

# PANGAIA

## Code of Conduct





# PANGAIA Code of Conduct

PANGAIA is committed to the highest standards of social and environmental responsibility and ethical conduct. Our goal is to build an Earth Positive business that gives back more than we take and has a positive impact on people and the planet. To accomplish this goal we depend on the relationships we have with our partners throughout our supply chain. We seek partners who share our values and visions of sustainability, transparency and continuous improvement. PANGAIA Suppliers must provide safe working conditions, treat workers with dignity and respect, conduct business in a fair and ethical manner, and use environmentally sustainable practices at all locations from which they supply products or perform services for PANGAIA. To ensure that all PANGAIA products are produced in this manner we have this Code of Conduct which applies to all stages of the supply chain.

PANGAIA's Code of Conduct is the minimum standard that applies to all PANGAIA Suppliers - vendors, partners, agents, distributors, factories, mills, processing facilities, farms and any associated subcontractors, subsidiaries and other suppliers who contribute to PANGAIA's products (henceforth referred to in this policy as 'Suppliers'). All Suppliers shall uphold the Code and are responsible for disseminating to their suppliers and any approved subcontractors to ensure that these principles and practices are adhered to.

This Code should be posted or made available for all workers in their local language. In the case of inconsistency between translated versions of this Code, reference shall default to the English version.

## HUMAN RIGHTS & LABOUR CONDITIONS

### **Compliance to legislation and regulations**

Suppliers must comply with all applicable international, national, local and other relevant laws and regulations, including The International Labour Organization ("ILO") Core Conventions on Labour Standards, and the Fundamental Principles and Rights at Work; the United Nations ("UN") Declaration of Human Rights and UN Guiding Principles on Business and Human Rights, and the Ethical Trading Initiative Base Code. Where there are differences or conflicts with local law, the higher standard should prevail.

### **Employment is freely chosen**

There must be no use of forced, bonded, indentured or involuntary prison labour, nor any kind of modern slavery or human trafficking. Workers are not required to lodge "deposits" or their identity papers with any party in order to gain employment and are free to leave employment with reasonable notice. Suppliers are required to monitor any third-party entity which assists them in recruiting or hiring employees to ensure that individuals seeking employment are not compelled to work through force, deception, intimidation, coercion, or as punishment for personally held views.

### **Child labour will not be used and young workers are protected**

There shall be no employment or recruitment of child labour. Suppliers must have age verification systems in place and upon employment shall

hold copies of proof of age of all workers. A remediation programme must occur if any child is found to be working. Young workers shall not be employed at night, for overtime, or in other hazardous conditions.

### **Freedom of association and collective bargaining are respected**

Workers have the right to join or form trade unions of their own choosing and to bargain collectively. Suppliers must adopt an open attitude towards the activities of unions and cooperate with dialogue. Worker representatives will not be discriminated against and will be able to freely carry out their functions in the workplace. Where the law prohibits these freedoms, Suppliers must facilitate parallel means of association and bargaining. Suppliers shall effectively communicate this right to workers.

### **Living wages and benefits are paid**

Wages and benefits will meet or exceed the minimum national legal standards, collective bargaining agreement or industry benchmark standards, whichever is higher. Wages shall always be enough to meet basic needs and to provide some discretionary income. Wages must be paid in a timely manner, regularly, and in fully legal tender. Workers shall be granted and correctly compensated for any type of paid leave (including annual leave, sick leave, and maternity or parental leave) to which they are legally entitled. Suppliers shall encourage workers to



participate in all state benefit schemes, especially sickness, maternity, injury, and retirement pensions. They shall offer advice to do so, if needed. All workers will be provided with written and understandable information about their employment conditions and wages before they enter employment and about the particulars of their wages for the pay period concerned each time they are paid. The local living wage will be understood and calculated; and progress should be made by Suppliers to pay every worker a living wage.

#### **No harsh treatment, harassment or abuse**

Workers must be treated with respect and dignity. There will be no exploitation of workers. This includes employing workers through dishonesty, the treatment of the worker whilst employed and the right to be free from oppressive treatment once the employment has been terminated. Physical, sexual, psychological or verbal abuse, harassment or bullying is prohibited. As is the threat of any kind of abuse or other forms of intimidation in the workplace and where applicable, in accommodation or other facilities provided by the Supplier for use by workers.

#### **Grievance and disciplinary processes are transparent and fair**

Suppliers must ensure that workers have a mechanism to report grievances and the identification of solutions. Open communication between management and the workers is necessary to ensure grievances are addressed. The reporting process must be transparent and accessible to all workers. There must be no risk of retaliation to any workers who put forward complaints. All disciplinary procedures must be established in writing and explained verbally to workers in clear and understandable terms. There shall be no disciplinary wage deductions, nor any wage deductions that are not set by law or collective agreement. All disciplinary measures should be recorded.

#### **No discrimination**

All workers shall be afforded equality of treatment and opportunity. There will be no discrimination in hiring, treatment, compensation, access to training, promotion, termination or retirement based on race, caste, ethnic or national origin, social background, religion, age, disability, gender, gender identity, marital or maternity status, sexual orientation, family responsibilities, membership or association with worker organisations including unions or political affiliation. Suppliers shall not subject workers to

pregnancy, or virginity tests. Suppliers may not request the disclosure of any personal, non-job-related information during the application, recruitment, or hiring process. Employees who take maternity leave (of a duration determined by local and national laws) will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits. Suppliers should provide appropriate services or provisions to any pregnant or nursing workers, or childcare where required by law.

#### **Diversity and equity are respected**

Suppliers shall encourage diversity, equity, and inclusivity in the workplace. All workers must be treated fairly and with equal rights and opportunities in the dissemination of tasks and functions. All recruitment, promotion and task assignment decisions shall be made solely on the basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to the inherent requirements of a particular job.

#### **Safe, healthy and hygienic working environment**

A safe and hygienic working environment shall be provided. Suppliers shall take a proactive approach to health and safety by assessing and minimizing hazards, implementing policies, systems and training designed to prevent accidents, injuries and protect workers. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

Suppliers shall appoint a senior management representative to be responsible for ensuring a safe and healthy environment for all workers and for implementing systems to detect avoid or respond to any risks.

Suppliers shall provide, at their own expense, appropriate and effective personal protective equipment to workers and provide first aiders and/or medical assistance as required by local law. Where no law exists Suppliers shall provide a reasonable number of trained first aiders to support employees at the workplace. Hazards such as machinery, chemicals or physically demanding work must be evaluated, and provisions put in place to monitor and control risk. Measures must be in place to manage, track and report occupational injury and illness. Suppliers shall assist the worker in obtaining follow-up medical treatment following any work-related



injury. Suppliers should make reasonable adjustment to remove or reduce occupational risks to pregnant and nursing women, persons with disabilities and young workers.

All buildings must be structurally safe and suitable for occupation. All workers have the right to remove themselves from imminent danger without seeking permission from Supplier.

Suppliers must have evacuation and response procedures prepared to protect the wellbeing of all workers from natural disaster or emergencies (e.g. flooding, earthquake, explosion, fire). All fire safety precautions must be taken including adequate warning systems, fire safety equipment, clearly marked, accessible exits and sufficient training for all workers.

Access to clean drinking water, adequate toilet facilities and, if appropriate, sanitary facilities for food storage and consumption must be provided. Accommodation, where provided, shall be clean, safe, and meet the basic needs of workers.

#### **Reasonable hours of work**

Working hours will comply with national law, collective agreements and industry standards. Workers shall not be required to work in excess of 48 hours per week and will be provided with sufficient rest days, classified as at least one day off for every 7-day period. The working hours must not prohibit the worker from enjoying their private and family life.

Hours in excess of contracted standard hours (overtime) must be voluntary, shall not exceed 12 hours per week or be demanded on a regular

## **RESPECT FOR THE PLANET**

#### **Compliance to legislation and regulations**

Suppliers must comply with all applicable environmental international, national, local and other relevant laws and regulations. Where there are differences or conflicts with local law, the higher standard should prevail.

#### **Environmental protection and management**

Suppliers should put in place procedures to prevent or minimise any negative impact on the environment, community and natural resources.

Suppliers should measure their environmental footprint and understand their emissions by the collection and analysis of data. Suppliers should continuously monitor their environmental

basis and shall be compensated at a premium rate of at least 125% normal hourly pay. Suppliers must accurately record all working hours and any overtime performed by workers.

#### **Regular employment is provided**

Work must be performed on the basis of a recognised working relationship established through national law and practice. Suppliers must take the necessary measures to ensure that all employees have a legal right to work.

Before entering employment, Suppliers must provide workers with understandable information about their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment.

Obligations to workers shall not be avoided through the use of Labour-Only Contracting, excessive use of Fixed-Term contracts, Subcontracting, or Homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

#### **Vulnerable persons are protected**

Suppliers should make provisions to accommodate individuals who are particularly vulnerable to discrimination, exploitation, or abuse. This includes, but is not limited to; women, migrants, minorities, indigenous communities, and those in non-standard employment such as Homeworkers and temporary workers. Where relevant to business operations land rights of communities, including indigenous peoples, must be respected and protected.

performance and disclose to PANGAIA, on request, their energy and water use, effluents, emissions, carbon footprint, use of chemicals and disposal of waste.

#### **Responsible management of energy, water and waste**

Suppliers shall identify, manage, reduce and responsibly control air emissions emanating from their respective operations that post a hazard to the environment. Ensuring that toxic pollutants are not part of their operations and seeking more responsible alternatives.

Suppliers should minimize water consumption and implement a systematic approach to reuse



water where appropriate and reduce wastewater produced by its operations. Wastewater and/or sludge resulting from operations should be discharged responsibly, either being treated on-site or through a third party (municipal facility, or private facility) and deemed safe before returning to the local waterways or national water systems.

Suppliers shall implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle both hazardous substances and non-hazardous waste.

Suppliers shall, as relevant to their business operations, set plans to reduce energy, water, and natural resource consumption by implementing conservation and substitution measures.

### **Responsible management of chemicals**

Suppliers shall comply with environmental and safety laws and regulations on handling waste, chemicals or other dangerous materials or substances. Suppliers must abide by PANGAIA's Restricted Substance List (RSL), as amended from time to time. Suppliers shall train workers about proper handling of dangerous materials and substances and provide all necessary Personal Protective Equipment (PPE). Suppliers should seek to minimise and prevent waste, chemicals or other dangerous materials or substances. Suppliers shall obtain, keep current, and comply with all required environmental permits and shall comply with the reporting requirements of applicable permits, law and regulations. Suppliers shall, as practical based on their business, minimize hazardous

## **FAIR BUSINESS ETHICS**

### **No bribery or corruption**

Bribery, corruption, extortion, embezzlement, fraud or other forms of lawfully unethical business practices are strictly prohibited. There shall be no improper advantage sought including the promising, offering, paying, soliciting or accepting of bribes or facilitation payments.

### **Transparency and honesty**

PANGAIA is committed to building trusting and collaborative relationships with Suppliers and in turn expect Suppliers to be open and honest to the best of their ability. Suppliers are expected to be transparent about their processes, practices and supply chain with PANGAIA.

substances consumption by implementing reduction and substitution measures.

### **Protection of nature and biodiversity**

Suppliers must make a commitment that their operations or activities are going to maintain or restore the quality of their surrounding environment through preventing the emission of pollutants, reducing the presence of polluting substances, protecting surrounding habitats and living organisms. Suppliers shall ensure that their operations related to PANGAIA have not caused habitat destruction or damage.

### **Respecting animal welfare**

Suppliers must comply with all national laws and industry standards related to animal welfare. Suppliers must respect animal welfare and work progressively towards adopting healthy and humane practices towards animals based on the Five Freedoms and Domains of Animal Welfare and other best available standards. This includes the provisions of; nutrition, environment, health, behaviour and mental state that improve conditions for animals.

### **Responsible sourcing**

PANGAIA is committed to ensuring that all raw materials and components used in our products are obtained in a responsible and sustainable way, and that social and environmental impacts are considered during the sourcing process. In line with this, where Suppliers are expected to source materials, components, or feedstocks they should prioritise credible and verifiable environmental and socially sustainable practices.

Suppliers must not provide false or misleading information to PANGAIA, or any third-party auditor, or any partner working on behalf of PANGAIA.

### **Whistleblowing protection**

Any Supplier, Worker or external party can raise a concern or complaint to PANGAIA directly or through workplace grievance mechanisms that Suppliers must have in place. All whistleblowing will be treated sensitively, taken in good faith and with no retaliation against any individuals who raise concerns. Confidentiality shall be maintained and respected, where appropriate.

Any concern or non-compliances can be raised via [impact@thepangaia.com](mailto:impact@thepangaia.com)



### **No subcontracting without prior approval**

If Supplier's wishes to subcontract any part of the manufacturing of PANGAIA goods, including the use of Homeworkers, they must have written permission and consent from PANGAIA. If permission is granted, then Supplier's must provide the Subcontractor with a copy of the

Code and ensure that all sections of the Code are fully understood by the Subcontractor and complied with. Suppliers are responsible for communicating this policy, ensuring compliance and carrying out due diligence in any factories or subcontractors making goods for PANGAIA.

## **VERIFICATION AND REMEDIATION**

To ensure that the Code is being implemented assessments, audits and certifications are required to verify that all Suppliers are compliant with the fundamental commitments to social and environmental protection.

If the Supplier becomes aware of a breach of the Code, in any part of the supply chain, the Supplier must immediately notify PANGAIA's Impact Team, and disclose any details that are deemed necessary to accurately assess the non-compliance.

Any violations of the Code by a Supplier may jeopardize the Supplier's business relationship with PANGAIA resulting in possible termination of the business relationship and other action that PANGAIA deems appropriate based on the nature of the violation. If the Supplier engages in conduct prohibited by this Code, the Supplier shall rectify the violation(s) through immediate action using documented strategies and procedures. The Supplier shall provide to PANGAIA copies of documents which show evidence of all remedial action in a Corrective Action Plan (CAP).

PANGAIA is committed to working collaboratively with Suppliers and will provide guidance, support and encouragement to Suppliers working towards becoming more sustainable. For any advice or questions on this Code please contact: [impact@thepangaia.com](mailto:impact@thepangaia.com)

## **DEFINITIONS**

**Casual Workers:** An employment arrangement that does not have regular or systematic hours of work or an expectation of continuing work. A typical casual employee is employed on a daily basis when the need arises.

**Child Labour:** Any work by a person less than 15 years of age unless local minimum age law stipulates a higher age of mandatory schooling, in which case the higher age shall apply. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, the lower will apply. This also includes any work that is likely to be hazardous or interfere with their education, or cause harm to their physical, mental, spiritual, moral or social health or development.

**Hazardous work:** Work which by its nature or the circumstances in which it is carried out, has the potential to harm the health and safety, of people. This includes handling chemicals or harmful substances, working with heavy machinery or electrics, working in confined spaces or underground or under water, working at height or in extreme temperatures, being exposed to dusty environments, fumes or loud noise, lifting heavy loads or strenuous work, working excessive hours, working overtime or working at night.

**Homeworker:** Any person whose employment is predominately carried out in their home or in other premises of their choice, other than the workplace of the employer; for remuneration; and which results in a product or service as specified by the employer as defined by ILO Convention 177.

**Migrant:** Any person living and/or working in a region different to their region of origin.

**Subcontractor:** Facility (or domestic premises for Homeworking) where production aspects are undertaken and work directly with the principal facility.

**Young Worker:** Any worker over the age of a child but under the age of 18.