

Code of Conduct





1. Employment is freely chosen



2. Freedom of association and the right to collective bargaining are respected



3. Working conditions are safe and hygienic



4. Child labour shall not be used



5. Living wages are paid



6. Working hours are not excessive



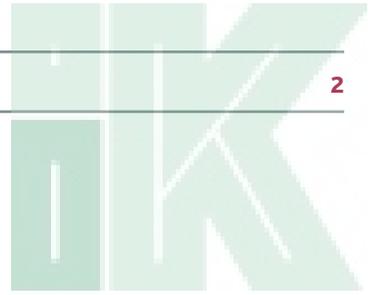
7. No discrimination is practised



8. Regular employment is provided



9. No harsh or inhumane treatment is allowed

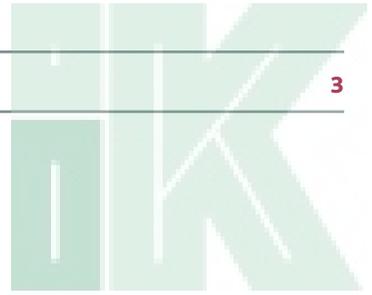


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Employment is freely chosen

- 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.



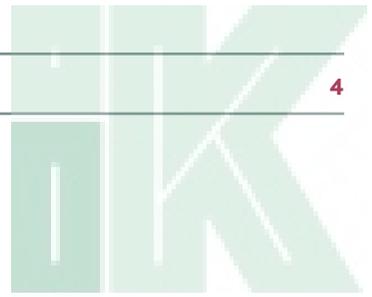


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Freedom of association and the right to collective bargaining are respected

- 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.



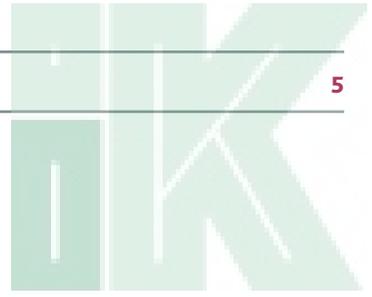


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Working conditions are safe and hygienic

- 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.



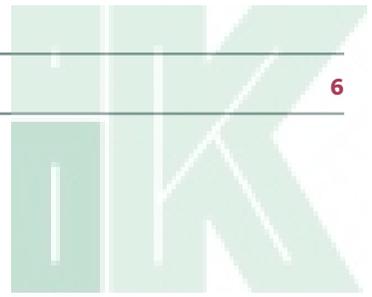


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Child labour shall not be used

- 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.



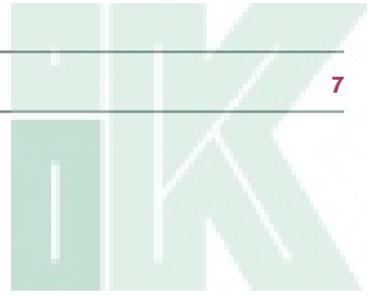


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Living wages are paid

- 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.



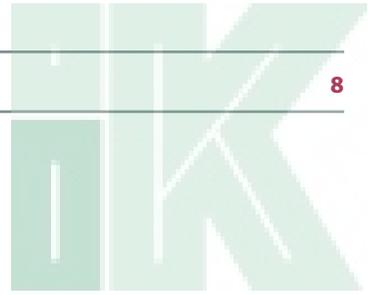


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Working hours are not excessive

- 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.

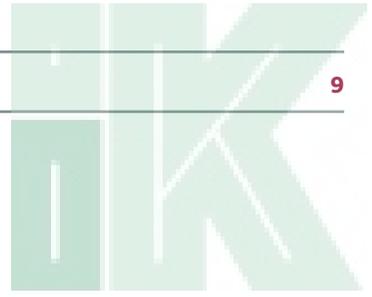


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No discrimination is practiced

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.

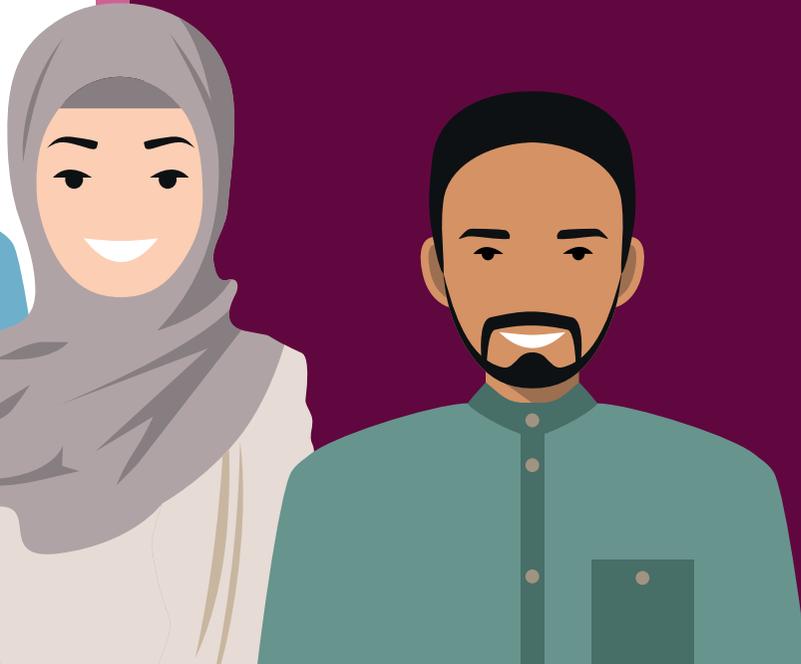


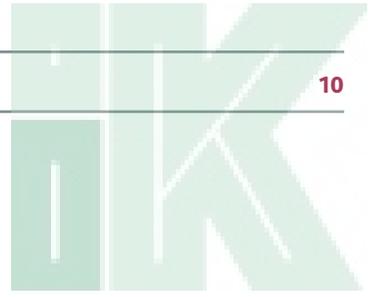


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Regular employment is provided

- 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.





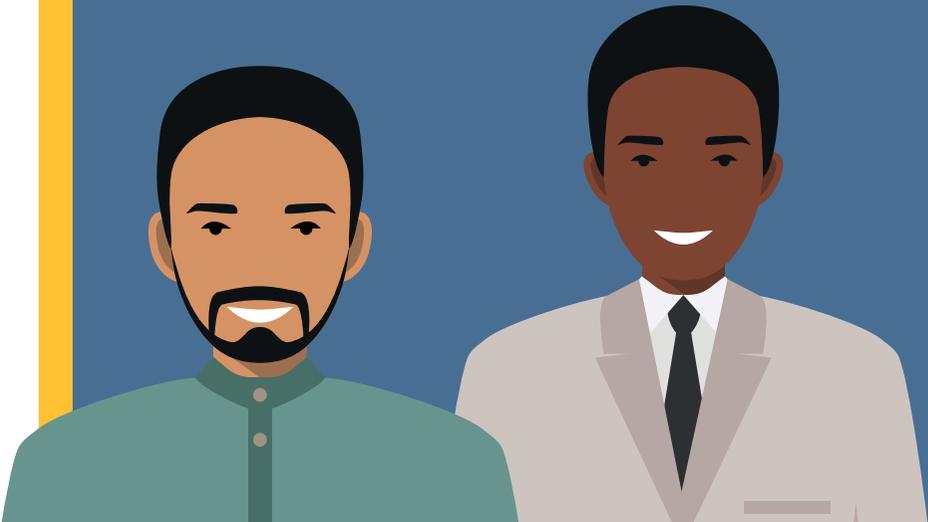
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No harsh or inhumane treatment is allowed

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.



Appendix A: Relevant international standards

With respect to human rights the most comprehensive standard is the United Nations *Universal Declaration of Human Rights*.

A further relevant standard ratified by almost every member state in the United Nations is the *United Nations Convention on the Rights of the Child*.

Responsibility for setting international labour standards is given by the international community to the International Labour Organisation (ILO) which was established for this purpose.

The most comprehensive and universally applicable standard directly addressing the responsibilities of business operating internationally is the ILO's *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*.

The tripartite structure of the ILO, involving both employers' and workers' representatives as well as governments, together with the technical expertise of this organisation in all matters relating to the world of work, make the ILO the authoritative and legitimate source of international labour standards. ILO standards are set in Conventions, having the force of international law and binding for states that have ratified them and in Recommendations which provide additional guidance to governments. ILO member states must provide regular reports on the application of ratified

Conventions to the ILO. The findings of ILO supervisory bodies form ILO jurisprudence.

With the adoption in June 1998 of the *ILO Declaration on Fundamental Principles and Rights at Work* all 174 ILO member states have an obligation, regardless of ratification, to respect, promote and realise the principles contained in the core ILO Conventions. These core Conventions and their accompanying Recommendations comprise:

- ILO Conventions 29 and 105 & Recommendation 35 (Forced and Bonded Labour)
- ILO Convention 87 (Freedom of Association)
- ILO Convention 98 (Right to Organise and Collective Bargaining)
- ILO Conventions 100 and 111 & Recommendations 90 and 111 (Equal Remuneration for male and female workers for work of equal value; Discrimination in employment and occupation)
- ILO Convention 138 & Recommendation 146 (Minimum Age).
- ILO Convention 182 & Recommendation 190 (Worst forms of Child Labour).
- ILO Convention 81 (Labour Inspection)
- ILO Convention 122 (Employment Policy)

Although not core ILO conventions, other ILO standards especially relevant to the work of ETI include:

- ILO Convention 135 & Recommendation 143 (Workers' Representatives Convention)
- ILO Convention 155 & Recommendation 164 (Occupational Safety & Health)
- ILO Convention 159 & Recommendation 168 (Vocation Rehabilitation & Employment/Disabled Persons)
- ILO Convention 177 & Recommendation 184 (Home Work).
- ILO Convention 190 & Recommendations (Safety and Health in Agriculture)

- ILO Convention 154 (Collective Bargaining)
- ILO Convention 131 (Minimum Wage Fixing)
- ILO Convention 175 (Part time work)
- ILO Convention 183 (Maternity Protection)

Another comprehensive standard addressing the responsibilities of business operating internationally, and one that is applicable to all businesses operating internationally in or from the United Kingdom, is the *Guidelines for Multinational Enterprises developed by the Organisation for Economic Co-operation and Development (OECD)*.

Appendix B: Definitions

Child: Every boy and girl under the age of 18. The UN Convention on the Rights of the Child (1989) says: "For the purpose of this present Convention, a child means every human being below the age of 18 years unless, under the law applicable to the child, majority is attained earlier" (article 1). In Spanish-speaking countries in Latin America, it is usual practice to distinguish between the boys and girls, on the one hand, and older adolescents, on the other, thereby recognising that adolescents are more mature and can take on more responsibilities than younger children.

Young Person: Any worker over the age of a child as defined above and under the age of 18.

Adolescent: A child between the age of 10 and 17. In addition, 17-19 year olds are also referred to as 'young adults'.

Child labour: Work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Principles of implementation

ETI guides its members through the process of implementing the Base Code in their supply chains using its Principles of implementation (POI) framework. These principles define the commitments, practices and behaviours required to implement effective due diligence as described by the UN Guiding Principles on Business and Human Rights (UNGPs).

Member companies work towards the full implementation of the principles and report on how they are applying them each year. The principles are grouped into four areas below.



1. Commitment



2. Identifying labour rights issues



3. Prevent, mitigate, remedy



4. Track & communicate