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INTRODUCTION

Baxters is an international food manufacturing business working with growers, packers, processors, exporters and agents around the world to supply both Baxters own brand products and retail customers own branded products. We share with all of our customers and suppliers the responsibility to further the fair rights of workers involved in the production of the products we sell.

Ethical trading is about brands, retailers and suppliers taking responsibility for the working conditions of the people who grow, process and pack the products within supply chains. It is about making sure that workers are treated fairly, with dignity and with respect, and without any form of discrimination.

Baxters is committed to ethical trade and basic human rights. This commitment shapes how we trade with our customers and suppliers around the world. We aim to build close relationships with our customers and suppliers to ensure ethical trading is at the heart of all of our businesses. Baxters believes this is the way business should be conducted.

BAXTERS ETHICAL POLICY STATEMENT

Baxters is committed to ensuring a good standard of ethical and environmental trade practices, including the provision of safe working conditions and the protection of workers’ rights, across its manufacturing operations and with all its suppliers.

We commit to strive to conduct our business globally in accordance with the provisions of this Policy (“Policy”) and expect suppliers to observe the Policy and to demonstrate a similar commitment to an on-going programme of ensuring and, where necessary, improving, ethical and environmental practices.

Both Baxters and all our suppliers must conduct their businesses in an ethical manner and must not seek to gain competitive advantage by means of unethical or dishonest practices including without limitation; bribery, corruption, facilitation payments, the provision of gifts, favours or services.

This Policy reflects the principles of The Ethical Trading Initiative Base Code (“the ETI Base Code”) * and the international standards set out in the International Labour Organisation (ILO) Conventions.

SCOPE OF THE POLICY

The requirements set out in this Policy are in addition to all applicable legislation and industry best practice. We require all growers/processors/packers/agents and import companies who supply us to meet the requirements laid down in law at the point of production and packing. The responsibility to comply with all food quality, legal and food safety requirements for products supplied remains unchanged. Both Baxters and all Baxters suppliers must keep abreast of changes to applicable legislation, identifying and implementing operational and management changes to maintain compliance where and when changes occur.

COMPLIANCE WITH THE POLICY

Baxters recognises that its suppliers may not be able to achieve all the standards laid out in this Policy immediately. Baxters will strive to comply with this Policy and is willing to engage with suppliers who:

- have implemented, or are willing to implement, appropriate and workable processes for raising standards to be compliant with this Policy within a reasonable period;
- can demonstrate a responsible and transparent approach to their working and general practices;
- have successfully undergone any required audit or verification procedure or in the case where this has not occurred are willing to within an agreed time period to reflect our requirements;
- have demonstrated an on-going commitment to improving working and ethical standards for all workers.

Baxters recognises the value and effect that stable relationships make to the observance of good labour practices and endeavour to build strong, collaborative business relationships with all its suppliers. This Policy reflects the principles of The ETI Base Code * and the international standards set out in the ILO Conventions.

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Start of ETI Base Code

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. 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 at the end of this code.
- 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.*

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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.

End of ETI Base Code

Definitions: **Child** unless otherwise defined by local legislation, any person under 15 years of age. Note: Any person less than 15 years of age unless local minimum age law stipulates a higher age for work or 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 No 138, the lower age will apply. **Child Labour** Any work carried out by a child as defined above.

In addition, Baxters expect the following to be applied:

Entitlement to Work:

- Only workers with a legal right to work in the country should be employed.
- For workers including agency workers, original documents should be reviewed and returned to verify right to work.

Labour Agencies

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- Labour agencies should only supply workers registered with them
- Relationships with labour agencies should be covered by a Service Level Agreement which meets all national legal requirements.
- Labour agencies should be audited on a regular basis by the labour user to ensure compliance with national requirements.

ENVIRONMENTAL STANDARDS

Suppliers must comply with applicable local environmental regulations and such additional environmental standards as we may notify in writing from time to time. In any event suppliers must demonstrate an awareness of environmental matters and a commitment to improving environmental standards, (including, without limitation, waste reduction, increased recycling, reduction of pollution, increased use of environmentally friendly products from sustainable sources) and are encouraged to develop and implement a meaningful environmental action plan by which progress can be measured.

DOCUMENTATION AND INSPECTION

Suppliers must adopt effective systems for the implementation of the provisions of this Policy. Agents/ Import suppliers shall in turn be responsible for implementing, monitoring and recording the compliance of their own suppliers.

SEDEX MEMBERSHIP: Suppliers are required to be members of Sedex, to be linked to Baxters (ZC1082621) on the Sedex platform, to maintain their membership of Sedex at all times and maintain their Self-Assessment Questionnaire (“SAQ”) at 100% giving Baxters visibility of site SAQs and supplier audits.

In addition all suppliers within an agreed timeframe should undergo an ethical audit by an approved 3rd party auditor, preferably SMETA. The results of such an audit must be available to Baxters and corrective actions are expected to be achieved within the timescales as set by the auditor at the time of the audit unless otherwise advised and with good reason.

NON-COMPLIANCE

By entering into an agreement with Baxters, every Baxters supplier hereby agrees to and accepts the terms of this Policy.

Without prejudice to the provisions of the Policy or the terms of any agreement between a supplier and Baxters , we shall be entitled, in our absolute discretion, to terminate all contracts with a supplier with immediate effect and without liability in the event that we determine that the supplier has failed to demonstrate to our satisfaction, a genuine willingness to work towards meeting all of the provisions of this Policy within a reasonable time and/or have failed to demonstrate sufficient openness and transparency to allow a robust verification of their working practices.

Information Sources:

The Ethical Trade Initiative
www.ethicaltrade.org

The International Labour Organization
www.ilo.org

Sedex Global
www.sedexglobal.com

Stronger Together
www.stronger2gether.org

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Sustainable Agriculture Initiative
www.saiglobal.com

Modern Slavery
www.modernslavery.co.uk

Association of Labour Providers
www.labourproviders.org.uk

The UN Guiding Principles on Business and Human Rights
www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

Signed:

Position: European Chief Executive Officer

Date: 28/10/18

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