

THE ETI BASE CODE

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. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

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

2.4 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.

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

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

3.5 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; “child” and “child labour” being defined in the appendices.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 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 comply with national laws and benchmark industry standards, whichever affords greater protection.

6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

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 be prohibited.

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

SMETA* AUDIT ADDITIONAL ELEMENTS

A: Entitlement to Work & Immigration *Additional Retailer Specific Elements*

A1 Only workers with a legal right to work shall be employed or used by the supplier. A2 All workers including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation. A3 Employment agencies must only supply workers registered with them. A4 The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

B: Code and System Implementation: *Retailer Specific Additional Elements*

B1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code. B2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code. B3 Suppliers are expected to communicate this Code to all employees and to their suppliers. B4 Suppliers should, where reasonably practicable extend the principles of this Ethical Code through their supply chain.

C: Sub-Contracting & Home-working: c1 There should be no sub-contracting unless previously agreed with the main client. C2 Home-working should be properly managed.

D: Environmental

D1 Suppliers shall seek to make continuous improvements in their environmental performance and, as a minimum, comply with the requirements of local and international laws and regulations. D2 The supplier shall be aware of and comply with their end clients' environmental requirements.

*SMETA= Sedex Members Ethical Trade Audit

ETI BASE CODE PRINCIPLES OF IMPLEMENTATION

The purpose of the ETI is to identify, develop and promote good practice with respect to implementing codes of labour practice. Critical areas include monitoring and independent verification, and transparency and disclosure, to determine and communicate whether standards embodied in the code are being achieved. ETI members accept the following as general principles upon which to develop or refine their search for best practice.

1. COMMITMENT

- 1.1 The company gives its membership of ETI, the code and its implementation process an informed and explicit endorsement.
- 1.2 This commitment is communicated throughout the company and to its suppliers and sub-contractors (including closely associated self-employed staff).
- 1.3 A member of senior management is assigned responsibility for the implementation of compliance with the code.
- 1.4 The code and the implementation process is integrated into the core business relationships and culture.
- 1.5 The company will ensure that human and financial resources are made available to enable it to meet its stated commitments.

2. MONITORING, INDEPENDENT VERIFICATION, AND REPORTING

- 2.1 Member companies accept the principle that the implementation of codes will be assessed through monitoring and independent verification; and that performance with regard to monitoring practice and implementation of codes will be reported annually.
- 2.2 Companies will engage with other members in the design, Implementation and analysis of pilot schemes to identify good practice in monitoring and independent verification and share this experience with other members.
- 2.3 Company members will draw on this experience in establishing where relevant with other ETI members' work plans to implement programmes of monitoring, independent verification, and reporting, and will report progress against these programmes to and through the ETI in a format and timing to be agreed.
- 2.4 Workers covered by the code shall be provided with a confidential means to report failure to observe the code and shall be otherwise protected in this respect.

3. AWARENESS RAISING AND TRAINING

3.1 All relevant personnel are provided appropriate training and guidelines that will enable them to apply the code in their work.

3.2 Suppliers are made aware of the code, and the company's commitment to sourcing from suppliers who observe the standards in the code.

3.3 Workers whose work is covered by the code are, where possible, made aware of the code and implementation principles or procedures.

4. CORRECTIVE ACTIONS

4.1 Member companies commit themselves, on the basis of knowledge gained from monitoring to; (a) negotiate and implement agreed schedules for corrective actions with suppliers failing to observe the terms of the code, i.e. a continuous improvement approach; (b) require the immediate cessation of serious breaches of the code, and; (c) where serious breaches of the code persist, to terminate any business relationship with the supplier concerned.

5. MANAGEMENT PROCEDURES, PRICING AND INCENTIVES

5.1 Negotiations with suppliers shall take into account the costs of observing the code.

5.2 Understanding and implementation of company policy with respect to its code of labour practice shall constitute a positive performance measure when assessing appropriate personnel.