



CleanHub Supplier Workplace Labor Standards Ethical Trade Code of Conduct

Clean Hub Supplier Workplace Standards outlines the company's code of conduct and business ethics. "The Code" outlines our core values and the labor standards our business partners should respect and adhere to. These guiding principles are used as a reference document as part of CleanHub responsible sourcing strategy for selection and retention of suppliers. Business partners can also use this document to develop and implement action plans for continuous improvement in working conditions.

Alignment to support Suppliers:

CleanHub Workplace Standards have largely drawn from and align to:

- The UK based Ethical Trading Initiative (ETI) Base Code (*opensource, and available in other languages*), an internationally recognised code of good labour practice, founded on the *International Labour Organisation (ILO) Conventions*. The ETI Code is viewed as a global reference standard and widely used as a benchmark against which retailers' social audit and suppliers develop ethical trade action plans.
- The USA based **Fair Labor Association (FLA) code, and**
- Draws also from the SA8000 standard (June 2014 version) by USA based Social Accountability International, which forms the base of the European Amfori-BSCI, GSCP & other company Codes2iv.
 - o The provisions of the Codes constitute minimum and not maximum standards.
 - o Companies applying this code are expected to comply with national and other applicable laws.
 - o Where the law and the Code address the same subject, companies are expected to apply the provision that affords the greater protection to workers.

Impact: *As Suppliers improve their compliance with the CleanHub Code/these standards, they will also improve their compliance with other customer codes based on the ETI, FLA and/or SA8000 codes. **Translations:** Of the ETI Base Code and FLA Code for Suppliers, workers and others are available for free on these organisations websites, as referenced below, and free Guidance and some training materials.*

General Principles for our Business Partnerships of Ethical Trade

1. Business partners must comply with all relevant and applicable laws and regulations of the country in which they operate. They must follow practices which safeguard human rights, workplace safety and the environment.
2. Business partners must make progressive improvement in their own operations in accordance with this Workplace Standards and require the same of their partners, suppliers and subcontractors.
3. CleanHub will make efforts to communicate expectations clearly and be an ethical, fair business partner, paying suppliers on time and fair rates.
4. All business dealings will be transparently performed without any misrepresentation of conditions or falsification of records. Any information regarding labor, health and safety, environmental practices and business activities is to be disclosed in accordance with applicable regulations and prevailing industry practices.
5. CleanHub will seek to respect supplier transparency of true labour standards by recognizing and supporting step by step continuous improvement with continued business as circumstances allow.
6. Business partners shall adopt or establish a management system with a scope that is related to the content of this Workplace Standards. The management system shall be designed to ensure compliance with applicable laws and conformance with this Workplace Standards including processes to identify and mitigate operational risks that facilitate continuous improvement.

1. Employment is freely chosen.

1.1. There will be no forced, bonded or indentured labor including involuntary or exploitative prison labor (ETI Code 1.1) There will be no use of prison labor or other forms of forced labor. (FLA Code 4)

1.2. Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice (ETI Code 1.2). The organisation shall not

engage in or support the use of forced or compulsory labour, including prison labour, as defined in Convention 29, shall not retain original identification papers and shall not require personnel to pay 'deposits' to the organisation upon commencing employment (SA8000 2.1)

1.3 There is no practice of labor trafficking and slavery including debt bondage. Neither the organisation nor any entity supplying labour to the organisation shall engage in or support human trafficking. (SA8000 2.5)

1.4 Employers may not hold or confiscate identity or immigration documents of workers. Neither the organisation nor any entity supplying labour to the organisation shall withhold any part of any personnel's salary, benefits, property or documents in order to force such personnel to continue working for the organisation. (SA8000 2.2)

1.5 There will be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities including, if applicable, dormitories or living quarters. Personnel shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided that they give reasonable notice to their organisation (SA8000 2.4)

1.6 All work must be voluntary including any overtime work, and workers shall be free to terminate their employment without penalty if reasonable notice is given as per employment contract and applicable law.

1.7 Workers will not be required to pay any recruitment fees or other related fees for securing employment. The organisation shall ensure that no employment fees or costs are borne in whole or in part by workers (SA8000 2.3)

2. No Child Labor (ETI Code 4)

2.1 Child labor will not to be used in any stage of manufacturing. The term "child" refers to any person under the age 15 (inline with ILO Conventions), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest (FLA Code 1.1). The organisation shall not engage in or support the use of child labour (SA8000 1.1).

2.2 There shall be no new recruitment of child labour (ETI 4.1). Appropriate mechanism will be in place to verify the age of any new recruits and ensure no hiring of child labor.

2.3 Children & young persons under 18 shall not be employed at night or in hazardous conditions (ETI 4.3). The organisation may employ young workers, but where such young workers are subject to compulsory education laws, they shall work only outside of school hours. Under no circumstances shall any young worker's school, work and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours. (SA8000 1.3). The organisation shall not expose children or young workers to any situations – in or outside of the workplace – that are hazardous or unsafe to their physical and mental health and development. (SA8000 1.4). Such workers under the age of 18 (juvenile/adolescent labor) shall not perform work that is likely to jeopardize their health or safety, including at night shifts and overtime as prescribed under local law.

2.4 Companies shall develop or participate in & contribute to policies & programmes which provide for transition of any child found to be performing labour to enable her or him to attend & remain in quality education until no longer a child. (ETI 4.2). The organisation shall establish, document, maintain and effectively communicate to personnel and other interested parties, written policies and procedures for remediation of child labourers, and shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child as defined above. (SA8000 1.2).

2.5 These policies & procedures shall conform to provisions of relevant ILO standards. (ETI Code 4.4)

3. Working conditions are safe and hygienic

3.1 A safe and hygienic working environment shall be provided considering the specific hazards related to the nature of operation. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment. (ETI 3.1 and FLA Code).

3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. (ETI 3.2)

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided. (ETI 3.3)

3.4 Accommodation where provided, shall be clean, safe, and meet the basic needs of the workers. (ETI 3.4)

3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative. (ETI Code 3.5)

3.6 Safety includes protection from fire, accidents and toxic substances. Adequate lighting, heating and ventilation systems must be provided.

3.7 Potential for exposure to health and safety hazards (chemical, toxicity, electricity, fire, structural and fall hazards, etc.) will be identified, assessed and mitigated.

3.8 Where hazards cannot be adequately controlled by applicable means, workers will be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards.

3.9 Procedures and systems will be in place to prevent, manage, track and report occupational injury and illness, including provisions to provide necessary medical treatment, investigate cases and implement corrective actions.

3.10 Employee exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks will be identified, evaluated, and controlled.

3.11 Reasonable steps must also be taken to reduce any workplace health and safety risks to pregnant women and nursing mothers. Alternative non-hazardous work assignments will be offered to pregnant women and nursing mothers with full respect to legal provisions for maternity leave.

4. Wages, Benefits and Compensations Are Compliant

4.1 Wages and benefits paid for a standard work week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs & provide some discretionary income. (ETI 5.1)

4.2 All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. (ETI Code 5.2)

4.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded. (ETI Code 5.3)
Additional Clarification:

4.4. Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime compensation and legally mandated benefits. Wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher.

4.5 In addition to compensation for regular working hours, workers must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate.

4.6 Suppliers should strive towards paying all workers Living Wages. Specifically, workers have the right to compensation for a regular work week that is sufficient to meet workers' basic needs and provide some discretionary income. Where compensation does not meet workers' basic needs and provide some discretionary income, business partners must take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programmes and other services.

4.7 All use of temporary or outsourced labor will be within the limits of the local law.

4.8 Any other legally entitled benefits including annual leave, medical leave, maternity and paternity leave, severance compensation and mandatory bonus and allowances will be fully complied with.

5 Working Hours Are Not Excessive

5.1 Working hours must comply with national laws or collective agreements, and provisions of 5.2 to 5.6 below, whichever affords greater protection for workers. 5.2 to 5.6 are based on international labour standards. (ETI 6.1)

5.2 Work hours, excluding overtime, shall be defined by contract, & not exceed 48hrs per week* (ETI 6.2)

5.3 All overtime work shall be voluntary and used responsibly, taking into account: the extent, frequency & hrs worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Any overtime must be consensual and not requested on a regular basis. Overtime should take into account the extent, frequency and hours worked by individual workers and the workforce as a whole.

5.4 Overtime shall always be compensated at a premium rate, recommended to be not less than 125% of the regular rate of pay. (ETI 6.3) and shall be at least as applicable under the local law.

5.5 Total hours worked in any 7-day period shall not exceed 60, except where covered by (ETI) clause 6.5 below. (ETI 6.4)

5.6 Work hours may exceed 60 in any 7 day period only in exceptional circumstances where all of the following are met: this is allowed by national law; this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; appropriate safeguards are taken to protect the workers' health and safety; and the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. (ETI 6.5)

5.7 Workers shall be provided at least 1 day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period*. **International standards recommend progressive reduction of normal hours of work, when appropriate, to 40hrs week, without any reduction in workers' wages as reduced.* (ETI 6.6) 5.7.1 *A one day off should be at least twenty four (24) consecutive hours rest.*

6 No Discrimination Is Practised

6.1 There is no discrimination in hiring, compensation, access to training, promotion, advancement, discipline, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation (ETI 7.1) nationality, political opinion, social group or ethnic origin (FLA 2.0).

Additionally:

6.2 Decisions about hiring, salary, training opportunities, career advancement, work placement, termination or retirement must be based solely on ability to perform the job rather than on the basis of personal characteristics or beliefs, such as race, color, gender identity, ethnicity or national origin, caste, religion, pregnancy, age, disability, marital status, sexual orientation, union membership or political affiliation.

6.3 Workers are provided with reasonable space or prayer room for religious practices if needed.

6.4 Workers or potential workers are not subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way.



7 Regular Employment Is Provided

7.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law & practice. (ETI 8.1)

7.2 Obligations to employees under labour or social security laws & regulations arising from the regular employment relationship shall not be avoided through use of labour-only contracting, subcontracting, or home-work arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through excessive use of fixed-term contracts of employment. (ETI 8.2)

Additionally:

7.3 Work that is perennial to the nature of operation will be performed by workers who are formally hired on the basis of recognised employment relationship established through national law and practice.

7.4 Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations. (FLA 1.0)

8 Freedom of Association and Right to Collective Bargaining are Respected

8.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. (ETI 2.1, and aligns to FLA Code)

8.2 The employer adopts an open attitude towards the activities of trade unions & their organisational activities. (ETI 2.2)

8.3 Workers representatives are not discriminated against & have access to carry out their representative functions in the workplace. (ETI 2.3)

8.4 Where the right to freedom of association & collective bargaining is restricted under law, the employer facilitates, & does not hinder, development of parallel means for independent & free association & bargaining. (ETI 2.4)

Additional Clarification:

8.5 These rights of workers to join and organise associations of their own choosing and to bargain collectively shall be recognised and respected.

8.6 All categories of workers, including foreign or domestic migrant workers, and contractual workers shall have the same right to join or form trade unions of their own choosing and to bargain collectively.

8.7 A mechanism for resolving industrial disputes, including employee grievances, and ensuring effective communication with workers and their representatives must be developed and fully implemented.

8.8 Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

8.9 Employer facilitation of parallel means where trade unions do not operate should include Worker Management Committees on Safety and working conditions which regularly (at least monthly) discuss conditions such as work hours, wages, etc.

9 No Harassment or Inhumane Treatment or Unfair Disciplinary Practices

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. (ETI 9.1)

9.2 Workers must be treated with respect and dignity. No employee may be subjected to any physical, sexual, psychological or verbal harassment or abuse, or to fines or penalties as a disciplinary measure. (FLA Code)

Additionally:

9.3 There will be no harsh or inhumane treatment including gender-based violence, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers.

9.4 A non-retaliation policy will be enforced that permits workers to express their concerns about workplace conditions directly to factory management without fear of retribution or losing their jobs.

9.5 Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

10 Environmental Management System Is Implemented

10.1 Business partners will make progressive improvement in environmental performance that includes integrating principles of environmental sustainability into business decisions; responsible use of natural resources; and adoption of pollution prevention measures.

10.2 Pollution Prevention and Resource Reduction Emissions and discharges of pollutants and generation of waste are to be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, is to be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means. (RBA C2)

10.3 All local environmental laws relevant to the operation should be understood and adhered to.

10.4 All required environmental permits, approvals, and registrations under the operating law and regulations will be obtained, followed and kept updated, with copies available onsite.

10.5 If the operation involves major use of water and processed water discharge, a water management program will be implemented that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water and implement these; and controls channels of contamination.

10.6 If the operation creates air emissions, an air emissions reduction program will be implemented that documents, characterizes, and monitors air emissions and sources of energy; seeks opportunities to reduce greenhouse gas (including carbon) and other emissions (which impact on climate change, air quality for communities and biodiversity) by installing clean renewable energies such as solar power as possible, operating and continuously improving these; and thereby controlling channels to prevent and reduce air pollution impacts.

10.7 Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting substances, and combustion byproducts generated from operations are to be characterized, routinely monitored, controlled, and treated as required prior to discharge. Ozone depleting substances are to be effectively managed in accordance with the Montreal Protocol and applicable regulations. Where relevant suppliers shall conduct routine monitoring of the performance of their air emission control systems. (RBA C5)

10.8 Chemicals, wastes, and other materials posing a hazard to humans or the environment will be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

11. Ethical Business Practises.

To meet social responsibilities and to achieve success in the marketplace, Suppliers are to uphold the highest standards of ethics including:

11.1 **Business Integrity:** The highest standards of integrity are to be upheld in all business interactions. Participants shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement. (RBA D1)

11.2 **No Improper Advantage:** Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws. (RBA D2)

11.3 **Disclosure of Information:** All business dealings should be transparently performed and accurately reflected on the Participant's business books and records. Information regarding participant's labor, health and safety, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable. (RBA D3)

11.4 **Intellectual property** rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded. (RBA D4)

11.5 **Standards** of fair business, advertising, and competition are to be upheld. (RBA D5)

11.6 **Protection** of Identity and Non-Retaliation Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers are to be maintained, as relevant, unless prohibited by law. Participants should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation. (RBA D6)

11.7 Responsible Sourcing of Minerals : If relevant, Suppliers shall adopt a policy and exercise due diligence on the source and chain of custody of the tantalum, tin, tungsten, and gold in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organisation for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas or an equivalent and recognized due diligence framework. (RBA D7).

11.8 Privacy: Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Participants are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared. (RBA D8)

i The ETI Base code and translations, guidance, and posters are available for free download here <https://www.ethicaltrade.org/eti-base-code>

ii The FLA Code can be found at <https://www.fairlabor.org/our-work/labor-standards>

iii The SA8000 standard (and translations are available at <https://sa-intl.org/resources/sa8000-standard/> In English the code is <https://sa-intl.org/wp-content/uploads/2020/02/SA8000Standard2014.pdf>

iv The code also draws some reference from the Responsible Business Alliance (RBA) Code of Conduct. The RBA was formerly known as the Electronics Industry Citizenship Coalition. http://www.responsiblebusiness.org/media/docs/RBACodeofConduct7.0_English.pdf

