

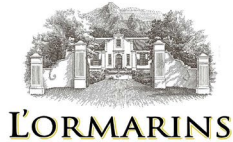
## L'ORMARINS GROUP ETHICAL POLICY

### 1. Ethical Policy -Statement

- 1.1 The L'Ormarins Group is committed to conduct its business in an ethical manner and in full compliance with all applicable laws and ethical standards to which the company subscribes. The Company is also an equal opportunity employer and supports the national labour initiatives and relevant labour legislation. We are committed to the implementation of fair / ethical labour practices.
- 1.2 The L'Ormarins Group therefore strives to continuously adjust to changing circumstances and to create a work climate, enhancing the welfare of all stakeholders.
- 1.3 Our values: **Loyalty, Honesty, Respect, Trust, Passion and Integrity** are all guiding principles in our business dealings. Our ability to achieve the challenging business goals we set for ourselves depends on each and every one of us being committed to these values. These values apply wherever we do business around the world, in conjunction with the local and international laws and regulations.
- 1.4 The aim of the L'Ormarins Group is to ensure that all employees employed by the Company or working within the Supply Chain of the Company, are employed in conditions that meet or exceed the Ethical Trading Initiative (ETI) base code.
- 1.5 The Company commits itself to an anti – bribery, fraud and corruption free business environment.

The L'Ormarins Group commits to:

- Conduct business transparently and in an honest and ethical manner;
- Zero tolerance against fraud, theft, corruption or any similar illegal behavior
- Comply with all applicable Anti- Bribery and Corruption laws, regulations, rules and codes of conduct in the jurisdiction in which it carries our operations;
- Embed its business relevant Anti- bribery and corruption compliance framework and process in its daily activities;
- Continuously monitor the regulatory environment and to implement appropriate responses to changes and developments.



## Code of Good Ethical Business Practice

### 1. Policy Statement

The L'Ormarins Group is committed to proactively promoting responsible social, environmental and business principles and practices within the company and the supply chain and have developed a Code of Good Ethical Business Practice and supporting policies and procedures to encourage ethical company and supply chain practices.

### 2. Scope

Employees, management, visitors, sub-contractors, contractors, suppliers and labour service providers.

### 3. Responsibility

Lanese Behr, Human Resource Manager is responsible for the implementation and communication of the Code of Good Ethical Business Practice to all relevant parties.

### 4. Management System and Policy Implementation

4.1 The Company maintains a management system that aims to integrate business, social and environmental issues into decision – making and risk review processes. The management system will be adequate for delivering compliance to this policy.

4.2 A senior member of management will be appointed, in writing, to be responsible for compliance with the policy. Senior management are accountable for all aspects of implementation, communication, evaluation and enforcement of the Group's good ethical business practice policy.

4.3 The Company complies with applicable South African laws and the applicable laws of the destination countries to which products are exported.

4.4 The Company conforms to the requirements of the ETI Base Code, including requirements contained in the ILO Conventions, Recommendations and UN Declaration of Human Rights, as incorporated into South African legislation and applicable standards and codes to which the company subscribes.

4.5 The Company applies the standard, code and/or law that affords the highest level of protection.

4.6 The Company continuously evaluates and, where appropriate, improves performance.

4.7 All managers and employees undergo regular training and awareness building with respect to the issues covered in the code, fostering an awareness of shared responsibility and accountability. The code will be communicated to all managers and employees through methods and languages understood by them, at least, annually and employees' understanding of the compliance requirements will be validated.

4.8 On-going training will be provided to those management members responsible for implementation and management of the code and other related company policies and procedures.

4.9 The code, as well as the requirements established in this Code of Good Ethical Business Practice, and any other applicable standard or code to which the company subscribes, will be communicated to suppliers and, where reasonably practicable, these principles will be extended through the supply chain.



- 4.10 The Company conducts regular assessments to evaluate compliance with and the effectiveness of this policy and controls will be introduced to reduce identified risks. The outcomes are reported annually to management for review in order to promote continuous improvement.
- 4.11 The Company is jointly and severally responsible for non-compliance of any service provider and has processes to ensure and maintain adequate control.
- 4.12 Accurate records are kept as evidence of compliance and conformance.

## 5. Human Rights

- 5.1 The Company will have a policy, endorsed at the highest level, covering human rights impacts and issues and the commitment to respect human rights, and will ensure it is communicated to all appropriate parties, including stakeholders and suppliers.
- 5.2 A senior member of management will be appointed, in writing, to be responsible for implementing standards covering human rights.
- 5.3 The Company will measure its direct, indirect, and potential impacts on stakeholders' (rights holders') human rights. Should there be any adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
- 5.4 The Company will have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. The reporting channel noted in this document must be used for reporting human rights violations.

## 6. Employment is Freely Chosen

- 6.1 Forced, bonded, military or involuntary prison labour, whether direct or indirect, is prohibited.
- 6.2 Employees will not be required to lodge "deposits" or their identity papers and are free to leave employment, having given the required notice period.

## 7. Freedom of Association and the Right to Collective Bargaining

- 7.1 All employees have the right to join or form trade unions of their own choosing, form a worker committee, and to bargain collectively.
- 7.2 Management adopt an open attitude towards the activities of trade unions and worker committees and their organisational activities.
- 7.3 Employee representatives will be democratically elected on a regular basis and will not be discriminated against and will have access to carry out their representative functions in the workplace.
- 7.4 Training and assistance will be provided to union shop stewards and worker representatives to ensure that they can effectively perform their duties.
- 7.5 Parallel means for independent and free association and bargaining will be developed, where applicable.

## 8. Working Conditions are Safe and Hygienic

- 8.1 Health & safety and occupational health & safety policies and procedures will be compiled and implemented to ensure a safe and hygienic working environment is provided for all employees and visitors.
- 8.2 Comprehensive risk assessments will be compiled and maintained and controls will be introduced to reduce identified risks.



- 8.3 All legal requirements will be met and mandatory permits and licences maintained on file.
- 8.4 Adequate steps will 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.
- 8.5 All employees have the right to remove themselves from imminent serious danger without seeking prior permission from management.
- 8.6 Employees will receive regular and documented health & safety training, and such training shall be repeated at regular intervals. All visitors to the facility will be advised of relevant health and safety issues.
- 8.7 Suitable PPE, personal protective equipment, will be provided to all employees and visitors free of charge.
- 8.8 Access to clean toilet facilities and to potable water, and sanitary facilities for food storage will be provided.
- 8.9 Accommodation, where provided, will be clean, safe, and meet the basic needs of the employees.
- 8.10 A senior member of management will be appointed in writing to be responsible for health and safety compliance.
- 8.11 All accidents on site will be suitably documented and reported to the necessary authorities, where applicable.

## **9. Child Labour**

- 9.1 Child labour is prohibited and the facility will not employ anyone under the age of 15 years.
- 9.2 The required legal provisions applying to young workers, between the age of 15 and 18, will be complied with.
- 9.3 All applicants must provide appropriate documentary photo evidence of proof of age.
- 9.4 A child labour remediation plan will be implemented should child labour be discovered. The remediation plan will conform to the ILO Convention requirements.

## **10. Living Wages are Paid**

- 10.1 Compensation and benefits will meet or exceed legislated minimum requirements.
- 10.2 All employees will receive their pay by EFT on the date agreed to in their employment contract and a legally compliant pay slip will be provided.
- 10.3 All legal mandatory deductions will be made and there will be no deductions made as disciplinary measures.
- 10.4 Employees will receive the various leave and other legally mandated benefits to which they are entitled.

## **11. Working Hours**

- 11.1 Working hours will comply with national laws and applicable collective bargaining agreements and will not exceed 45 ordinary hours per week, 3 overtime hours per day or 10 overtime hours per week unless allowed by law or collective bargaining agreement.



- 11.2 All overtime will be worked on a voluntary basis and be paid for at the applicable overtime premium.
- 11.3 All employees will be afforded, at least, one day of rest in every seven-day period or 2 days off in a fourteen – day period if allowed by law.
- 11.4 All employees will be afforded the daily rest periods between shifts and the breaks as required by law and applicable customer requirements.
- 11.5 All working hours will be recorded and maintained on record.

## **12. Discrimination**

- 12.1 The Company will not engage in or support unfair discrimination, directly or indirectly, against an employee, in employment policy or practice, including recruitment, hiring, training, overtime, compensation, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, HIV status, conscience, pregnancy, belief, sexual orientation, union membership or political affiliation, language or any other arbitrary ground.
- 12.2 All employees have opportunities for a clear career progression path through on-going training opportunities to raise and broaden skills.
- 12.3 Human resource decisions, e.g. selection, promotion, training, compensation, etc., are objective, transparent, documented and applied in all cases to prevent arbitrary decisions.
- 12.4 Pregnancy testing is prohibited.
- 12.5 Female employees returning from maternity leave are given equivalent positions and pay to their position prior to the commencement of maternity leave.
- 12.6 An effective grievance procedure, which includes provisions for the anonymous reporting of grievances, will be made available to all employees.

## **13. Sub-Contracting & Homeworking**

- 13.1 There will be no sub-contracting unless this has previously agreed with the main client, and should this occur, systems and processes will be in place to manage sub-contracting, homeworking and external processing.

## **14. Harsh or Inhumane Treatment**

- 14.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is prohibited.
- 14.2 There are published, anonymous and/or open channels available for reporting by employees, business partners, suppliers, individuals and communities, of any violations of labour or health and safety standards or any other grievances to a third party by means of the toll free hotline.
- 14.3 There are documented disciplinary and grievance procedures and management and employees are trained on the procedures and have access to all relevant documentation.

## **15. Regular Employment & Entitlement to Work**

- 15.1 All employment will be on the basis of a recognised employment relationship established through national law and practice and all employees will receive a contract of employment that complies with legal requirements in a language that they understand.
- 15.2 Only employees with a legal right to work shall be employed and documentary proof must be submitted.



## 16. Responsible Recruitment

- 16.1 The Company has a full understanding of the entire recruitment process and an effective management system in place to monitor the hiring and management of all migrant, contract, agency, temporary or casual staff as the Company is jointly and severally responsible for non-compliance.
- 16.2 No recruitment fees are permitted at any stage of the recruitment process.
- 16.3 There will be a legal contract in place with any recruitment agencies used and also with the agency employees.

## 17. Environment

- 17.1 The Company, as a minimum, will meet the requirements of local and national laws related to environmental standards and will be conscious of the potential environmental impacts of its operations and has an effective environmental management system to better understand and comply with environmental laws, regulations and permits related to solid-waste, hazardous-waste, waste-water, storm-water, air emissions, etc.
- 17.2 The environmental policy will document the use of hazardous chemicals in the manufacturing process, a system for managing client's requirements and legislation in destination countries regarding environmental and chemical issues, reduction targets for environmental aspects, e.g. water consumption and discharge, waste, energy and green-house gas emissions,
- 17.3 The environmental policy, covering the environmental impact, will be communicated to all appropriate parties, including suppliers.
- 17.4 The Company will measure its impacts, including continuous recording and regular review, of use and discharge of natural resources e.g. energy use, water use, waste recycling, etc. and will seek to make continuous improvements in environmental performance.
- 17.5 All required legal permits for the use and disposal of natural resources will be maintained on file.
- 17.6 A senior member of management will be appointed in writing to be responsible for environmental compliance.
- 17.7 Management are aware of their end client's environmental standards / code requirements and have a system in place to monitor performance against these.
- 17.8 The Company will publically communicate its impact on the environment.
- 17.9 All environmental requirements apply to sub-contracting agencies or business partners that are operating on the premises.

## 18. Business Ethics

- 18.1 The Company conducts business ethically without bribery, corruption, or any type of unethical or fraudulent business practice, in line with the business ethics policy that will be communicated to all employees, appropriate parties, including all suppliers.
- 18.2 The business ethics policy, which will be regularly updated, includes applicable business integrity controls, e.g. anti-bribery, export controls, sanctions, anti-trust, data privacy, money laundering, gifts and hospitality, conflicts of interest, product quality and safety and reporting of concerns.
- 18.3 Management will ensure awareness and compliance of any applicable laws, their end client's business ethics standards / code requirements and have a system in place to monitor performance against these.



- 18.4 A senior member of management will be appointed, in writing, to be responsible for compliance with the business ethics policies and procedures.
- 18.5 There is a transparent system in place for confidentially reporting and dealing with unethical business ethics without fear of reprisals towards the reporter and the procedure and channels will be communicated to employees, suppliers and clients.
- 18.6 There is a disciplinary code and procedure which is applicable to all, irrespective of seniority, that will ensure that anyone found in breach of policy or guilty of misconduct are subject to reprimand and sanction commensurate with the offense.
- 18.7 All staff whose job roles carry a higher level of risk in the area of ethical business practice e.g. sales, purchasing, logistics will be trained on what action to take in the event of an issue arising in their area.
- 18.8 Management will manage and mitigate all conflicts or perceived conflicts of interest. Conflict of interest will be avoided and employees will share and declare any information that may cause a conflict of interest. Where it is not possible to avoid a conflict of interest, the potential conflict of interest shall be appropriately managed.

## 19. Land Rights

- 19.1 There is a policy and procedures specific to land use change.
- 19.2 The Company supports FPIC, free, prior and informed consent, where applicable, and will only conduct land acquisition with the appropriate legal expertise and guidance.
- 19.3 No land grabbing will be tolerated, even if legally allowed.

## 20. Protection of Personal Information

- 20.1 The Company acknowledges and will comply with the requirements of the Protection of Personal Information Act No. 4 of 2013.

## 21. Reporting of Violations

- 21.1 Employees are encouraged, at all times, to report any perceived non-compliance to the Code of Good Ethical Business Practice or any other company policy or procedure.
- 21.2 The company whistle blower procedure provides a channel for anonymously reporting any breach or complaint without fear of retaliation or victimization.
- 21.3 The whistle blower procedure applies to employees, suppliers, clients and any other interested party.
- 22.4 Any violations of the code of good ethical business practice can be reported by means of:
  - the official whistle-blower website - [www.tip-offs.com](http://www.tip-offs.com)
  - reporting to your union or worker committee representative
  - the toll free and anonymous reporting line : 0800 222 536
  - reporting by email to the tip-off line at [lormarins@tip-offs.com](mailto:lormarins@tip-offs.com)
  - direct reporting to your department manager

## 22. Awareness Building

- 22.1 All employees will undergo regular training and awareness building with respect to the issues covered in this policy – fostering an awareness of shared responsibility and accountability. All new employees will be trained on the policy during induction training and existing employees will also receive



training on the policy principles. The policy will be displayed on the notice boards, made available in the employee information files and will be communicated to relevant external parties in writing.