

SUPPLY CHAIN ETHICAL SOURCING AND SOCIAL COMPLIANCE POLICY

Hotsprings and Brands are fully committed to ensure the wellbeing of all workers across our Supply Chain and our supply chain factories and partners in any country or place of manufacture must always comply with appropriate National, Regional and International laws, regulations and conventions within the countries in which they operate. These workers must have the benefits of safe working conditions and be treated with dignity and respect at all times.

Hotsprings and Brands actively work with supply chain partners to develop and improve business models that will meet the United Nations Guiding Principles on Business and Human Rights *UNGPs* and we require all supply chain partners to conduct their business operations to the requirements of the Ethical Trading Initiative (*ETI*) base code as set out below as minimum requirements.



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 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 seven 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 seven 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.
 - 6.6 Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.
- * International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.



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.

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.

Note: We make every effort to ensure that the translations of the ETI Base Code and Principles of Implementation are as complete and accurate as possible. However, please note that in both cases it is the English language documents which should be treated as the official versions.

Our businesses are committed to making sure that all workers across our Supply Chains are treated with respect and can work in Safe conditions where Unfair Treatment is not allowed regardless of Age; Gender or Religion. Your rights as set out in the 9 BASE CODE requirements here and if you experience any violations of these please contact our China based Toll Free Number 4008209639 and also scan the QR code shown and report your grievance using the easy to use form where we promise that any contact you make will be kept confidential at all times.

We will use our best efforts to follow thru with you until suitable and agreeably outcomes are reached



WE CARE : WE LISTEN.
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