

HOBBS

Hobbs Supplier Code of Conduct

At Hobbs, we are committed to producing high quality and ethically manufactured products. Our Supplier Code of Conduct outlines our expectations regarding the conditions under which our products should be manufactured.

We will only do business with suppliers that share our commitment to fair and safe labour practices and observe environmentally conscious practices in the locations where they operate.

Hobbs upholds and supports the Ethical Trade Initiative (ETI) base code and acknowledges the principles by which their members operate.

This Code of Conduct applies to all suppliers and/or subcontractors producing products for us. It clarifies and elevates the expectations we have of suppliers and lays down the minimum social and environmental standards we expect each factory to meet. It follows the ETI base Code, which is designed to be fair and achievable, based on the following principles: -

1. Employment is freely chosen
2. Freedom of association and 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

The supplier must ensure that this Supplier Code of Conduct is implemented and adhered to by its subcontractors and business partners. It is our intention to only work with suppliers that share our values and we will not work with any supplier that directly or indirectly through its (approved) subcontractors or business partners, violates the laws of the country where the products are manufactured or knowingly violates these standards. We will take immediate and appropriate action upon notification of such violation.

1. Employment is freely chosen

There are commonly 3 forms of forced labour:

- **Prison Labour** refers to the work performed by prisoners that is part of their sentence and usually not compensated.
- **Indentured Labour** refers to the work performed by a worker who is bound to an employer for a certain period of time through a contract.
- **Bonded Labour** refers to an illegal practice in which employers give high-interest loans to workers who then have to work at low wages to pay off their debt.

Hobbs does not tolerate the use of any form of forced labour.

- Employees must not be required to lodge any type of deposits or hand over government-issued identification, passports or work permits as a condition of employment.
- Employees must be free to leave the factory at all times and the freedom of movement of those who live in employer-controlled residences must be respected.

2. Freedom of association and collective bargaining are respected

- In order for employees to be able to voice their comments/concerns, suppliers should encourage open communication between workers and management, while respecting the right of employees to associate, organise and bargain collectively.
- Suppliers must not threaten, penalize, restrict or interfere with employees' lawful efforts to join associations.
- Workers representatives should not be discriminated against and should be able to carry out their representative functions in the workplace.
- Where the right of 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

- Suppliers must provide a safe and hygienic working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of suppliers' facilities.
- Suppliers will also ensure these same standards apply to any dormitory or canteen facilities.
- Access to clean toilet facilities and to portable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Suppliers shall assign responsibility for health and safety to a senior management representative.

4. Child Labour shall not be used

- Suppliers must not engage in or support the use of child labour as defined in ILO Convention C138 and/or C182.
- Factories must only employ workers who meet the applicable minimum legal age requirement or at least 15 years of age, whichever is greater, or as an exception, 14 years in countries covered by article 2.4 of the ILO Convention 138.
- All official documentation stating each worker's age must be available for review. In those countries where official documents are not available to confirm exact date of birth, factories must confirm age using appropriate and reliable assessment methods.
- Young workers under 18 years of age shall not be employed at night or in hazardous conditions.
- Suppliers 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.

5. Living wages are paid

- Suppliers shall respect the right of employees to a living wage and ensure that wages for a normal working week shall always meet at least the minimum wage required by local law or the prevailing local industry wage (whichever is higher). In any event, wages should always be enough to meet basic needs and to provide some discretionary income.

- All workers shall be provided with written and understandable information about their employment conditions, including wages and benefits, before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 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.
- Suppliers must provide to employees all legally mandated benefits inclusive of annual leave and holidays as stipulated by law.

6. Working hours are not excessive

- Suppliers must ensure that regular working hours or overtime do not exceed the legal maximum according to local law or industry standards, whichever affords greater protection. 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.
- While it is understood that overtime is required from time to time in the garment sector, overtime shall be voluntary and based on mutual agreement with workers. In any event, overtime shall not exceed 12 hours per week and shall not be demanded on a regular basis.
- All employees must be paid regularly and on time. In addition to their compensation for regular hours of work, employees must be compensated for overtime at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- The total hours worked in any seven-day period shall not exceed 60 hours, unless:
 - It is allowed by national law
 - It is allowed by a collective agreement freely negotiated with workers' organisation representing a significant percentage of the workforce
 - Appropriate measures are taken to protect the workers' health and safety
 - The employer can demonstrate that exceptional circumstances apply
- Suppliers must record all employees' working hours completely and accurately and time records for all workers must be available for review.

7. No discrimination is practised

- Factories should only employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.
- No person must be subject to any discrimination in employment, including hiring, salary, benefits, access to training, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, union membership or political affiliation, social or ethnic origin, maternity or marital status.
- Women and men shall receive equal remuneration for work of equal value, equal evaluation of the quality of their work and equal opportunities to fill all positions open.
- Factories shall provide appropriate services and accommodation to women workers in connection with pregnancy, child birth and nursing.

8. Regular employment is provided

- To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 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

- Employees must be treated with respect and dignity.
- Factories must not engage in or permit physical acts to punish or coerce workers, nor should they engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, shouting or other verbal abuse.

Code and System implementation

Suppliers are expected to implement and maintain the necessary systems in order to ensure compliance to this code.

Suppliers should appoint one contact person of the management per factory who shall be responsible for implementing this Code of Conduct and communicating the code and its implications to all the factory employees. Suppliers should, where reasonably practicable, extend the code principles through their own supply chain.

This implementation system is a necessary and integral part of this Hobbs Supplier Code of Conduct. The implementation system at supplier and all sub-contractors should include the commitment to this Hobbs Supplier Code of Conduct, a management system, an internal monitoring system, worker training and education and a worker-complaints mechanism.

Suppliers must maintain on file all documentation needed to demonstrate compliance with this Code of Conduct and required social and environmental laws.

Suppliers shall agree to make these documents available for Hobbs or designated auditors and submit to audits with or without prior notice.

As a condition of doing business with Hobbs, each and every factory involved in manufacturing of Hobbs products must comply with the Hobbs Supplier Code of Conduct.

In order to verify this, suppliers must permit audits at any time of all the factories involved in the manufacturing of Hobbs products by Hobbs employees and/ or accredited auditors.

As part of the monitoring process, accredited auditors must be allowed to conduct interviews with workers on a confidential basis and inspect premises.

Should we find that a supplier does not comply with our Code of Conduct, we will ask them to take corrective actions in an agreed time frame and if not taken, we will seriously reconsider the business relationship with the supplier, including the termination thereof.

A copy of this Hobbs Supplier Code of Conduct, translated into all the native languages of the employees, must be notified and displayed in a prominent place accessible to all employees, within each facility where Hobbs products are being manufactured.

The following reference material was used for the writing of the Hobbs Code of Conduct:

- ETI Base Code
- SA8000 Standard
- ILO Core conventions
- UN Declaration of Human Rights
- UN Guiding principles on Business and Human Rights