

Revised October 2009

## Policy Document – Ethical Sourcing

### Overview

At eLogistics, we're 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 will 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, such as the International Labour Organisation (ILO) standards. 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.

### Labour Standards

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.

### **Regular employment is provided**

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 in certain situations.
- **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.
- **Product Selection:** - Proactively work with and provide assistance to eLogistics in selecting products which are environmentally beneficial.

## 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 eLogistics. Each supplier and contractor must make prompt and full disclosure to eLogistics 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 eLogistics.
- Serving as a director, officer, partner, consultant or in any capacity with a competitor of eLogistics.
- Acting as a broker, finder or other intermediary for the benefit of a third party in transactions involving eLogistics 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 eLogistics.

## Arms

Suppliers shall not engage:

In the manufacture of arms; or

- In the sale of arms to governments which systematically violate the human rights of their citizens; or where there is internal armed conflict or major tensions; or where the sale of arms may jeopardise regional peace and security.

## Insider Trading

Suppliers must ensure that non-public information obtained as a consequence of their relationship with eLogistics shall not be used for the personal profit of the supplier, their contractor, or their employees or anyone associated with their employees.

The Company Securities (Insider Dealing) Act 1985, and amended by the Financial Services Act 1986 each contain stringent prohibitions against insider trading. This prohibited conduct applies both to the securities of eLogistics and to those of its customers, suppliers, or other companies with whom eLogistics does business.

## Business Courtesies and Inducements

Offering, giving, soliciting or receiving any form of bribe or under-the-table payment, including unauthorised gifts, is prohibited. Good judgment and moderation must be exercised to avoid misinterpretation and any adverse effect on the reputation of eLogistics or its employees.

## Intellectual Property

Suppliers and contractors must use eLogistics' trade information, copyrights, and trademarks only in a manner that is permitted under their contract with eLogistics, and in any event, safeguard them as assets of eLogistics, and not misappropriate or infringe the trade information, trademarks, or copyrighted works of others.

Suppliers and contractors must not use trade secrets or proprietary or confidential information for their own purposes or disclose such information to unauthorised third parties.

Suppliers and contractors must notify eLogistics of any unauthorised use of the eLogistics name, trademarks and logo by any third party.

## Confidentiality

Suppliers and contractors must protect CEA's information, not disclose it to any third party, and use it only for the business of CEA.

## Monitoring and Compliance

Generally, preferred supplier status will not be conferred unless:

The eLogistics Ethical Sourcing Policy can be complied with;

- eLogistics considers their performance is acceptable, or genuine attempts are being made to address violations of this policy.

eLogistics reserves the right to audit compliance with this policy or appoint a third party to conduct an audit. All violations will be reported to the supplier's management for their attention and appropriate corrective action. Regardless of corrective action required, eLogistics may terminate its relationship with any supplier who does not comply with the Ethical Sourcing Policy, without liability to the supplier for damages resulting from termination.

The provisions of this policy constitute minimum and not maximum standards, and suppliers in the UK, together with their contractors, must apply this policy as well as other applicable laws, and where the provisions of law and this policy address the same subject, they must apply the provision which affords the greater protection.

Those suppliers operating off-shore must as a minimum, abide by all laws in that jurisdiction, together with the labour standards set out in this Policy. eLogistics reserves the right to apply additional standards on a case-by-case basis, having regard to existing principles already broadly accepted within the community (for example, additional ILO conventions or SA8000).