



Ethical Sourcing Policy

At CHITS UK Ltd, we are committed to taking a leadership role in our industry, by subscribing to high standards of ethical conduct. We recognise that our corporate and social responsibilities reside as much in our supply chain as they do in our own activities. Therefore we continually seek to ensure that the products and services we source are ethically produced. We do this by working with all of our suppliers to positively influence our social, ethical and environmental performance. Preferred suppliers are those who respect, comply with or interpret at the organisational level relevant laws, regulations treaties, covenants or other agreements. We look for suppliers who demonstrate a commitment to implementing policies and practices consistent with and complementary to, our own. We believe these considerations to be the platform from which responsible behaviours can be built.

We expect suppliers to adopt sound labour practices; we expect them to treat their employees fairly, in accordance with local laws and regulations relating to labour and employment. We expect suppliers to adhere to the following requirements: Employment is freely chosen Suppliers will not use forced, bonded or involuntary prison labour. Workers must not be required to lodge ‘deposits’ or their identity papers with employers; they must be free to leave once their shift ends, or after giving their employer reasonable notice. Child Labour Suppliers shall not use child labour. ‘Child’ is defined as a person who is younger than the local legal age for completing compulsory education. Suppliers shall verify the age of their workers and maintain copies of their workers’ proof of age. Suppliers shall follow all applicable laws, regulations and the ILO standards regarding working hours and conditions for all employees. Involuntary Labour Suppliers shall not use involuntary labour. ‘Involuntary Labour’ is defined as work or services extracted from any person under threat or penalty of its non-performance, and for which the worker does not offer himself or herself voluntarily. It includes all manner of prison, bonded, indentured and forced labour. Workers must be free to leave once their shift ends and free to leave their employment after reasonable notice. Immigration Law Compliance Suppliers shall only employ workers who have a legal right to work, including workers obtained through an employment agency. Workers’ legal rights to work must be validated by reviewing original documentation prior to commencement of work.

Freedom of Association & Collective Bargaining

Suppliers shall respect the rights of workers to associate, organise and bargain collectively in a legal and peaceful manner. Suppliers shall ensure that employee representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, suppliers must not hinder the development of parallel means for independent and free association and bargaining.

Working conditions are safe and hygienic.

Suppliers shall provide a safe and hygienic working environment. They shall also provide continuous monitoring to ensure compliance with applicable legislation, regulations and the ILO standards.

Suppliers shall ensure that personal protective safety equipment is available and that workers are adequately trained in its use. Safeguards on machinery must meet or exceed local laws, and workers shall be provided with all appropriate protective equipment.

Working Hours

All working hours will comply with national laws and benchmark industry standards, whichever affords greater protection. Overtime work should be voluntary, and overtime should not be requested on a regular basis. Suppliers shall guarantee breaks and days off in compliance with applicable law.

Wages and Benefits

Suppliers shall provide wages and benefits that comply with all local laws and regulations or match prevailing local manufacturing or industry rates, whichever is higher. Overtime pay shall be calculated at the legally required rate, regardless of whether workers are compensated hourly or by piece rate.

To every extent possible, suppliers must ensure that all work is performed according to a recognised employment relationship established through national law and practices.

Obligations to employees still apply even if employees:

- Work under labour-only contracts;
- Work from home;
- Work under apprenticeship schemes where there is no real intent to impart skills or provide regular employment;
- Are required to sign and re-sign fixed-term contracts of employment.

Environmental Standards

Our preferred suppliers shall, as a minimum, comply with all applicable laws and regulations relating to the environmental impact of their business. They shall maintain procedures for notifying local authorities in the event of an accident or incident which may adversely

affect the environment as a result of their operation. Supplier compliance with environmental law shall include any international or applicable local laws affecting the source of materials and processes used to manufacture products. Detailed performance standards are a matter for suppliers, but should address at least the following:

- **Waste Management:** - Waste is minimised and items recycled wherever practicable. Effective controls of waste in respect of ground, air, and water pollution must be adopted. In the case of hazardous materials, emergency response plans must be put in place.
- **Packaging and Paper:** - Undue and unnecessary use of materials shall be avoided, and recycled materials should be used wherever appropriate.
- **Conservation:** - Processes and activities shall be monitored and modified as necessary to ensure conservation of scarce resources, including water, flora and fauna and productive land.
- **Energy Use:** - All production and delivery processes, including the use of heating, ventilation, lighting, IT systems and transportation, must be based on maximising efficient energy use and minimising harmful emissions.

Conflicts of Interest

Suppliers and contractors must avoid any situation that may involve a conflict or the appearance of a conflict between their personal interests and the interests of CHITS UK. Each supplier and contractor must make prompt and full disclosure to CHITS UK of any situation which may involve a conflict of interest. Conflicts of interest include, but are not limited to:

- Ownership of a significant financial interest in any competitor of CHITS UK.
- Serving as a director, officer, partner, and consultant or in any capacity with a competitor of CHITS UK.
- Acting as a broker, finder or other intermediary for the benefit of a third party in transactions involving CHITS UK or its interests.
- Any other arrangement or circumstance, including family or other personal relationships, which might influence the supplier or contractor from acting in the best interests of CHITS UK.



"The Specialist for Specialists"