

code of conduct

FOR SUPPLIERS

PAUL HEWITT

code of conduct

The present Code of Conduct version 10/2022 aims at setting up the values and principles that PAUL HEWITT strives to implement in its supply chain. This Code of Conduct consists of two major sections of information: a) Preamble, Interpretation, Our Values and Implementation, which apply to all Business Enterprises; and b) Principles, which address more specifically PAUL HEWITT's Business Partners.

The PAUL HEWITT Code of Conduct version 10/2022 enters into force on 1 October 2022. Our monitoring against the principles of this Code will start in January 2023.

PREAMBLE

This code of conduct is a set of principles and values that reflect the beliefs of PAUL HEWITT and the expectations we have towards our business partners.

The Code of Conduct refers to international conventions such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and International Labour Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain.

We are committed to the principles set out in this document and expect us as well as our business partners to meet, within their sphere of influence, their responsibility to respect human rights.

We pursue a constructive and open dialogue among business partners and stakeholders in order to reinforce the principles of socially responsible business. Furthermore, we see the building up of mature industrial relations between workers and management as being key for sustainable businesses.

INTERPRETATION

In the PAUL HEWITT Code of Conduct, the terms "business partners" cover all our Business Partners in the supply chain, particularly Producers.

Business partners shall actively communicate their endorsement of the PAUL HEWITT Code of Conduct through their company organization and to their business partners. They shall display the PAUL HEWITT Code of Conduct in the local language in an openly accessible location.

Business partners require their respective significant business partners to work towards full observance of the PAUL HEWITT Code of Conduct and take, within their sphere of influence, the reasonable measures necessary to make the PAUL HEWITT Code of Conduct applicable to their own business partners.

Business Partners engage in training and support their own staff in order to build the necessary capacities to achieve and uphold the principles of the PAUL HEWITT Code of Conduct.

Business Partners seek a constructive and open dialogue with their workers, workers representatives as well as significant business partners over their responsibility and ability to observe the principles of the PAUL HEWITT Code of Conduct and assist them in order to help them meet these expectations.

Business Partners commit to act diligently in (a) assessing actual and potential adverse impacts of their business against the values and principles of the PAUL HEWITT Code of Conduct; (b) identifying in their own facilities and their supply chain where the most significant risks for these adverse impacts may occur and (c) acting upon them with the aim of preventing and/or addressing them in line with the PAUL HEWITT Code of Conduct.

CODE OF CONDUCT

OUR VALUES

By endorsing the PAUL HEWITT Code of Conduct and communicating it to our supply chain, we are guided by the following values:

- **Continuous improvement:** we undertake to implement the PAUL HEWITT Code of Conduct in a step-by-step development approach. We expect our business partners to ensure the continuous improvement of working conditions within their organizations.
- **Cooperation:** By working together and taking a common approach, we will have a greater impact on, and better chance of improving working conditions in our supply chain. The value of cooperation is equally important in the relationship with the business partners in the supply chain, particularly those that need support in order to improve. Likewise, the spirit of cooperation is also critical in the relationship between business and affected stakeholders at different levels.
- **Empowerment:** A central aim is to empower business partners, particularly in the case of producers who will be monitored, to develop their supply chains in a way that respects human and labour rights as well as to provide business units in the supply

IMPLEMENTATION

The principles set out in the PAUL HEWITT Code of Conduct represent the aspirational goals and minimum expectations that we have with regard to our supply chains' social conduct.

Even though the aspirations will remain unchanged, the minimum expectations of our Code of Conduct, which are translated into verifiable social standards, may change in line with changes in society.

Our Business Partners commit to use reasonable endeavors to achieve the goals set out in the PAUL HEWITT Code of Conduct. While we cannot guarantee full observance of all our business partners at all times, we commit to take reasonable measures to abide by the principles of our Code of Conduct, particularly in those regions and or sectors where higher risks of non-observance exist. Needless to say, full observance is a process that takes considerable time, resources and effort; and gaps, shortcomings, failures and unpredictable occurrences will always remain a possibility. Nonetheless, we commit strongly to the early detection, monitoring and remediation of all such failures in our supply chain and remain open to constructive engagement with stakeholders who are genuinely concerned with social compliance.

1.1 Code Observance

Obeying domestic laws is the first obligation of business enterprises. In countries where domestic laws and regulations are in conflict with, or set a different standard of protection than the PAUL HEWITT Code of Conduct, business enterprises should seek ways to abide by the principles that provide the highest protection to the workers and environment.

1.2 Supply Chain Management & Cascade Effect

We acknowledge our capacity to influence social changes in our supply chain through our purchasing activities. We manage our relationships with all business partners in a responsible way and expect the same in return.

This requires a co-operative approach where every business enterprise, (a) involves its respective business partners; (b) takes all reasonable and appropriate measures in its sphere of influence, needed to implement the PAUL HEWITT Code of Conduct and (c) exchanges information to timely identify any challenge that requires mitigation.

CODE OF CONDUCT

We and our business partners strive to further detail the root causes of any such adverse impact in human rights, particularly when sourcing from high-risk regions or sectors. So as to embed this responsibility, business enterprises should act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights impacts that may be detected in the supply chain.

For producers that will be monitored, internal management systems are particularly encouraged as an effective way to embed this Code of Conduct in their business practices.

Terminating a business relationship or an individual contract with a business partner because of a struggle to implement the PAUL HEWITT Code of Conduct is considered a last resort. However, it may be necessary to terminate a business relationship or individual contract if the business partner fails to act in a manner consistent with the principles set out in the PAUL HEWITT Code of Conduct, and/or when the business partner is unwilling to undertake the measures needed to fulfill any of the obligations set out in and/or inherent to the PAUL HEWITT Code of Conduct.

1.3 Workers Involvement and Protection

Business enterprises should establish good management practices that involve workers and their representatives in sound information exchange on workplace issues, and allow for appropriate measures for protecting workers in line with the aspirations of the PAUL HEWITT Code of Conduct. Business enterprises should take specific steps to make workers aware of their rights and responsibilities.

In addition, business enterprises are required to build sufficient competence among employers, managers, workers and workers representatives in order to embed these practices in the business

operation successfully. Continuous education and training at each level of work is essential, particularly with regard to Occupational Health and Safety.

Business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Even where judicial systems are effective and well-resourced, grievance mechanisms may offer particular advantages such as speed of access and remediation, reduced costs and transnational reach.

PRINCIPLES

We expect all our business partners to observe this Code of Conduct. Furthermore, any business partners that are monitored against the principles below are to show evidence that they take (a) all necessary measures to ensure their own observance of the PAUL HEWITT Code of Conduct and (b) reasonable measures to ensure that all of their business partners involved in the production process(es) observe the PAUL HEWITT Code of Conduct.

1.4 The rights of Freedom of Association and Collective Bargaining

Business partners shall: (a) respect the right of workers to form unions in a free and democratic way; (b) not discriminate against workers because of trade union membership and (c) respect workers' right to bargain collectively.

Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, business partners shall respect this principle by allowing

CODE OF CONDUCT

workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

1.5 No Discrimination

Business partners shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, ethnic origin, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

1.6 Fair Remuneration

Business partners observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder.

Business partners shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours.

Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

1.7 Decent Working Hours

Business partners observe this principle when they ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. However, we recognize the exceptions specified by the ILO.

Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO.

In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, Business Partners shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

1.8 Occupational Health and Safety

Business partners observe this principle when they respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.

Business partners shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced.

CODE OF CONDUCT

The active co-operation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees.

Business partners shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. They shall take effective measures to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace.

Business partners will seek improving workers protection in case of accident including through compulsory insurance schemes.

Business partners shall take all appropriate measures within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including residential facilities to workers when these are provided by the employer as well as to protect against any foreseeable emergency. Business partners shall respect the workers' right to exit the premises from imminent danger without seeking permission.

Business partners shall ensure adequate occupational medical assistance and related facilities.

Business partners shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

1.9 No Child Labour

Business partners observe this principle when they do not employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply.

Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. This principle aims to protect children from any form of exploitation. Special care is to be taken on the occasion of the dismissal of children, as they can move into more hazardous employment, such as prostitution or drug trafficking. In removing children from the workplace, business partners should identify in a proactive manner, measures to ensure the protection of affected children. When appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family.

1.10 Special Protection for Young Workers

Business partners observe this principle when they ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle.

Where young workers are employed, business partners should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

CODE OF CONDUCT

Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programs.

1.11 No Precarious Employment

Business partners observe this principle when, without prejudice to the specific expectations set out in this chapter, (a) they ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers; (b) work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

Before entering into employment, business partners are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners should aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in the migrants' home towns.

Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

1.12 No Bonded Labour

Business partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour.

Business partners will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners.

Business partners shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly.

Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Business partners shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

All disciplinary procedures must be established in writing, and are to be explained verbally to workers in clear and understandable terms.

1.13 Protection of the Environment

Business partners observe this principle when they take the necessary measures to avoid environmental degradation, without prejudice to the specific expectations set out in this chapter. Business partners should assess significant environmental impact of operations and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimise adverse effects on the community, natural resources and the overall environment.

1.14 Ethical Business Behaviour

Business partners observe this principle when, and without prejudice to the goals and expectations

CODE OF CONDUCT

set out in this chapter, they are not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive.

Business partners are expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices.

Business partners should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain.

Furthermore, they should collect, use and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

APPENDICES

Compilation of International Standards relevant for the implementation of the Code such as ILO Conventions and Recommendations.

<https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm>

PRINCIPLES OF OUR PARTNERSHIP

1. We and our customers expect the delivery of goods ...

- ... that do not pose a threat to the health or property of our customers
- ... that comply with all requirements, standards and testing procedures given by law
- ... which have been produced without using raw materials that were obtained by cruel or torturous techniques from animals

2. You have received and acknowledged our Code of Conduct (CoC) and you will pay attention to and adhere to all rules specified therein. You are responsible to ensure that all of your appointed production facilities adhere to the CoC. We urge you to pay special attention to the relating provisions; we will not tolerate working conditions dangerous to health of your workers and the general public. Furthermore, we will not tolerate any form of child labor, prison labor or forced labor.

3. You shall only produce and deliver products according to our specifications with respect to design, color, use of materials and technical specifications. Without prior agreement you are not to disclose our patterns, designs, samples or finished goods to a third party.

4. All information, specifications, drawings, block patterns and other data which you receive from us during our business relation (be it in writing or verbally) are trade secrets and therefore confidential. They shall not be passed on to third parties.

5. Further you are obliged to comply with all requirements regarding the protection of intellectual property as well as any provisions regarding data protection.

6. When you produce goods for PAUL HEWITT you may only work together with firms which

have committed themselves to comply with the aforementioned standards and requirements.

We received the PAUL HEWITT principles of partnership as well as the PAUL HEWITT Code of Conduct (Version 10/2022) and acknowledge the content of these documents.

We hereby accept these two documents as a framework agreement for the business relationship between us and PAUL HEWITT.

Place, Date

Name

Function

Signature & Company Stamp