

# TRUWORTHS

## SUPPLIER CODE OF ETHICS AND GOOD BUSINESS PRACTICE

August 2019

This Supplier Code of Ethics and Good Business Practice (the “Code”) specifies the minimum Ethical; Social and Business Practices and Standards that Truworths requires of its Suppliers and Business Partners, whether they operate internationally or only in South Africa.

Truworths defines Suppliers and Business Partners as organizations that provide Truworths with goods and/or services integral to; and utilized in or for; the conduct of Truworths’ business. The definition of Suppliers and Business Partners extends to suppliers’ subcontractors, agents and representatives (the “Supplier”).

This Code is one of the tools used to ensure that Truworths meets its commitments to good corporate citizenship, which commitments have *inter alia* been made by its board of directors to its employees, its customers, its shareholders and its other stakeholders.

This Code is in addition to the national laws of the countries in which a Supplier is resident and/or operating and all international laws ratified by such country and countries. Should any requirement of this Code conflict with any such national law/s or international law/s, the law/s concerned must always be followed.

This Code is further ancillary and complementary to the Truworths Business Ethics & Integrity Code, which is available at <https://www.truworthisinternational.com/assets/sustainability>

This Code is based *inter alia* on extracts from internationally agreed standards such as (1) the United Nations (UN) Global Compact Principles (2) the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work; (3) the Organization for Economic Co-operation and Development (OECD) recommendations regarding corruption; and (4) the Universal Declaration of Human Rights.

It is the responsibility of the Supplier to inform its subcontractors, agents and representatives of this Code and its content and to ensure, as a minimum, that there is voluntary compliance with this Code in every business, factory and workplace that produces, finishes, packs or otherwise handles goods or performs services for Truworths. The Supplier shall maintain appropriate records of their subcontractors’ (and, where appropriate, sub-suppliers’) commitments to social accountability, including, but not limited to, their written commitment to the Code.

The Supplier is obliged to define in writing, their policy as regards the promotion of social accountability and compliant labour conditions and this policy should meet the requirements of the Code. This policy must be displayed in a prominent, easily viewable position on the Supplier’s premises. Suppliers are also required to appoint a senior management representative who, irrespective of other responsibilities, shall ensure that the requirements of their policy are met.

In the case of announced and unannounced audits by Truworths of the Supplier for the purpose of certifying its compliance with the requirements of this Code all Suppliers shall ensure access to the premises and to reasonable information required by the auditor appointed by Truworths. All Suppliers are required to maintain appropriate records to demonstrate conformance to the requirements of this Code

The Supplier undertakes at all times to comply with the Code, and a failure to comply with same shall be regarded as a material breach of the Terms and Conditions to which this Code forms an Annexure:-

### A. HUMAN RIGHTS AND LABOUR

#### 1. Child Labour

No Supplier will employ persons younger than the legal minimum age for employment in the country in which the Supplier is resident and/or operates. Further, a Supplier is required to take cognizance of the International Labour Organization Conventions and the UN Convention of the Rights of the

Child to the extent that minors (who are legally allowed to work) may be employed in the business of the Supplier or by its suppliers, service providers and subcontractors.

## **2. Forced and/or Compulsory Labour**

Suppliers will not engage in any forced or compulsory labour whereby work is exacted from a person by threat of penalty or for which the person has not offered himself or herself voluntarily, and shall inter alia not engage in the following practices:-

- Where personnel are required to pay 'deposits' to or lodge original identification papers with the employer upon commencing employment; and
- Where any part of any employee's salary, benefits, property, or documents are withheld in order to force such employee to continue working for the employer.

## **3. Health and Safety**

Suppliers are required to ensure employees' safety and to comply with all health and safety laws in the countries in which they are registered and/or operate and all applicable international laws relating to health and safety. In addition Suppliers are obliged to ensure the following:-

- employees shall not be obliged to work in unsafe buildings;
- employees shall not be obliged to utilize hazardous equipment without the appropriate safety measures and provision of necessary protective equipment;
- adequate fire prevention, safety and containment measures are available;
- first aid/primary medical assistance will be available for workplace accidents; and
- all premises used must constitute and provide a healthy working environment.

## **4. Workers' Rights**

Suppliers are required to comply with all applicable labour laws of the countries in which they are registered, resident and/or in which they operate and all applicable international laws. In addition Suppliers are obliged to ensure the following:-

- all workers are to be afforded their basic rights at all times;
- the use of forced labour, bonded labour or prison labour is never acceptable;
- migrant workers shall have exactly the same entitlements as local employees;
- every employee shall be treated with respect and dignity;
- physical, sexual, psychological or verbal harassment or abuse of employees is never acceptable;
- all workers have the right to form or join associations or unions of their own choosing, to bargain collectively and to strike;
- workers have the right to just and favourable remuneration;
- wages must be paid regularly and on time, and must reflect the experience, qualifications and performance of the employee;
- employers shall pay at least the statutory minimum wage, the prevailing industry wage or the wage negotiated in a collective agreement, whichever is higher; and
- working hours must not exceed the legal limits imposed.

## **5. No Discrimination**

Suppliers may not:-

- engage in or support discrimination in hiring, remuneration, access to training, promotion, employment termination, or retirement based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age, or any other condition that could give rise to discrimination; or
- allow any behaviour that is threatening, abusive, exploitative, or sexually coercive, including gestures, language, and physical contact, in the workplace and, where applicable, in residences and other facilities provided by the employer for use by personnel.

## **B. THE ENVIRONMENT**

### **6. The Environment**

Suppliers are obliged to act responsibly to achieve sustainability, to engage in good environmental practice and to comply with all environmental laws of the countries in which they are registered and/or operate and all applicable international laws, and shall inter alia ensure that:-

- all necessary and relevant environmental permits and licenses are obtained;
- chemicals and dyes are handled and used responsibly and lawfully;
- water is used efficiently;
- all outgoing wastewater meets wastewater quality standards of the domestic legislation and all applicable international laws; and
- any waste and in particular hazardous waste is treated in a responsible manner and in accordance with domestic legislation and all applicable international laws.

## **C. ANTI-CORRUPTION AND CONFLICTS OF INTEREST**

### **7. Bribery and anti-corruption**

Truworths fully subscribes to and endorses the OECD recommendations aimed at preventing and combatting corruption as well as the UN Convention against Corruption, and requires its Suppliers at all stages to refrain from any element of bribery, both in its dealings with Truworths and in all its business practices in general and to put into place effective measures to deter, prevent and combat bribery and corruption.

### **8. Conflicts of interest**

A Supplier is obliged to immediately declare any conflicts of interest or potential conflicts of interest that may arise or any other information which a contracting party in the position of Truworths would reasonably wish to be informed about, including without limitation, employment of family members and any business with related parties, or personal relationships between its employees and the employees of Truworths.