

Policy on Ethical Trading

Policy Statement

Volac International Ltd recognises the responsibility that we share with our suppliers to operate ethically. Promoting decent working conditions in our supply chains is part of our Modern Slavery Statement and it is our commitment to act in a social responsible manner. In pursuit of our aims, we require that all our suppliers comply with our Ethical Trading Policy, which is based on the Fundamental Conventions of the International Labour Organisation (ILO) and national and international laws.

We expect all our suppliers to have ethical processes and policies in place throughout their supply chain and require our suppliers to provide reasonable information as evidence of compliance to our Ethical Trading Policy.

This policy applies to any suppliers of goods and services to Volac International Ltd.

Responsibility

The Procurement Manager has Corporate Accountability for this Ethical Trading Policy and responsibility for implementing lies with the procurement department.

The Procurement Department are responsible for reviewing compliance with the requirements of this policy, areas of concern will be recorded on the company risk register and actions taken to mitigate.

Policy Commitments

Suppliers to Volac shall commit to ensure that:

1 Employment is freely chosen

- 1.1 There is no forced, bonded or involuntary prison labour.
- 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.

2 Employees rights to open and transparent communications and to form workplace representative groups are respected

- 2.1 The employer believes in open and transparent communication between workers and management, and where appropriate respects the workers' rights to belong to collective groups such as trade unions or works councils and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the collective activities of their employees and their organisational activities and employee representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.3 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3 Working conditions are safe and hygienic

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 3.8 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.9 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.10 The company observing the code shall assign responsibility for health and safety to a senior management representative.

4 Child labour shall not be used

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. A child is defined as person below the age of 18, unless the laws of a particular country set the legal age for adulthood younger. Employment of a child must be in accordance with the Minimum Age Convention 1973 (No 138).

Child labour is defined as:

- Slavery, trafficking, debt bondage and other forms of forced labour including forced recruitment of children for use in armed conflict, prostitution and pornography, and illicit activities

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- Labour performed by a child that is not in accordance with the Minimum Age Convention 1973 (No 138)
- Labour that compromises the physical, mental or moral well-being of a child, either because of its nature or the conditions in which the work is carried out such as hazardous conditions, or the time the work is carried out such as at night
- These policies and procedures shall conform to the provisions of the relevant ILO standards.

5 Living wages are paid

- 5.1 Wages and benefits paid for a standard working 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 and to provide some discretionary income.
- 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 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.

6 Working hours are not excessive

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5 Working hours may exceed 60 hours 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 all be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.

7 No discrimination is practised

- 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8 Regular employment is provided

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working 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 the excessive use of fixed-term contracts of employment.

9 No harsh or inhumane treatment is allowed

- 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.