

高士供应商准则： 商业责任达标相关指南

高士集团在市场上取得的声誉与成功归功于我们负责任的行为及对企业社会责任的担当。这些价值理念是我们经营之道的基础。我们的目标是与有类似商业道德标准的组织合作。

在业务活动中，我们实现可持续发展及履行负责任行为目标的方式之一是，确保公司供应链中的企业及组织遵循较高的环境及社会标准。

我们希望帮助我们的供应商达到《高士供应商准则》阐明的期望和要求。本准则的制定依据是相关的国际标准或（在该标准缺失时）被社会广泛接受的良好商业惯例。

本准则分为四个部分：

1. 劳动规范
2. 环境管理
3. 负责任的材料及产品采购行为
4. 商业行为准则

我们也期望所有供应商的行为均能满足相关国家法律法规的要求。若当地法律法规规定的要求高于本准则制定的标准，则供应商行为须满足当地标准的要求。也就是说，供应商的行为须满足两个标准中较高标准的要求。

请仔细阅读并理解本准则及其相关要求。若贵公司无法立即达到本准则的标准，Coats 将提供支持和辅导以确保在约定的时间内贵公司能达到标准的要求。

我们认为有五项标准对我们的业务关系至关重要，如果不遵守这些标准中的任何一条都将立即导致我们的业务永久终止。这五条标准分别为 1.1、1.2、1.7、1.8、4.3，并以“*”标识。

高士非常自豪能够成为一个负责任的公司。本准则是我们对未来构建并维持一个公平及可持续发展的企业所做出的承诺。



Rajiv Sharma
首席执行官
高士集团公司

第一部分—劳动规范

1.1 * 童工

标准：

供应商不得在其企业中直接或间接地使用童工。

供应商不得招聘童工，并应制定政策和计划，以支持任何被发现在其企业内工作的儿童转向接受素质教育，直至其达到法定就业年龄。

年轻职工不得在夜间或危险的条件下工作。

指南：

- 供应商必须制定在招聘时验证员工年龄的制度；供应商应在工作场所保存所有员工和合同工的年龄记录的副本，而且不得进行任何新的童工招聘。
- 处理任何现有童工的政策和计划应包括确保儿童在教育过渡期的福利的财务支持，以及确保财务支持得到落实的有力监督制度。
- 高士支持致力于提高成人员工的工资，帮助他们赚取足够的钱养活自己和他们的家庭，从而减少使用童工的必要性。

定义：

- “儿童”是指任何不满 15 周岁的人士，除非法定最低就业年龄或义务教育离校年龄较高。根据国际劳工组织 (ILO) 的《最低年龄公约》，在教育制度不健全，最低劳动年龄定 14 周岁的国家，我们可能考虑允许该年龄的员工从事非危险性工作。此类情况按具体问题具体分析的方式进行审查。
- “年轻职工”是指任何已超过被视为儿童（基于上述定义）的年龄但未满 18 周岁的人。
- “危险性”工作是指任何可能不利地影响年轻人的健康和可能伤害年轻人的身体、精神或社会发展的任务。
- “夜间工作”是指任何晚于晚上十点的工作时间。

相关国际劳工组织公约：第 138 号、第 182 号、第 90 号

1.2 * 就业自由

标准：

供应商不得在自己的企业使用奴隶，契约劳役，强迫劳动或债务工或非自愿狱中劳役。

供应商不得通过招聘、调任、庇护或接收使用被威胁、强迫、胁迫或欺骗的职工直接或间接地从事或支持人口贩卖。 供应商必须有适当的程序来处理此类行为发生的报告和事件。

供应商必须有检查员工工作的合法权利的系统。

高士的供应商也同样应监督自己的供应商并确保奴隶，劳役，强迫，抵债劳工或非自愿监狱劳工不在他们供应商的业务中使用。

高士禁止在任何国家使用北朝鲜劳工，除非能事先证明不存在奴役状况。

指南：

- 在某些情况下，供应商可能将工作外包给监狱。高士认同工作可能是囚犯改过自新过程的重要组成部分，但是任何工作均仅应以自愿的方式进行且首先向 高士通报。
- 供应商不得要求员工将押金或任何形式的身份证件寄存在供应商处。
- 员工、承包商和访客在有正当理由的情况下均应不受限制地自由往来于厂区和住宿区，除非此举将危害到他们自己的安全、厂区安全或现场其他人员的安全。
- 员工应能够在合理的通知期后离开供应商并及时获得他们完成工作的相应薪酬和他们应计未付的福利。
- 加班应自愿进行。

定义：

- 抵债劳工，也称为“债务束缚”或“债务奴役”，是指被要求为偿还或抵押一笔贷款、债务或结合其他责任的任何形式的劳工。

相关国际劳工组织公约：第 29 号、第 105 号

1.3 结社自由

标准：

供应商应尊重员工自由结社、按其意愿加入或成立工会的权利。

指南：

- 供应商应对工会及其组织活动持开放的态度。
- 供应商不得歧视获选职工代表，并且应允许他们有合理的时间接触其他员工和履行其代表职责。
- 如果地方法律限制工会，则供应商应支持有助于员工和管理层之间进行公开和建设性对话的类似职工代表方式。

相关国际劳工组织公约：第 87 号、第 98 号

1.4 健康和安

标准：

供应商必须为所有员工、承包商和现场访客提供安全和健康的环境。此项应包括所有工作空间、供应商（若有）提供的任何往返于供应商厂区的交通工具和供应商提供的任何住宿区或其他便利设施。供应商必须对其控制下的所有建筑物和活动开展健康和安

指南：

- 供应商必须遵守所有职业健康安全、建筑物和环境的法规。
- 供应商应分派健康和安​​全职责给现场高级管理代表。
- 供应商应制定流程以便辨别任何安全隐患，然后用与隐患所构成的风险相称的方式积极管理并尽可能消除此类隐患。供应商必须提供任何必要的个人防护设备，并确保员工理解提供此类设备的原因和使用此类设备的方法。
- 供应商应制定处理紧急情况和事故的应急预案，这一应急预案应该覆盖工厂所有的区域，包括员工宿舍（如有提供）。
- 供应商应以厂区所有人员能够理解的语言向他们传达应急和疏散程序。
- 供应商应定期对所有员工进行健康和安​​全培训。
- 供应商必须提供整洁卫生设施和安全的饮用水。
- 若有提供员工宿舍，供应商应确保员工宿舍整洁，满足员工的基本需求，而且员工宿舍必须安全。
- 供应商必须制定记录、调查和应对健康与安​​全事故的制度。
- 供应商的员工反映的任何健康和安​​全问题必须得到彻底调查，若调查属实，则应及时采取适当措施。

1.5 防火和消防

标准：

供应商必须保护其员工、承包商和访客在其经营场所内的安全，包括员工宿舍（若有提供），而且必须确保采取所有必要的预防措施以最大限度地降低火灾风险。

此外，必须制定各项切合实际的规定以减轻任何火灾的影响，而且必须向所有来到厂区的人传达并确保其理解应急程序。

指南：

供应商必须对其控制下的所有建筑物和活动定期开展火灾风险评估，并根据评估的结果采取行动。下文列出几项防火措施。本清单并不完整，不得视为面面俱到。

- 供应商的经营场所必须摆放由有关地方部门颁发的消防证书。
- 电线和电路盒必须保持良好和安全的状态。
- 应急出口和进场通道必须始终保持畅通无阻。
- 每个楼层均应设有不止一个出口通道，且各个出口通道应尽可能地远离彼此。应急出口必须用发光指示灯清晰的标识出来，并用工厂所有员工能够理解的语言。出口大门必须始终朝着疏散的方向向外打开，从内向外不能上锁，应易于打开。
- 疏散路线应清楚地标示在楼层上并张贴在每一个工作区域。此类路线应通向安全的集合（聚集）点。集合点应与建筑物和道路保持安全距离并应清楚地标示。
- 供应商必须定期开展消防演习，每年至少一次或按照地方法律规定的频率，以二者中频率要求较高的标准执行。消防演习必须予以记录。
- 必须提供火灾和烟雾报警器，而且在建筑物的各个地方都必须能听到警报声。报警器必须定期测试，至少每三个月一次，以确保系统能够正常使用。
- 供应商应配备能够正常使用、数量足够且易于拿到的消防设备，该等消防设备应至少每年检验。

- 必须在整个厂区提供消防车自由通道和其他消防设备。
- 入职/在职培训应推广至所有员工并应包括健康和安全教育以及基本消防安全培训。此项培训须至少每年更新并向员工提供。应在每个部门和每个楼层安排承担疏散责任且经过适当培训的员工。
- 危险和易燃材料应妥善地存放在适当位置，远离所有可能的火源。
- 若有提供儿童看护设施，应设在非生产建筑物的一楼。
- 每个楼层/部门均应安装出口通道沿途紧急照明，并应每六个月检验一次，以确保正常工作。

1.6 非歧视

标准：

供应商应营造相互尊重的工作环境，不得在雇佣、薪酬、培训机会、晋升、终止劳动关系或退休等方面因种族、社会地位、国家和民族起源、宗教、年龄、残疾、性别、婚姻状况、性取向、变性、工会成员身份、个人情况或政治面貌存在歧视。

指南：

- 在任何情况下，供应商都应基于员工开展工作的能力而非基于个人特征或任何形式的信仰对待员工。供应商不得进行未经双方同意的医疗检查，除非是为确保此人或其他员工的安全而必须进行的医疗检查。

相关国际劳工组织公约：第 111 号、第 100 号

1.7 * 公平对待

标准：

供应商不得进行或支持使用体罚、精神虐待、身体虐待、性虐待、言语虐待或威胁使用这些虐待，以及进行任何形式的骚扰或恐吓。

指南：

- 供应商应制定投诉政策和举报机制，清楚地向所有员工传达并使他们理解此政策和机制。
- 如果供应商要求高士提供的工资超过最低工资，则承包商必须将其支付给其员工/合同工，不得有任何不正当的暴利行为。
- 供应商应制定公平的处分程序，且所有采取的处分措施均应予以记录并可接受审核。

1.8 * 工资和福利

标准：

供应商必须至少根据地方法律向员工支付所有的工资和福利，包括最低工资和应支付的额外加班工资。

指南：

- 若无地方或国家最低工资标准，供应商应按行业标准支付，并至少可以满足基本生活需求并提供一定可自由支配的收入。
- 如果供应商向高士索取的工资超过最低工资标准，则这些工资必须被供应商支付给其员工/合同工，而不得从中牟利。
- 员工应在知情的情况下定期（至少每月）获得全额支付的完成工作的薪酬和任何应有福利。
- 在开始雇佣前，供应商应向所有员工提供书面和/或清楚易懂的关于其就业条件（包括工资和约定扣减）的信息。
- 供应商应在每次给员工支付薪酬时向员工提供书面和/或清楚易懂的信息。此信息应详述工作时间（包括任何加班时数）、薪资、福利、任何扣减和实付工资。工资扣减仅允许在法律允许的情况下进行并且未违反员工意愿。任何扣减均应公平合理。
- 不允许将扣减工资作为处分措施。
- 供应商所有与高士达成一致的对其员工的加薪，都应及时告之高士并提供结算记录。

定义：

- “公平合理”是指扣减应与给予的物质事物或服务相称。扣减不得损害员工能够确保他们自己及其家庭享有体面生活的收入能力或使员工的薪酬总额低于最低工资水平。

相关国际劳工组织公约：第 95 号

1.9 工作时间

标准：

工作时间不得过多并应在合同上注明。工作时间必须遵守地方和国家法律以及集体协议，且每周至多 48 个小时（不包括加班时间），以能够为员工提供更高保护者为准。员工应在每七天的周期内获得至少一天的休息时间，除非地方法律另行规定，在此情况下，供应商必须满足更高要求。此外，员工应根据地方法律的规定获准特定的休假，例如，病假、护理假和产假。

指南：

- 我们承认，员工可能不时被询问是否能够加班以便满足高峰期的需求。此类加班应确保任何个人在任何七天期间的总工作时间不超过 60 个小时，且该员工在每七个工作日内至少得到一天休息。
- 所有加班均应为自愿加班且应支付加班费。
- 供应商必须在轮班之间提供足够的休息时间，以确保没有员工或合同工连续多班工作，除非在特殊和紧急情况下，并且得到事先批准。
- 供应商应准确记录员工的工作时间。如果是用于开票或对帐的目的，供应商必须向高士提供完整且准确的出勤记录。
- 供应商应准确记录工作的小时数。

相关国际劳工组织公约：第 1 号

1.10 职业管理与发展

供应商应认识到员工成长和发展对于员工绩效的提高的重要性。供应商需要培养员工的技能、知识和态度，以帮助他们取得成功。

第二部分—环境管理

2.1 遵守所有适用的环保法规

标准：

供应商必须遵守所有适用的环保法规。

指南：

- 供应商必须保持进行所有必要的注册登记，包括环保法规所规定的任何相关排放标准和废弃物许可证。

2.2 管理环境绩效以最大限度地减少负面影响

标准：

供应商应制定环境管理制度，明确管理责任和环境管理控制措施。

指南：

- 供应商应给高级经理分配厂区环境绩效责任。
- 供应商应确定、衡量、监控并力求最大限度地减少其运营的负面环境因素。
- 供应商应就环境、健康问题和其危害向员工提供相关的信息和培训。
- 对于许多企业而言，气候变化是一个现实的且不断增长的风险。 供应商应减少能源需求，确保尽可能多地使用来自可再生的碳中和资源，在不可能的情况下，他们正在使用清洁的低碳燃料，尤其是消除或减少煤炭的使用。 所有高士供应商都必须测量，控制碳排放和温室气体排放对气候变化的影响。
- 供应商应评估其面临生物多样性威胁的程度，以便确定优先减轻这些威胁的事项的时间表。生物多样性的威胁包括土地和海洋利用的变化、气候变化、污染、自然资源的过度开发和自然栖息地的破坏。
- 所有的潜在环境污染都应得到监控和缓解。
- 供应商应制定响应事故和紧急情况以及防范和减轻任何由此产生的环境影响的书面程序。

2.3 遵守高士的限用物质政策

标准：

供应商必须在供应时满足现行高士限用物质清单的要求。

2.4 高效利用资源

标准：

供应商应制定优化利用能源、水资源和材料等所有相关资源的制度。

指南：

- 供应商应积极管理能源、水资源和材料的使用并在可能的情况下设定减少使用的目标。
- 供应商应在当前商业条款允许的情况下积极寻求创新解决方案，并提供替代化石燃料和不可再生的材料和工艺的可持续发展方案。
- 供应商应力求通过实施节约措施、提高生产效率，以及重复利用、回收或替代材料，以减少或消除各种浪费。

第三部分—负责任的材料及产品采购行为

3.1 可追溯性和标准

标准：

供应商对于材料的来源以及产品的供应过程应对高士足够透明而且必须与高士合作以确保负责任的采购行为。供应商还应确保在他们自己的供应链中实施同等标准。

指南：

- 所有产品制造阶段均须遵守与负责任采购行为相关的国家和国际法律和法规的明文规定和精神。
- 高士致力于森林产品的可持续利用。 供应商应避免使用可能导致森林砍伐，森林退化（包括古老和濒危树木的损失），生物多样性和栖息地的损失以及土著人民和当地社区权利的损失的材料。
- 供应商不得在供应给高士的商品或原材料的制造中使用任何动物产品，动物衍生产品或动物副产品。
- 供应商应尽可能地在整个供应链中追踪其产品并应要求提供证据证明符合本供应商准则中的标准。

3.2 遵守高士的政策

标准：

供应商必须遵守在供应时现行有效的任何针对材料和针对产品的政策，包括 Coats 关于动物福利和冲突矿物的政策。

指南：

- 所有产品制造阶段均须遵守高士的负责任采购行为政策——包括动物福利政策和冲突矿物政策。
- 供应商必须配合高士的任何信息请求并在必要情况下开展尽职调查。

3.3. Trade Sanctions 贸易制裁

供应商应遵守所有适用的贸易制裁法律，包括美国财政部海外资产控制办公室(OFAC)、美国出口管理条例、英国 2002 年出口管制法和欧盟制裁条例。供应商不得在被禁止的司法管辖区从事任何业务或交易。

第四部分—商业行为准则

4.1 商业道德

标准：

供应商必须与高士和他们自己的供应商打交道时遵循最高商业道德。供应商必须遵守管辖其企业的（国家和国际）法律和法规的明文规定和精神。

指南：

- 供应商必须诚实、公开并与所有监管部门合作。
- 供应商必须妥善记录、报告和审查财务与税务信息。
- 选择供应商的过程必须保持透明化，应择优选择，不得存在任何歧视，且必须尊重文化差异。
- 供应商必须确保他们从高士收到的所有保密和专有信息得到谨慎处理，并在处理中适当考虑道德和法律后果以及政府法规。
- 所有利益冲突均须披露。

4.2 反垄断法律

标准：

供应商必须以独立、公开和公平的方式进行竞争，不得故意订立消除或抑制竞争或为他们提供不正当竞争优势的商业安排。

指南：

- 供应商应熟悉并遵守适用于其业务领域的所有反垄断和竞争法律。
- 供应商不得垄断价格、行贿或提供回扣。
- 供应商不得与竞争对手订立划分市场的协议（在该等市场中，我们通过分配地域或市场和/或限制产品或产品的生产或销售来进行竞争），或以销售其他不需要的产品或服务作为销售一种产品的条件。

定义：

- “价格垄断”是指处于相同市场立场的参与者（如竞争对手）之间订立的仅以固定价格购买或销售产品、服务或商品，或控制供应和需求以有效地将价格固定在特定水平的协议。

- “回扣”是指为诱导购买或不当影响未来购买而返还部分合同交易价格的行为。

4.3 * 反贿赂和反腐败立法

标准：

供应商不得自愿（直接或通过第三方）提供或收受任何财务付款或其他好处，以有意诱导或奖励任何不恰当履行或开展其本应善意、公正或受信任履行或开展的相关职责或活动的人士。

指南：

- 供应商应禁止向公务人员或业务联系人提供，或由其他公司提供或代表他们提供任何形式的贿赂和疏通费。
- 供应商应凭借他们产品和服务的优点进行竞争，不得通过商务礼节往来获得不公平的竞争优势，亦不得提供或收受实质礼品或诱惑性条件，尤其是鼓励或奖励在开展业务过程中做出的决策的礼品或诱惑性条件。
- 供应商必须诚实守信地行事以保护其负责的资源。

定义：

- 疏通费，有时亦称为“便利费”、“贿赂”或“回扣”，是指旨在使当事人获得或更快收到其无论如何都有权获得或收到的东西的贿赂，例如，为使人员或货物更快通过码头/海关而支付的款项。

4.4 负责任的财务行为

标准：

供应商必须熟悉并遵守适用的财经法律和标准。
供应商必须执行严格的财务规范并确保财务交易透明化。

4.5 营业执照

标准：

供应商必须确保所有本地营业执照均是最新的。该等营业执照必须能够随时出具，以便证明公司完全遵守地方商业立法。

4.6 数据保护和信息安全

标准：

供应商必须遵守所有数据保护和信息安全的适用法律，确保隐私得到保护，个人数据得到保护，并且所有商业信息都是安全的。

指南：

- 供应商必须确保他们从高士收到的所有个人数据和机密或专有信息都得到适当的处理，并适当考虑道德和法律后果以及政府法规。
- 供应商必须尽快报告任何可疑并影响高士的数据或实际的信息安全事件。

参考：

经合组织关于保护隐私和个人数据跨境流动的指导方针。

4.7 海关合规

标准：

供应商应遵守适用的海关法律，建立和维护防止成品非法转运的程序。

指南：

- 对于所有原材料和出口货物需有准确的原产地证书(CoO)。
- 供应商应确保所有货物均按照相关适用法律进行准确标记或贴上标签。
- 工厂将保留所有材料和订单的记录，并持续记录详细的生产数据。

4.8 安全

标准：

供应商应建立适当的程序，以确保公司安全、运输安全以及其设施内人员和资产的安全。

指南：

- 供应商应确保采取适当的控制措施，防止任何没有单据证明的货物流入。

参考：

美国海关和边境保护局(CBP)针对国外制造商的海关贸易反恐伙伴关系(CTPAT)指南。



Coats' Supplier Code: Guidance for achieving responsible business standards

Coats' reputation and success in the marketplace is built on responsible behaviour and good corporate citizenship. These values underpin the way we do business and we aim to partner with organisations which hold a similar business ethos.

One of the ways in which we aim to deliver sustainability and responsible behaviour in our own business is to ensure that high environmental and social standards are upheld by the companies and organisations within our supply chain.

We want to help our suppliers meet the expectations set out in Coats' Supplier Code. The Code is based on international standards or, in the absence of such standards, accepted good practice.

It is divided into four sections:

1. Labour practices
2. Environmental management
3. Responsible sourcing of materials and products
4. Business conduct

We also expect all suppliers to meet the obligations of relevant national laws. Should local legal requirements be higher than the standards set out in the Coats Code, suppliers must meet the local standards. This means that suppliers should meet the higher of the two requirements.

Please take the time to read and understand the Code and its requirements. If your organisation does not immediately meet the standards as set out, Coats will work with you to ensure that these are achieved within an agreed timeframe.

There are five standards which we consider to be so fundamental to our business relationships, that failure to comply with any of these standards will result in the immediate and permanent termination of business. These five standards are 1.1, 1.2, 1.7, 1.8, 4.3 and are identified with a '*'.

Coats is proud to be a responsible company. This Code is our commitment to building and maintaining a fair and sustainable business for the future.

Rajiv Sharma
Group CEO
Coats Group plc

Section 1 – Labour practices

1.1 Child labour *

Standard:

Suppliers must not use child labour, directly or indirectly, in their business.

Suppliers must not recruit child labour and should develop policies and programmes that support any child found working in their business to make the transition to attend quality education until they reach legal working age.

Young workers must not be employed at night or in hazardous conditions.

Guidance:

Suppliers must have systems in place to validate the age of employees at recruitment; they should keep copies of age records in the workplace for all employees and contract workers, and there must be no new recruitment of child labour.

Policies and programmes to deal with any existing child labour should include financial support to ensure the child's welfare during the transition period, and a robust monitoring system to ensure this is implemented.

Coats supports suppliers who are committed to improving wages for adult employees; this should help them earn sufficient money to support themselves and their families leading to a reduction in the need for child labour.

Definitions:

A 'child' is defined as anyone below 15 years of age, unless the legal minimum age for employment or leaving age for compulsory education is higher. In line with the International Labour Organisation's (ILO) Minimum Age Convention, in countries with insufficiently developed education systems where the minimum age is set at 14, we may consider allowing employees of that age for non-hazardous work. These would be reviewed on a case by case basis.

A 'young worker' is defined as anyone above the age at which they are considered a child (based on the above definition) but below the age of 18.

'Hazardous' work is any task that may negatively impact on the health and safety of a young person or that may harm their physical, mental or social development.

'Night work' is defined as any time after 22:00 hours.

Relevant International Labour Organisation Conventions: 138, 182, 090

1.2 Freely chosen employment *

Standard:

Suppliers must not use slavery, indentured servitude, forced or bonded labour or involuntary prison labour in their businesses.

Suppliers must not directly or indirectly engage in or support human trafficking, by recruiting, transferring, harbouring or receiving a worker using threat, force, coercion or deception and suppliers must have adequate processes in place to deal with any reports and incidents of such behaviour taking place.

Suppliers must have a system in place to check that employees have a legal right to work.

Suppliers to Coats, in turn, are expected to monitor their own suppliers and ensure that slavery, servitude, forced or bonded labour or involuntary prison labour is not being used in their suppliers' businesses.

Coats prohibits North Korean labour in any country unless it can be proved beforehand that slave conditions are not in place.

Guidance:

In some instances suppliers may outsource work to prisons. Coats accepts that work can be an important part of the rehabilitation process for prisoners; however, any work should be on a voluntary basis only, and should first be communicated to Coats.

Suppliers should not require employees to lodge financial deposits or any form of identity papers with them.

Employees, contractors and visitors should be free to come and go from the site and accommodation unrestricted, within reason, unless this will compromise their own safety, site security, or the safety of other people on site.

Employees should be able to leave the supplier after a reasonable notice period and should be paid promptly for the work they have done and benefits they have accrued.

Overtime should be on a voluntary basis.

Definitions:

- Bonded labour, also known as 'debt bondage' or 'debt slavery' means any form or of labour that is demanded as a means of repayment or security for a loan, debt or bond other obligation.

Relevant International Labour Organisation Conventions: 029, 105

1.3 Freedom of association

Standard:

Suppliers should respect the rights of employees to associate freely, to join or form labour unions if they so wish.

Guidance:

Suppliers should adopt an open attitude towards labour unions and their organisational activities.

Suppliers should not discriminate against elected worker representatives and should allow them reasonable time to access employees and carry out their representative functions.

If labour unions are restricted under local law then suppliers should support a parallel means of worker representation that facilitates open and constructive dialogue between employees and management.

Relevant International Labour Organisation Conventions: 087, 098**1.4 Health and safety****Standard:**

Suppliers must provide a safe and healthy environment for all employees, contractors and visitors on the site. This should include all work spaces, any transport to or from the supplier's site if provided by the supplier, and any accommodation and other amenities provided by the supplier. Suppliers must carry out a health and safety risk assessment for all buildings and activities under their control.

Guidance:

Suppliers must comply with all occupational health and safety, building and environmental regulations.

Suppliers should assign responsibility for health and safety to a senior management representative onsite.

Suppliers should have a process in place to identify any hazards and to then actively manage – and where possible remove – those hazards in a way that is proportionate to the risk they present. Suppliers must provide any necessary personal protective equipment, and ensure that employees understand why it is being provided and how it should be used.

Suppliers should have an emergency response plan to deal with emergencies and accidents covering all areas of the site, including employee accommodation if provided.

Suppliers should communicate emergency and evacuation procedures to all individuals on the site, in a language that they understand.

Suppliers should carry out regular health and safety training for all employees.

Suppliers must provide access to clean toilet facilities, and provide safe drinking water.

If accommodation is provided, suppliers should ensure that it is clean, meets the basic needs of employees, and it must be safe.

Suppliers must have a system to record, investigate and respond to health and safety incidents.

Any health and safety concerns raised by the supplier's employees must be thoroughly investigated and, if valid, appropriate and timely action should be taken.

1.5 Fire prevention and fire fighting

Standard:

Suppliers must protect the safety of their employees, contractors and visitors while on their premises, including dormitory areas where provided, and must ensure all necessary precautions are taken to minimise the risk of fire.

Every practical provision must also be made to reduce the impact of any fire, and emergency procedures must be communicated and understood by all who come on site.

Guidance:

Suppliers must carry out a regular fire risk assessment for all buildings and activities under their control and act on its findings. Below are some fire prevention measures. It is not an exhaustive list and should not be taken as such.

The supplier's premises should have a valid Fire Certificate in place, issued by the appropriate local authority.

Electrical wiring and circuit boxes must be maintained in a good and safe condition.

Emergency exits and access routes must be kept clear and unblocked at all times.

Every floor should have more than one exit route, as far apart from each other as possible. Emergency exits must be clearly marked with illuminated signs in a language which is understood by everyone on site. Exit doors must be unlocked from the inside at all times, open outwards, in the direction of the evacuation and be easy to operate.

Evacuation routes should be clearly marked on the floor and posted in each work area. These routes should lead to a safe assembly (muster) point. The Assembly points should be at a safe distance from buildings and roadways and should be clearly marked.

Suppliers must conduct regular fire drills, at least once per year or as mandated by local law, whichever is more frequent. These should be documented.

Fire and smoke alarms must be provided and audible in every part of the building. They should be tested regularly, at least once every 3 months, to ensure the functionality of the system.

Suppliers should have functional, sufficient and accessible fire fighting equipment, which should be inspected at least annually.

Provision should be made for the free access of fire brigade vehicles and other fire fighting equipment throughout the site.

Induction / on-board training should extend to all employees and should include Health & Safety training and basic fire safety training. This training should be refreshed and delivered to all employees at least annually. Appropriately trained employees with evacuation responsibilities should be located in each department and on each floor.

Hazardous and flammable materials should be securely stored in an appropriate location, away from all possible sources of ignition.

Childcare facilities, if provided, should be on the ground floor of a non-production building.

Emergency lighting along the exit routes should be provided on each floor / department and should be inspected every six months to ensure functionality.

1.6 Non-discrimination

Standard:

Suppliers should operate a respectful working environment and should not discriminate in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national or ethnic origin, religion, age, disability, gender, marital status, sexual orientation, gender reassignment, union membership, personal circumstance, or political affiliation.

Guidance:

Suppliers should treat employees, in all circumstances, on the ability to perform their jobs, and not on the basis of personal characteristics or beliefs of any kind. Suppliers should not carry out non-consensual medical checks, unless required to ensure the individual's safety or the safety of other employees.

Relevant International Labour Organisation Conventions: 111, 100

1.7 Fair treatment *

Standard:

Suppliers must not engage in or support the use of corporal punishment, mental, physical, sexual or verbal abuse or the threat of such abuse, or any form of harassment or intimidation.

Guidance:

Suppliers should have a grievance policy and reporting mechanism that is clearly communicated and understood by all employees.

Suppliers should establish a fair disciplinary procedure and all disciplinary measures taken should be documented and auditable.

1.8 Wages and benefits *

Standard:

Suppliers must pay employees and contract workers all wages and benefits at least in accordance with the local laws, including any minimum wage and mandated overtime pay premium.

Guidance:

Where there is no local or national minimum wage, suppliers should pay the industry benchmark which should be at least enough to meet basic needs and to provide some discretionary income.

If suppliers claim wages from Coats that are more than the minimum wage, these must be paid by the contractor to its employees/ contract workers without any undue profiteering.

Employees should be paid on a known, regular basis – at least monthly – and in full for the work carried out and any benefits due.

Before starting employment, the suppliers should provide all employees with written and/or clearly understandable information about their employment conditions, including wages and agreed deductions.

Suppliers should provide written and/or clearly understandable information to employees each time they are paid. This should detail the hours worked (including any overtime), rates of pay, benefits, any deductions made, and the net pay due. Deductions from wages are only allowed where it is legally permitted to do so and after consultation with the worker concerned. Any deductions should be fair and reasonable.

Deductions from wages as a disciplinary measure are not to be permitted.

Suppliers must pass on in a timely manner, all wage increments and final settlements to employees that have been agreed and billed to Coats.

Definitions:

'Fair and reasonable' means that the deduction is proportionate to the goods or services being provided. It must not compromise the employee's ability to ensure a decent living income for themselves and their family, or bring their total remuneration below the minimum wage level.

Relevant International Labour Organisation Conventions: 095**1.9 Working hours****Standard:**

Working hours should not be excessive and should be defined by contract. Working hours must comply with the local and national laws, collective agreements, and be no more than 48 hours per week (excluding overtime), whichever affords employees greater protection. Employees should be provided with at least one day off in every seven day period, unless local laws stipulate otherwise, in which case the supplier must meet the higher requirement. In addition, employees should be granted special leave, e.g. sick leave, carers and maternity leave, according to local law.

Guidance:

We recognise that from time to time employees may be asked if they are available for overtime in order to meet peak periods of demand. Such overtime should ensure that the total hours worked by any individual in any seven day period does not exceed 60 hours, and that employees have at least one day of rest in every seven worked.

All overtime should be voluntary and should be paid.

Suppliers must provide adequate rest period between shifts to ensure no employee or contract worker works continuous shifts, unless in exceptional and emergency cases and with prior approvals.

Suppliers should accurately record hours worked. Supplier must provide Coats with attendance records that it maintains, if they are required for billing or reconciliation purposes.

Relevant International Labour Organisation Conventions: 001**1.10 Career Management and Development**

The supplier should recognise the importance of employee growth and development for effective and efficient performance. The supplier will nurture their employees with the necessary skills, knowledge and attitudes in order to succeed.

Section 2 – Environmental management**2.1 Compliance with all applicable environmental legislation****Standard:**

Suppliers must comply with all applicable environmental legislation.

Guidance:

Suppliers should maintain all necessary registrations, including any relevant discharge and waste permits required by environmental legislation.

2.2 Managing environmental performance to minimise negative impacts**Standard:**

Suppliers should have an environmental management system in place, with defined management responsibilities and environmental management controls.

Guidance:

Suppliers should assign responsibility for the environmental performance of the site to a senior manager.

Suppliers should identify, measure, monitor and seek to minimise any negative environmental aspects of their operations.

Suppliers should provide information and training for employees on environmental and health issues and hazards.

Climate change is a real and growing risk for many businesses. Suppliers should reduce energy demand and ensure that as much as possible comes from renewable, carbon neutral sources, and, where that is not possible, that they are using clean and low carbon fuels and especially to eliminate or minimise the use of coal. The impact of climate change from CO₂ emissions and the use of greenhouse gases must be measured and controlled by all Coats suppliers.

Suppliers should assess their level of exposure to biodiversity threats, so that priorities and timelines to mitigate these threats can be set. Biodiversity threats include change in land and sea use, climate change, pollution, overexploitation of natural resources and the destruction of natural habitats.

All aspects of potential environmental pollution should be monitored and mitigated.

Suppliers should have written procedures in place for responding to accidents and emergencies and for preventing and mitigating any resulting environmental impacts.

2.3 Compliance with the Coats policy on Restricted Substances**Standard:**

Suppliers must meet the requirements of the current Coats Restricted Substances list at the time of supply.

2.4 Efficient use of resources**Standard:**

Suppliers should have systems in place to optimise the use of all relevant resources, such as energy, water and materials.

Guidance:

Suppliers should actively manage energy, water and material usage and, where practical, set targets to reduce usage.

Suppliers should actively seek innovative solutions and offer sustainable alternatives to fossil fuel based and non-renewable materials and processes, where current commercial terms permit.

Suppliers should strive to reduce or eliminate waste of all kinds by implementing conservation measures, production efficiencies, and re-using, recycling or substituting materials.

Section 3 – Responsible sourcing of materials and products

3.1 Traceability and standards

Standard:

Suppliers should be transparent about the origins of any materials and products supplied to Coats and must cooperate with Coats to ensure responsible sourcing. They should also ensure that equivalent standards are upheld throughout their own supply chain.

Guidance:

All stages of product manufacture must comply with both the letter and the spirit of national and international laws and regulations relating to responsible sourcing.

Coats is committed to the sustainable use of forest products. Suppliers should avoid using materials which may result in deforestation, forest degradation (including loss of ancient and endangered forests), loss of biodiversity & habitat and the loss of indigenous peoples and local community rights.

Suppliers should not use any animal products, animal derived products or animal by-products in the manufacture of goods or raw materials supplied to Coats.

Suppliers should, as far as possible, trace their products throughout the supply chain and provide evidence, on request, that the standards in this Supplier Code are being met.

3.2 Compliance with Coats policies

Standard:

Suppliers must comply with any materials-specific and product-specific policies in force at the time of supply, including the Coats policies on animal welfare and conflict minerals.

Guidance:

All stages of product manufacture must comply with Coats' responsible sourcing policies – including the Animal Welfare Policy and Conflict Minerals Policy.

Suppliers must cooperate with any request for information from Coats, and where required, carry out due diligence.

3.3. Trade Sanctions

Suppliers shall comply with all applicable trade sanction laws, including The Office of Foreign Assets Control ('OFAC') of the US Department of the Treasury, the US Export Administration Regulations, the UK

Export Control Act 2002 and the EU sanctions regulations. Suppliers shall not engage in any business or dealings with embargoed jurisdictions.

Section 4 – Business conduct

4.1 Business ethics

Standard:

Suppliers must uphold the highest business ethics when dealing with Coats and their own suppliers. Suppliers must comply with both the letter and the spirit of the laws and regulations (national and international) that govern their businesses.

Guidance:

Suppliers must be honest, open and cooperative with all regulators.

Suppliers must properly record, report and review financial and tax information.

The process for choosing suppliers must be made transparent, and choices based on merit, free from discrimination and must respect cultural differences.

Suppliers must ensure that all confidential or proprietary information they receive from Coats is handled with due care and proper consideration of ethical and legal ramifications and government regulations.

All conflicts of interest must be disclosed.

4.2 Anti-trust laws

Standard:

Suppliers must compete in an independent, open and fair manner and not knowingly enter into business arrangements that eliminate or discourage competition, or that provide them an improper competitive advantage.

Guidance:

Suppliers should familiarise themselves with, and adhere to, all anti-trust and competition laws that apply to their areas of the business.

Suppliers should not price fix, offer bribes or kickbacks.

They should not enter into agreements with competitors to divide the markets in which we compete by allocating territories or markets and/or limiting the production or sale of products or product lines, or condition the sale of one product on the sale of another unwanted product or service.

Definitions:

'Price fixing' is an agreement between participants on the same side of a market (e.g. competitors) to buy or sell a product, service, or commodity only at a fixed price, or to control supply and demand to such an extent that it effectively fixes the price at a given level.

A 'kickback' is the return of part of a contract transaction price for the purpose of inducing a purchase or improperly influencing future purchases.

4.3 Anti-bribery and corruption legislation ***Standard:**

Suppliers must not voluntarily give or receive (either directly or through a third party) any financial payment or other advantage, with the intention to induce or reward any person to improperly perform a function or activity that he or she is otherwise expected to perform in good faith, impartially or from a position of trust.

Guidance:

Suppliers should prohibit bribery and facilitation payments in any form whatsoever, whether to public officials or business contacts or made by other companies or on their behalf.

Suppliers should compete on the merits of their products and services and not use the exchange of business courtesies to gain an unfair competitive advantage, nor to offer or accept gifts of substance or inducements, particularly those that encourage or reward decisions in the course of business.

Suppliers must act honestly and with integrity to safeguard the resources for which they are responsible.

Definitions:

A facilitation payment, sometimes called a 'grease' payment, 'backhander' or 'kick-back', is a bribe designed to give you access to, or speed up receipt of, something you are entitled to anyway, e.g. payments made to speed up getting people or goods through ports/customs.

4.4 Responsible financial behaviour**Standard:**

Suppliers must be knowledgeable of, and follow, applicable financial laws and standards.
Suppliers must apply robust financial practices and ensure transparency in financial dealings.

4.5 Business licenses

Standard:

Suppliers must ensure that all local business licenses are up to date. These should be readily available in order to prove that the company is in full compliance with local business legislation.

4.6 Data Protection and Information Security

Standard:

Suppliers must comply with all applicable laws concerning data protection and information security, ensuring that privacy is safeguarded, personal data is protected, and all business information is kept secure.

Guidance:

Suppliers must ensure that all personal data and confidential or proprietary information they receive from Coats is handled with due care and proper consideration of ethical and legal ramifications and government regulations.

Suppliers must report any suspected or actual information security incidents that impact Coats' data as soon as possible.

Reference OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data

4.7 Customs Compliance

Standard:

Suppliers will comply with applicable customs laws and will establish and maintain programs to comply with customs laws regarding illegal trans-shipments of finished products.

Guidance

Accurate Certificates of Origin (CoO) will be available for all raw materials and also for goods to be exported.

Suppliers will ensure that all goods are accurately marked or labelled in compliance with all relevant applicable laws.

Facilities will keep records of all materials and orders and maintain detailed production records.

4.8 Security

Standard:

Suppliers shall maintain appropriate procedures in order to ensure proper corporate security, transportation security and the security of people and assets at their facilities.

Guidance

Suppliers will ensure that adequate controls are in place to safeguard against the introduction of any non-manifested cargo.

Reference

United States Customs and Border Protection (CBP)'s Customs Trade Partnership Against Terrorism (CTPAT) Guidelines for Foreign Manufacturers