

ETHICAL SOURCING POLICY

The Officeworks Ethical Sourcing Policy is built on the principles of the Ethical Trading Initiative (ETI) and International Labour Organisation (ILO) Conventions, to ensure there is a commitment that goods and services are sourced in a responsible manner while working with suppliers to improve their social and environmental practices.

If suppliers are unable to demonstrate a commitment to comply with the Officeworks Ethical Sourcing Policy (ESP), Officeworks reserves the right to terminate the Trading Agreement.

The ESP sets the minimum requirements, expected of suppliers. Where the provisions of the law and the Code address the same topic, whichever affords greater protection applies. Suppliers are expected to communicate this code to their suppliers. Where reasonably practicable, they should extend the principles of this Code through their supply chain.

1. Business Critical Issues

Officeworks considers bribery and corruption in any form and denial of site access to be a business-critical issue resulting in immediate cease of trade.

1.1 Business integrity

(a) Suppliers must engage ethically in all dealings and provide transparent documentation and records.

(b) Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise. Refer to Clause 3.

1.2 Access to the site of manufacture

(a) Factories are required to grant access to the site of manufacture, if an independent audit is requested.

(b) Access is also to be granted in circumstances where Officeworks wishes to investigate alleged human rights abuses.

2. Minimum Requirements

All suppliers must fully comply with all local laws and regulations regarding labour, health, safety, and the environment. Suppliers must also fully comply with the legal requirements of the countries in which they operate, in addition to all elements of this Ethical Sourcing Policy.

2.1 Employment is freely chosen

(a) No forced or bonded labour or involuntary prison labour.

(b) Workers must not be required to lodge deposits or identity papers with suppliers.

(c) Workers must be free to leave their employment after reasonable notice has been given.

2.2 Freedom of association and the right to collective bargaining

(a) Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

(b) The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

(c) Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

(d) 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.

2.3 Child labour shall not be used.

(a) Suppliers must not use child labour. Child labour is defined as work that deprives children of their childhood, the opportunity to attend school and fulfil their potential and that is harmful to their physical and mental development.

(b) Suppliers must have the appropriate processes for verifying the age of job applicants and that the process is documented. Policies, procedures, and training must be in place for legally employable juvenile employees (young employees, interns, and apprentices).

(c) Suppliers must be able to verify the age of all employees to ensure no child labour is used. Officeworks refers to the International Labor Organization's Minimum Age Convention, 1973 (No. 138), where the minimum age for work is defined as being below the age for finishing compulsory schooling, and in any case not less than 15 years of age.

(d) Children and young persons below the age of 18 must not be employed at night and in hazardous conditions.

2.4 No illegal labour

(a) Suppliers must be able to verify the legal entitlement of their employees to work in the country of employment.

2.5 No harsh or inhumane treatment is allowed

(a) Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited.

2.6 Wages and benefits are paid as per legal requirements.

(a) Wages and benefits paid for a standard working week must meet as a minimum national or industry standards, whichever is the higher. In any event, wages should always be enough to meet basic needs and to provide some discretionary income.

(b) All workers must 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 are paid.

(c) Deductions from wages as a disciplinary measure is not permitted. All disciplinary measures must be recorded.

2.7 Working hours are not excessive.

(a) Including any overtime, workers must not work above the maximum hours per week or per month as stipulated by local laws, or where local laws do not exist, a total of 60 hours per week.

(b) Workers must have at least one day off in 7 days or two days off in every 14 days.

(c) Overtime must be voluntary and compensated as prescribed by local laws.

(d) Record keeping on hours worked must be accurate, complete, and transparent always.

(e) Working hours exceeding 72 hours a week must not be a systemic occurrence. Employer is required to demonstrate:

(i) Exceptional circumstances apply such as unexpected production peaks, accidents, or emergencies.

(ii) Appropriate safeguards to protect workers' health and safety have been undertaken.

(iii) This is permissible by national law.

(iv) A collective agreement that is freely negotiated with a workers' organisation representing a significant portion of the workforce, is in place.

2.8 No sub-contracting of major processes without prior written approval.

(a) There must be no sub-contracting unless documented and available for review by Officeworks or an independent auditor, including but not limited to records of subcontractors' names and locations.

(b) Officeworks considers sub-contracting to mean: "Unauthorised sites contracted by Officeworks' direct suppliers to produce or significantly contribute to the product in its final form for retail sale, packed in the retail unit, or produced in bulk in final form for retail packing elsewhere, or received in bulk final form for retail packing".

(c) Suppliers must have adequate policies and processes in place for properly managing subcontracting, to ensure that sub-contractors operate in accordance with applicable laws, regulations, and the Officeworks Ethical Sourcing Policy.

2.9 Working conditions are safe & hygienic.

(a) A senior management representative must be assigned responsibility of health and safety. Trained personnel must administrate and oversee health and safety,

(b) With current working knowledge of the industry and associated hazards, suppliers must provide a working environment that is safe and hygienic.

(c) Health and safety training must be provided regularly to existing, reassigned and new workers. The training records must be maintained accurately.

(d) Personal protective equipment must be supplied, the workers supervised and workers trained in its use.

(e) Safeguards on machinery must meet or exceed local laws.

(f) Accommodation, if provided, must be clean, safe and meets workers' basic needs.

(g) Access to clean toilet facilities, potable water, and sanitary facilities for food storage, where applicable, must be provided.

2.10 No discrimination is practised.

(a) 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.

(b) Sexual abuse or harassment must be prohibited.

(c) Pregnant workers must not be dismissed.

(d) Pregnancy testing of employees/potential recruits is not allowed.

2.11 Regular employment is provided.

(a) To every extent possible work performed must be based on recognised employment relationship established through national law and practice.

(b) Employment provided to employees must be subject to labour or social security laws and regulations arising from the regular employment relationship.

(c) Employees who have a regular employment relationship with their employer are afforded several obligations from their employer relating to labour and social security laws and regulations. These obligations shall not be avoided using labour-only contracting, sub-contracting, home-working arrangements, fixed term contracts or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

(d) Employees must have legal contracts.

(e) Agencies are required to meet national requirements as a labour provider.

2.12 Sustainable business practice

(a) Suppliers are required to assess environmental impact of the business.

(b) Aim to do responsible business without causing significant environmental harm.

(c) Have clear environmental performance targets.

2.13 Respect land rights of communities

(a) Conduct due diligence and tracing to ensure that sites are not party to land encroachment.

2.14 Structural safety of all supplier buildings and manufacturing sites

(a) Premises must be structurally safe.

(b) Accommodation provided to workers must be structurally safe.

3. Animal Testing

(a) We do not conduct or commission any animal tests on ingredients, formulations or finished products and will not do so in future.

4. Anti-bribery

The Supplier must:

(a) at all times comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and improper payments including but not limited to the Criminal Code Act 1995 (Australia), the Foreign Corrupt Practices Act 1977 (United States), and the Bribery Act 2010 (United Kingdom) ("Relevant Requirements");

(b) not give or offer or promise to give, receive, or agree to accept, any payment, gift or other benefit or advantage which violates a Relevant Requirement;

(c) have and maintain in place throughout the operation of these Terms and Conditions its own policies and procedures, including adequate procedures under the Relevant Requirements, to ensure compliance with the Relevant Requirements, and will enforce them where appropriate;

(d) not prepare, approve or execute any contract or other document or make any record in connection with these Terms and Conditions that the Supplier knows, or ought reasonably know, is false, inaccurate or misleading;

(e) promptly report to Officeworks any request or demand for any undue financial or other advantage of any kind received by the Officeworks in connection with the performance of these Terms and Conditions which will or may be in breach of the Relevant Requirements; and

(f) procure, and shall be responsible for, the observance and performance of the Relevant Requirements by all persons performing services or providing goods in connection with these Terms and Conditions on behalf of the Supplier or under its supervision or control.

5. Environmental Standards

The Supplier shall, as a minimum, comply with all applicable laws and regulations relating to the environmental impact of their business. They will 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 operations.

Supplier compliance with environmental law includes any international or applicable local laws affecting the source of materials and processes used to manufacture products.

Detailed performance standards are a matter for the Supplier but should at least address the following:

(a) Environmental Permits and Reporting - all required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

(b) Waste management – waste of all types, including water and energy, shall be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials. Effective controls of waste in respect of ground, air and water pollution shall be adopted. In the case of hazardous materials, emergency response plans shall be in place. Air emissions, wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterised, monitored, controlled and treated as required prior to discharge or disposal.

(c) Hazardous Substances - chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

(d) Packaging and paper – unnecessary use of materials shall be avoided and recycled materials shall be used wherever appropriate.

(e) 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.

(f) Energy use – all production and delivery processes shall be based on maximising efficient energy use and minimising harmful emissions.

(g) Product Content Restrictions – the Supplier shall adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labelling for recycling and disposal.

(h) Product selection – the Supplier shall work with and provide assistance to Officeworks in selecting products which are environmentally beneficial.