

## Twinnings Ovaltine Supplier Code of Conduct

Twinnings Ovaltine makes and sells the best quality products in its markets. This is the result of using the highest quality materials and operating to the highest standards in all aspects of our business. We 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 that our suppliers, their production sites and our own operations should comply with. We ask that our suppliers cascade these expectations to their suppliers, subcontractors, homeworkers, and recruitment agencies. These principles are based upon the internationally-recognised code of labour practice, the Ethical Trading Initiative (ETI) Base Code, which is itself founded on the main conventions of the International Labour Organisation (ILO). These principles also draw from the United Nations Declaration on Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the BSR Gender Equality in Codes of Conduct Guidance.

In addition to complying with the Code of Conduct, suppliers must comply fully with all legal requirements relevant to their businesses. If local or national law requires a higher standard than the one outlined in this Code of Conduct, the higher standard will apply. Above all, our suppliers should adopt and follow practices which safeguard human rights, workers' employment rights, safety and the environment.



Bob Tavener,  
CEO  
Twinnings Ovaltine

## 1. FORCED LABOUR

- 1.1 There shall be no forced, bonded, prison or compulsory labour in any form, or any form of human trafficking.
- 1.2 Suppliers shall ensure that workers, including migrant workers and workers supplied through an agency, are not required to make deposits, financial guarantees or payments to employers, labour providers, brokers or agencies to obtain work. Suppliers shall be responsible for payment of all fees and expenses.
- 1.3 Suppliers and, where relevant, workers' employers, labour providers or agencies shall not retain original copies of identity documents (such as passports, identity cards, work permits, bank books, ATM cards and other personal documents).
- 1.4 Suppliers shall not engage in making personal loans to workers or jobseekers under circumstances where repayment terms could be defined as debt bondage or forced labour.
- 1.5 Suppliers shall respect the right of workers to terminate their employment after reasonable notice and to receive all owed salary.
- 1.6 Suppliers shall respect the right of workers to leave the workplace after their shift. Where provided, workers' accommodation arrangements must not restrict workers' freedom of movement at any hour.

## 2. FREEDOM OF ASSOCIATION, COLLECTIVE BARGAINING AND WORKER CONSULTATION

- 2.1 Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 Suppliers shall adopt an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Worker representatives shall not be discriminated against and shall have access to carry out their representative functions in the workplace.
- 2.4 Suppliers shall not use any form of physical or psychological violence, threats, intimidation, retaliation, harassment, or abuse against union representatives and workers seeking to form or join an organization of their own choosing.
- 2.5 Where the right to freedom of association and collective bargaining is restricted or prohibited by law, suppliers must not hinder workers from developing alternative mechanisms to express their grievances, protect their rights regarding working conditions and terms of employment, and negotiate their conditions, including pay. Suppliers must not seek to influence or control these mechanisms.
- 2.6 There is a clear and transparent system of worker and management communication that enables workers to consult and have an effective dialogue with management.
- 2.7 Suppliers shall provide a grievance mechanism for workers to raise workplace concerns. This grievance mechanism must involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned,

without any retribution. The mechanism must also allow for anonymous complaints to be raised and addressed. The existence and scope of this mechanism must be clearly communicated to all workers and their representatives, and all workers must have equal access.

2.8 Suppliers shall protect whistleblower confidentiality and prohibit retaliation.

### 3. HEALTH AND SAFETY

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and 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 reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Suppliers shall assign responsibility for health and safety to a senior management representative.

3.3 Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.

3.4 Male and female workers engaged in working with hazardous chemicals and materials will be informed of any potential risks to their reproductive health. To prevent unsafe exposure, appropriate arrangements shall be made for pregnant women.

3.5 Workers shall have access to clean toilet facilities, potable water, and sanitary facilities for food storage. The number of toilets within reasonable distance of the workplace required under applicable law shall be provided. The number of toilets shall also take into consideration the number of workers, privacy for each individual, and gender, accessibility, and hygiene. Undue restrictions shall not be imposed on the time and frequency of toilet use.

3.6 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.7 Flexible working arrangements and on-site facilities shall be offered to women who are pregnant or nursing.

3.8 Workers shall have access to adequate health services in accordance with national laws and international norms.

### 4. CHILD LABOUR

4.1 Suppliers must not employ any person under the age of 15 in any circumstances. In addition, suppliers shall not employ workers who are below either:

- i) the legal minimum age for employment applicable to the supplier; or
- ii) the age of completion of compulsory education.

We consider all of the above to be **children**. Suppliers shall maintain robust age verification checks at all times to ensure they does not recruit or exploit children in any way.

4.2 If any child is found working directly or indirectly for the supplier, the supplier shall implement a remediation plan, develop or participate in and contribute to policies and programmes that put the

best interests of the child first, and provide for the transition of any such child to enable her or him to attend and remain in quality education until no longer a child.

- 4.3 Young workers under 18 years of age shall not be employed to work at night, or in conditions which compromise their health, safety, or moral integrity, or which harm their physical, mental, spiritual, moral or social development, or which interfere with their schooling or deprive them of the opportunity to attend school.

## 5. WAGES AND BENEFITS

- 5.1 Wages and benefits paid for a standard working week shall meet, as a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event, wages shall always be enough to meet basic needs and to provide some discretionary income.
- 5.2 Suppliers shall work towards paying workers a fair living wage. Wages are essential for meeting the basic needs and expenditure of employees and reasonable savings. We seek business partners who progressively raise employee living standards through improved wage systems, benefits, welfare programmes and other services, which enhance quality of life.
- 5.3 Wages shall be paid regularly and on time.
- 5.4 Workers shall receive a payslip for each pay period, in a language they understand, clearly indicating the components of the compensation, including exact amounts for wages, benefits, incentives/bonuses and any deductions. Wage calculations shall be transparent, equitable and objective, including any for remuneration based on production, quotas, or piecework.
- 5.5 Female employees shall be entitled to maternity protection (leave and benefits as well as protection against discrimination) in accordance with the requirements of national laws and regulations, or ILO Conventions Nos. 183, 103, and 3, whichever is the higher standard.
- 5.6 Deductions from wages as a disciplinary measure shall not be permitted, nor shall any deductions from wages not provided for by national law without the express permission of the worker concerned. All disciplinary measures shall be recorded.

## 6. WORKING HOURS

- 6.1 Suppliers shall ensure that working hours comply with national laws, collective agreements, benchmarked industry standards, or relevant international standards, whichever affords greater protection to ensure the health, safety and welfare of workers. Working hours, excluding overtime, shall not exceed 48 hours per week. The total hours worked (including overtime) in any week shall not regularly exceed 60 hours in a single week.
- 6.2 Working hours may exceed 60 hours in a single week only in exceptional circumstances and where all of the following are met: this is permitted by national law; this is permitted by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;

appropriate safeguards are taken to protect the worker's health and safety; and the employer can demonstrate that exceptional circumstances apply such as seasonal work, accidents or emergencies.

- 6.3 All overtime shall be voluntary. Should a worker refuse to do overtime they shall not be punished, retaliated against, or penalised in any way. Overtime shall be used responsibly and not be requested on a regular basis, taking into account the extent, frequency and hours worked by the individual worker and the workforce as a whole. It shall not exceed 12 hours per week and 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 Workers shall be provided with at least one day off in every 7 day period or, where permitted by national law, 2 days off in every 14 day period, as well as paid annual leave.

## **7. DISCRIMINATION**

- 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, ethnic origin, caste, nationality, social group, religion, age, disability, gender, marital status, family responsibilities, pregnancy status, sexual orientation, HIV/AIDs status, union membership or political affiliation.
- 7.2 Female workers shall be protected against threats of dismissal or any other employment decision that negatively affects their employment status in order to prevent them from getting married or becoming pregnant.
- 7.3 Suppliers shall not make use of pregnancy screening or testing at any time before or after the jobseeker signs an employment agreement, except where required by law. In such cases, the results of pregnancy screens or tests must only be used in accordance with the law.

## **8. EMPLOYMENT RELATIONSHIP**

- 8.1 Work performed shall be on the basis of a recognised employment relationship established in compliance with national law and international labour standards.
- 8.2 All workers, both permanent and casual, shall be provided with clear written information and employment documents before they enter employment, containing accurate details of employment conditions, including pay, hours, overtime, benefits, leave, disciplinary and grievance systems. These documents shall be freely agreed, in a language that workers understand, and shall respect workers' legal and contractual rights.
- 8.3 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.

## 9. HARASSMENT AND ABUSE

- 9.1 Suppliers shall commit to a workplace free of harassment and abuse. Physical and verbal abuse, physical discipline, and any other abuse, harassment or intimidation shall be prohibited, as shall the threat of any such abuse, harassment, or intimidation.
- 9.2 Sexual harassment, including unwelcome sexual advances, unwanted hugs and touches, suggestive or lewd remarks, requests for sexual favours, and the display of indecent, derogatory, or pornographic pictures, posters, drawings, or videos, shall be prohibited.
- 9.3 All workers, both men and women, shall be protected from retaliation for complaining about harassment and abuse.

## 10. ANTI-BRIBERY AND CORRUPTION

- 10.1 The offering, paying, soliciting or accepting of bribes or kickbacks, including facilitation payments, is strictly prohibited. 'Bribe' and 'facilitation payment' are defined in the Appendix.
- 10.2 Suppliers, representatives and their employees must comply with all applicable anti-bribery and corruption laws. If no such anti-bribery or corruption laws apply or are of a lesser standard than that prescribed by the UK Bribery Act 2010, suppliers, representatives and their employees must adhere to the UK Bribery Act 2010.
- 10.3 Suppliers and representatives shall have in place anti-corruption and bribery procedures designed to prevent employees or persons associated with their business from committing offences of bribery or corruption. Suppliers and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

## 11. ENVIRONMENTAL REQUIREMENTS

- 11.1 Suppliers shall support and encourage operating practices, farming practices and agricultural production systems that are sustainable.
- 11.2 Suppliers and their representatives shall continually strive towards improving efficiency and sustainability of their operations, which should include water conservation programmes.
- 11.3 Suppliers shall be able to demonstrate environmental management, including the following:
- i) the supplier should have a company environment representative;
  - ii) the supplier should be aware of and be able to demonstrate compliance with all environmental legislation that may affect its activities;
  - iii) the supplier should conduct an environmental review to determine whether any aspects of its operations, products or services can more fully reflect these Environmental Requirements;
  - iv) the supplier should provide transparency in disclosing any enforcement, improvement or prohibition notices served on its site(s) within the last three years.

## 12. LAND AND NATURAL RESOURCES

- 12.1 Suppliers shall adhere to the principle of free, prior and informed consent of all communities when acquiring land. The rights of communities and traditional peoples to maintain access to land, water and natural resources will be recognised and respected.

## 13. AUDIT AND TERMINATION OF AGREEMENTS

- 13.1 Suppliers shall only use production site(s) approved by Twinings Ovaltine in writing and will not subcontract or change production site(s) without Twinings Ovaltine's further written approval.
- 13.2 Twinings Ovaltine will provide guidance to suppliers to help them understand our requirements and to implement policies and procedures to enable them to comply with our standards.
- 13.3 Compliance with this Code of Conduct is a mandatory requirement and will be subject to audit. Suppliers shall demonstrate at all times an open attitude to such audits, monitoring activities, visits and training programmes, including worker interviews, and give all cooperation to Twinings Ovaltine's appointed auditors.
- 13.4 Where shortcomings with any aspect of this Code of Conduct are identified, the supplier shall devise, and inform Twinings Ovaltine of, its corrective action and implementation plans and timeline to effectively and promptly resolve the shortcomings.
- 13.5 Twinings Ovaltine reserves the right to terminate an agreement with any supplier immediately for failure to comply with this Code of Conduct or where there is no willingness to make the appropriate changes.

## 14. COMPLIANCE WITH LAWS

- 14.1 Twinings Ovaltine is fully committed to compliance with the applicable laws and regulations in each location where Twinings Ovaltine conducts business, and will not knowingly operate in violation of any such law or regulation.
- 14.2 We will not knowingly use suppliers who violate applicable laws and regulations.

**APPENDIX: 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): lavish gifts, meals, entertainment or travel expenses, particularly where they are disproportionate, frequent or provided in the context of ongoing business negotiations; 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.

**Facilitation Payment:**

Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). Such payments are strictly prohibited under this Code, regardless of whether they are permitted by national laws.