains.

More Information:

<https://www.thewarehouse.co.nz/c/suppliers/ethical-sourcing>

<http://www.thewarehousegroup.co.nz/>

Feedback or Questions:

ethical.sourcing@thewarehouse.co.nz