

# Code of Conduct

## Introduction

Twinings Ovaltine aspires to make and sell the best quality products. This is the result of using the highest quality materials and operating to the highest standards in all aspects of our business. We aim to work with suppliers that share our high standards, with regard to quality and service, but also very importantly our ethical values.

Our Code of Conduct sets out the core principles to which suppliers and production sites should adhere. It is based upon the Ethical Trading Initiative (ETI) Base Code, which is itself founded on the core conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.

Where shortcomings with any of the areas of the Code of Conduct are identified, we will try to work with the supplier to implement a time-bound programme of improvement (remediation) leading to conformance. However, we reserve the right to terminate an agreement with any supplier immediately upon serious transgressions or where there is no preparedness to make necessary changes.

The Code of Conduct is a mandatory requirement and will be subject to audit. Twinings Ovaltine requests that suppliers adopt an open attitude to monitoring activities and give cooperation to its own and any third party auditors employed.

If the local or national law requires a higher standard than the one outlined in the Code of Conduct, the higher one will be applicable.

A handwritten signature in blue ink, appearing to read 'Bob Tavener'.

Bob Tavener,  
CEO  
Twinings Ovaltine

## **1. EMPLOYMENT IS FREELY CHOSEN**

- 1.1 There is no forced or compulsory labour in any form, including bonded, trafficked, or prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer or agent, 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 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.

## **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 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.

## 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.
- 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 7 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 7 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 7 day period or, where allowed by national law, 2 days off in every 14 day period.

## **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, subcontracting, 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.

8.3 Suppliers may only employ subcontractors with prior approval from Twinings Ovaltine.

## **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.

## **10. NO BRIBERY OR CORRUPTION WILL BE TOLERATED**

10.1 The offering, paying, soliciting or accepting of bribes or kickbacks, including facilitation payments, is strictly prohibited.

## **11. ENVIRONMENTAL REQUIREMENTS**

11.1 There should be a company environment representative.

11.2 The company should be aware of and able to demonstrate compliance with all current legislation that may affect their activities.

- 11.3 The company should conduct an environmental review and consider all aspects of their products and services.

## 12. LEGAL REQUIREMENTS

- 12.1 Twinings Ovaltine is committed to full compliance with the laws and regulations in each procurement location where Twinings Ovaltine conducts business, and will not knowingly operate in violation of any such law or regulation.
- 12.2 Twinings Ovaltine will not knowingly use suppliers who violate applicable laws and regulations.
- 12.3 The company should adhere to the principle of free, prior and informed consent of local communities and indigenous peoples when acquiring land. The rights of communities and traditional peoples to maintain access to land and natural resources should be recognised and respected.

## 13. APPENDIX A Definitions

### Bribe:

A bribe may involve giving or offering any form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit. Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary.

Some examples of bribes are as follows (this is not an exhaustive list): gifts, or travel expenses; the uncompensated use of company services, facilities or property; cash payments; loans, loan guarantees or other credit; the provision of a benefit, such as an education scholarship or healthcare, to a member of the family of a potential customer/public or government official; providing a sub-contract to a person connected to someone involved in awarding the main contract; engaging a local company owned by a member of the family of a potential customer/public or government official; etc.

### Child:

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 would 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 age will apply.

### Young Person or Young Worker:

Any work over the age of a child as defined above and under the age of 18.

