

RESPONSIBLE SOURCING CODE



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CEO's Foreword



Dear Trade Partners,

At Super Retail Group, we are committed to social and environmental initiatives that benefit our team, customers, trade partners and the communities in which we operate.

Responsible sourcing is now a fundamental expectation of businesses who operate in a global economy. Rightly so. We know we have an important role in ensuring responsible and ethical business practices across all our operations.

This means addressing global social and environmental factors in our supply chain, such as:

- Sourcing products in a sustainable and responsible way;
- Respecting human rights and fair working conditions; and
- Managing our environmental impact in the sourcing process.

Addressing these issues is a responsibility we will actively address and this responsibility extends to the relationship, requirements and expectations we have with our trade partners.

This code provides clarity to our trade partners and indirect suppliers about our requirements and expectations in relation to

business integrity, environmental sustainability and respect for human rights in our supply chain.

We are enforcing this code because our customers care who they do business with. Our investors care where and how their money is invested. Our team care about where our products come from and who is impacted in that process. But, most importantly, it's the right thing to do.

Your commitment and co-operation to upholding the standards in this code are appreciated. Together, I look forward to building sustainable practices across our businesses, supporting our long-term viability and making real change to the social and environmental issues that we all care about.

Anthony Heraghty
Managing Director and Chief Executive Officer

1. Introduction

This Responsible Sourcing Code (this “Code”) supports the implementation of our Responsible Sourcing Policy in alignment with the UN Guiding Principles on Business and Human Rights and the UN Global Compact (UNGC) core values of human rights, labour standards, the environment and anti-corruption.

This Code is consistent with the International Bill of Human Rights, the International Labour Organisation’s (ILO) Declaration on Fundamental Principles and Rights at Work, ILO Conventions and Sustainable Development Goals (SDGs), relevant to our supply chain.

1.1 Purpose of this Code

The purpose of this Code is to support the implementation of Super Retail Group’s Responsible Sourcing Policy and to promote the following objectives in its supply chain:

- business integrity;
- human rights and fair working conditions;
- environmental management; and
- sustainable sourcing.

1.2 Scope

This Code applies to Super Retail Group and any of its wholly owned and partially owned subsidiary companies, to the extent

and subject to the terms of the ownership (collectively the “Group”), and:

- all trade partners (including agents) and factories supplying the Group’s own brand products;
- all factories directly contracted by the Group;
- secondary factories and inputs outlined in section 5;
- trade partners and factories supplying non-stock products to the Group; and
- service providers.

Collectively referred to as “Suppliers”.

Trade Partners outside the abovementioned scope are responsible for compliance with this Code throughout their operations and their entire product supply chain. A signed General Business Agreement or Terms of Trade, acceptance of a purchase order and/or provision of products/services to the Group constitutes confirmation of continuing compliance with this Code.

2. Business Integrity

2.1 Legal Compliance

Suppliers must comply with all relevant laws and regulations applicable to the jurisdictions in which they operate.

2.2 Bribery and Corruption

Suppliers must not offer, promise, give, request or receive any bribe (including gifts and facilitation payments) to win and/or keep business or influence auditors.

2.3 Transparency and Reporting

Suppliers are expected to be open and honest in their dealings with the Group and Group's representatives.

Suppliers must report, as soon as they become aware of any actual, suspected or potential instances of child labour, forced labour or slavery in their supply chain to the Group by emailing:

responsiblesourcing@superretailgroup.com.



3. Human Rights and Labour Standards

We are committed to upholding human rights, not only with respect to team members directly employed by the Group but also for the workers in our supply chain. We strongly oppose the use of child labour, any form of forced labour or slavery in our supply chain.

3.1 Employment is freely chosen

Suppliers shall:

- 3.1.1 under no circumstances use, or in any other way benefit from, forced, bonded or prison labour in line with ILO Convention No. 29 on Forced Labour and ILO Convention No. 105 on Abolition of Forced Labour. Where the Supplier is planning to use prison labour under a legal framework, it must notify and seek approval from the Group in writing;
- 3.1.2 only use or employ workers with the legal right to work in the jurisdiction the work is carried out;
- 3.1.3 validate that all workers, including employment agency staff, have a legal right to work by reviewing original documentation and implement processes to enable adequate control over agencies with regards to the above points and related legislation;
- 3.1.4 not require workers to pay recruitment fees, lodge deposits or their identity papers (including passports) with their employer and ensure that workers are free to leave their employment after reasonable notice; and
- 3.1.5 not restrict its workers' freedom of movement.

3.2 Respect freedom of association and the right to collective bargaining

- 3.2.1 Suppliers should grant their employees the right to Freedom of Association and Collective Bargaining in accordance with all applicable laws and regulations. Where the right to freedom of association and collective bargaining is restricted under law, Suppliers should facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

3.3 Not use child labour

- 3.3.1 The use of child labour is strictly prohibited in line with ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. If children are found to be working directly or indirectly for a Supplier, the Supplier shall seek a sensitive solution that puts the best interest of the child first.
- 3.3.2 Suppliers shall comply with the national minimum age for employment or the age of completion of compulsory education, and shall not employ any person under the age of 15, whichever of these is higher. However, if local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- 3.3.3 Young workers under 18 years of age must not be employed to work in conditions which harm their physical, mental and emotional development and wellbeing.

3. Human Rights and Labour Standards

3.4 Working conditions are safe, healthy and hygienic

Suppliers shall:

- 3.4.1 provide a safe, healthy and hygienic working environment;
- 3.4.2 provide potable drinking water, clean toilet facilities, adequate lighting and ventilation, personal protective equipment (PPE) and if appropriate, sanitary facilities for food storage;
- 3.4.3 provide adequate safeguards against fire and shall ensure strength, stability and safety of buildings and equipment (including dormitory accommodation where provided);
- 3.4.4 have a documented emergency plan including notification and evacuation procedures; fire detection and suppression equipment, adequate number of clearly marked and easily accessible exits, and appropriate first aid supplies;
- 3.4.5 identify hazardous materials, chemicals and substances, and ensure their safe handling, movement, storage, recycling, reuse and disposal. All the applicable laws and regulations related to hazardous materials, chemicals and substances shall be strictly followed;
- 3.4.6 provide workers with regular (annual as a minimum) and recorded health and safety training, including emergency drills and evacuation, and such training shall be repeated for new or reassigned workers; and
- 3.4.7 assign responsibility for health and safety to a senior management representative.

3.5 Pay fair wages

Suppliers will ensure that:

- 3.5.1 wages and benefits paid for a standard working week meet or exceed national legal standards. In any event, wages should always be enough to meet basic needs and to provide some discretionary income for workers and their families;
- 3.5.2 all workers are 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 they are paid;
- 3.5.3 deductions from wages as a disciplinary measure or any deductions from wages not permitted by law, does not occur without the expressed permission of the worker concerned. All disciplinary measures should be recorded;
- 3.5.4 to every extent possible, work is performed on the basis of a recognised employment relationship established through national law and practice; and
- 3.5.6 where workers are employed through a third party labour agency, the Trade Partner shall comply with ILO Convention 181 – Private Employment Agencies, 1997.

3. Human Rights and Labour Standards

3.6 Working hours are not excessive

Suppliers will ensure that:

- 3.6.1 working hours comply with any law and benchmark industry standards, whichever affords greater protection to ensure the health, safety and welfare of workers;
- 3.6.2 in any event, workers are not required on a regular basis to work in excess of 60 hours (excluding overtime) per week unless permitted by national law or under a collective bargaining agreement;
- 3.6.3 overtime is voluntary, not excessive, not demanded on a regular basis and always compensated at a premium rate;
- 3.6.4 workers are provided with at least one day off for every 7 day period on average; and
- 3.6.5 they comply with all applicable laws for workers' entitlements to breaks, rest periods, maternity and paternity leave, public and annual holidays.

3.7 Treat workers fairly and with respect

Suppliers will ensure that:

- 3.7.1 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; and

- 3.7.2 physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, or other forms of intimidation, are not used.

3.8 Changing factories and sub-contracting

Suppliers shall as a minimum:

- 3.8.1 provide three months' notice and obtain written approval from the Group prior to changing factories of finished goods, or sub-contracting manufacturing of finished goods; and
- 3.8.2 disclose the location and details of all new and sub-contracting factories. These factories will be subject to the same compliance verification as the principal factory.

4. Protection of the Environment

4.1 Environmental permits

Suppliers shall:

- 4.1.1 obtain and ensure currency of all relevant environmental permits for its operations and factories as required by national and local laws;
- 4.1.2 comply with the requirements of all its environmental permits and national and local environmental laws and regulations; and
- 4.1.3 ensure that their factories dispose of their production waste (including solid and liquid waste) in accordance with their permits and local environmental laws and regulations.

4.2 Environmental management

- 4.2.1 Suppliers shall ensure their factories develop, document and implement effective environmental management systems or plans.
- 4.2.2 The factory environmental management system/plan must identify and document key environmental impacts and implement controls to eliminate or reduce impact on the environment, as a minimum, with respect to:
 - waste reduction, reuse, recycle and disposal;
 - hazardous chemicals storage and management; and
 - air emissions and wastewater discharge.



5. Secondary Factories and Inputs

5.1 Fabric mills and painted componentry factories

Suppliers must:

- 5.1.1 disclose the location and details of these secondary factories where fabric/painted componentry is sourced for the manufacturing of the Group's own brand products;
- 5.1.2 verify that these secondary factories associated with the Group's own brand apparel products comply with this Code; and
- 5.1.3 upon request, provide access to these secondary factories to the Group's representatives for the purpose of verifying compliance with this Code.

5.2 Wood, Board and Paper

- 5.2.1 Suppliers of products that are predominantly (70% or greater by weight) made from wood must ensure wood used in the manufacturing of the Group's own brand products is either recycled/reclaimed or certified under the [Forest Stewardship Council \(FSC\) certification](#) or [Programme for Endorsement of Forest Certification \(PEFC\)](#).
- 5.2.2 All paper and board packaging must either from recycled source or be certified under the [Forest Stewardship Council \(FSC\) Certification](#) or [Programme for Endorsement of Forest Certification \(PEFC\)](#).

5.3 Cotton

- 5.3.1 The Group is a signatory to the [Responsible Sourcing Network's Cotton Pledge](#).
- 5.3.2 Suppliers must implement appropriate traceability processes or independent certifications such as [Fairtrade](#), [Better Cotton Initiative](#) or similar to avoid sourcing cotton for the manufacturing of any of our own brand products from Uzbekistan or Turkmenistan.

5.4 Down and feather insulation

- 5.4.1 Suppliers of products containing down and feather insulation must ensure down and feathers are certified to the [Responsible Down Standard](#). The Responsible Down Standard aims to safeguard the welfare of geese and ducks that provide down and feathers.

6. Confirmation and Verification of Compliance

Suppliers are responsible for compliance with this Code throughout their operations and their entire product supply chain. A signed General Business Agreement or Terms of Trade, acceptance of a purchase order and/or provision of products/services to the Group constitutes confirmation of continuing compliance with this Code.

The Group reserves the right to request an audit report or conduct its own independent audits to verify Suppliers' compliance with this Code and applicable laws. We accept audit reports and certificates from a number of compliance monitoring programs in order to reduce audit fatigue in our supply chain. Suppliers who do not have a current and valid audit report, will need to arrange an audit with the Group's approved third party audit service provider.

The Group takes a risk-based approach in determining the method of verification of compliance with this Code. Risk assessment for factories primarily includes consideration of accountability for the product brand and its supply chain; and country risk. Risk assessment for services is based on service category risk. The Group may amend risk assessment variables at its sole discretion.

Suppliers must take all reasonable measures to assist the Group in conducting audits, including, without limitation, allowing site access to the Group's representatives and supplying all relevant requested evidence to verify compliance.

Independent Compliance Monitoring and Certification Schemes Accepted by the Group are:

- [Social Accountability International \(SA8000\) Audit or Certification](#)
- [Worldwide Responsible Apparel Production \(WRAP\) Certification](#)
- [Amfori - Business Social Compliance Initiative \(BSCI\)](#)
- [ICTI Ethical Toy Program Certification](#)
- [Responsible Business Alliance \(RBA\)](#)
- [Fair Labour Association \(FLA\) compliance monitoring reports](#)
- [ILO Better Work Program](#)

Other Compliance Monitoring Programs Accepted by the Group:

- [Sedex Members Ethical Trade Audit \(SMETA\): 2-pillar and 4-pillar audits issued by SAAS accredited certification bodies or Amfori-BSCI authorised audit companies](#); and
- [Audit reports issued by SAAS accredited or Amfori-BSCI authorised audit companies that meet the requirements of our Responsible Sourcing Code. Please check with our Responsible Sourcing team by emailing \[responsiblesourcing@superretailgroup.com\]\(mailto:responsiblesourcing@superretailgroup.com\).](#)

Conditions of acceptance:

Certificates must have at least 3 months before expiring. Audits for certification schemes must be conducted by auditors or certification bodies accredited/authorised by the corresponding scheme. All audit reports submitted to the Group must note the auditing company name and the auditors' names, include details of non-conformances and must not be older than 9 months.

Audit reports and certificates must be provided to the Group for evaluation and approval by emailing a copy to responsiblesourcing@superretailgroup.com.

7. Glossary of Terms and Definitions

Terms	Definitions
Bribery	Bribery is the act of offering, promising, giving, requesting, or receiving a benefit which influences the recipient in some way favourable to the party providing the bribe. Benefits may be monetary or non-monetary.
Child labour	Child labour refers to work that is mentally, physically, or morally harmful to children; and interferes with their schooling by: <ul style="list-style-type: none"> • depriving them of the opportunity to attend school; • obliging them to leave school prematurely; or • requiring them to attempt to combine school attendance with excessively long and heavy work.
<u>Fair working conditions</u>	Opportunities for work that are productive and deliver a fair income, security in the workplace and freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.
<u>Factory</u>	Processing, manufacturing, production or assembly facility/site.
<u>Forced labour</u>	Forced labour refers to any form of indentured servitude such as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment.
ILO conventions	International labour standards are legal instruments drawn up by the ILO's constituents (governments, employers and workers) and setting out basic principles and rights at work. They are either conventions, which are legally binding international treaties that may be ratified by member states, or recommendations, which serve as non-binding guidelines.
Non-stock products	Products that are not resold in the Group's retail operations such as promotional giveaways, office paper for printing, office furniture, etc.
Recruitment fees	A set fee or a percentage of income demanded from workers by a labour recruitment agent for job placement.
Slavery	Refers to a situation when a person exercises the rights of ownership over another person. This includes the power to make the victim an object of purchase or to use their labour or services in a substantially unrestricted manner.
The Group	Super Retail Group, its wholly owned subsidiary companies and partially owned subsidiary companies, to the extent and subject to the terms of the ownership (collectively the "Group").

Appendix 1 - International Labour Standards

List of relevant International Labour Standards as defined by the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up recommendations:

- [C87, Freedom of Association and Protection of the Right to Organise Convention, 1948](#)
- [C98, Right to Organise and Collective Bargaining Convention, 1949](#)
- [C29, Forced Labour Convention, 1930](#)
- [C105, Abolition of Forced Labour Convention, 1957](#)
- [C138, Minimum Age Convention, 1973](#)
- [C090, Night Work of Young Persons \(Industry\) Convention \(Revised\), 1948](#)
- [C182, Worst Forms of Child Labour Convention, 1999](#)
- [C181, Private Employment Agencies, 1997](#)
- [C100, Equal Remuneration Convention, 1951](#)
- [C111, Discrimination \(Employment and Occupation\) Convention, 1958](#)
- [The ILO call for Decent Work](#)
- [C1, Hours of Work \(Industry\) Convention, 1919](#)
- [C14, Weekly Rest \(Industry\) Convention, 1921](#)
- [C95, Protection of Wages Convention, 1949](#)
- [C131, Minimum Wage Fixing Convention, 1970](#)
- [C135, Workers' Representatives Convention, 1971](#)
- [C155, Occupational Safety and Health Convention, 1981](#)
- [C161, Occupational Health Services Convention, 1985](#)
- [R85, Protection of Wages Recommendation, 1949](#)
- [R116, Reduction of Hours of Work Recommendation, 1962](#)
- [R135, Minimum Wage Fixing Recommendation, 1970](#)
- [R164, Occupational Safety and Health Recommendation, 1981](#)
- [R184, Home Work Recommendation, 1996](#)
- [R190, Worst Forms of Child Labour Convention Recommendation, 1999](#)



8. Further Information or Assistance

If you have further queries or require more information on Super Retail Groups Ethical Sourcing policy please contact us on:

Att: Group Sustainability, Super Retail Group

Email: responsiblesourcing@superretailgroup.com

Tel: +61 (0)7 3482 7900