

Ethical Sourcing and Modern Slavery Policy

1. Policy Statement

- 1.1 Ausbright is committed to integrating ethical and socially responsible business practices into all aspects of operations, and in doing so, meeting the expectations of its valued stakeholders.
- 1.2 This Ethical Sourcing Policy (Policy) embodies Ausbright commitment to both the ethical manufacture and supply of consumables and working with suppliers to improve their social and environmental practices. The Policy is based on internationally accepted labour standards. Ausbright has the expectation that its suppliers will also share and demonstrate the same commitment.
- 1.3 The Australian Modern Slavery Act 2018 took effect on 1 January 2019 and requires Ausbright to make annual public reports (Modern Slavery Statements) on the actions of its divisions to address modern slavery risks in their operations and supply chains.

2. Our Expectations

This Policy outlines the minimum ethical standards that all sub-contractors and suppliers, including their sub-contractors, must comply with when working with Ausbright.

Ausbright expects its suppliers to:

- Commit to complying with the minimum ethical standards outlined in the Policy, with regard to employment practices and environmental compliance;
- Demonstrate commitment to the Policy through implementing monitoring systems to assess ethical sourcing compliance, with a focus on continual improvement;
- Fully co-operate with any external audit process conducted by or on behalf of Ausbright ; and
- Ensure that corrective action is taken as a priority to rectify any breach of this Policy.

Ausbright recognises that some suppliers may not be fully compliant with the ethical standards and we are committed to working with the suppliers to develop and implement continual improvement plans to achieve compliance over time.

3. Ethical Standards

Ausbright expects its suppliers to comply with the following ethical standards, and any associated laws and regulations in the supplier's country of operation and manufacture. Where there is a conflict between the ethical standard and local laws, whichever affords greater protection applies.

3.1 Employment is freely chosen

Suppliers must not use forced, bonded or involuntary labour. Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employment after reasonable notice.

3.2 Freedom of association and the right to collective bargaining are respected.

Suppliers shall respect that workers have the right to join a union or form trade unions of their own choosing and to bargain collectively. Suppliers shall also maintain an open attitude towards the activities of trade unions and their organisation activities.

Workers representatives shall not be 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 the local laws, suppliers will facilitate and not hinder the development of alternative means of independent and free association and bargaining.

3.3 Working conditions are safe and hygienic

Suppliers shall provide workers with a safe and hygienic working environment, taking into account the prevailing knowledge of the industry, any specific safety and health hazards as well as the applicable laws and standards. Adequate steps shall 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.

Supplier should ensure that workers are receiving regular and recorded health and safety training. Such training shall be repeated for new or reassigned workers.

Suppliers will provide workers with access to clean toilet facilities, clean and drinkable water and, if appropriate, sanitary facilities for food storage and preparation. Where accommodation is provided to workers, it shall be clean, safe and meet the basic needs of the workers.

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

Suppliers are responsible for ensuring emergency evacuation processes are established and regularly practiced by occupants, and all fire exits, and firefighting equipment are maintained to the required standards.

3.4 Child labour shall not be used

Suppliers must not recruit child labour. The use and exploitation of children is unacceptable, a zero-tolerance policy against child labour is enforced.

Young labour under the age of 18 shall not be employed at night and shall not work in hazardous conditions.

Suppliers shall develop or participate in and contribute to policies and program, which provide for the transition of any child found to be employed as child labour to enable him/her to attend and remain in quality education until no longer a child.

3.5 Wages are paid

Wages and benefits paid for a standard working week must meet, as a minimum, any applicable national legal laws, standards, regulations or industry benchmark standards, whichever is the higher.

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 they are paid.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by the national law without the expressed permission of the workers concerned. All disciplinary measures should be recorded.

3.6 Working hours are not excessive

Suppliers shall ensure that working hours comply with the national laws, collective agreements and the provisions covered below, whichever afford the greater protection for workers.

Working hours, excluding overtime, shall be define by contract, and not exceeding 48 hours per week.

All overtime must be voluntary and are used responsibly, taking into consideration: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment.

3.7 No discrimination is practised

Suppliers shall not practice 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.

3.8 Regular employment is provided

To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

3.9 No harsh or inhumane treatment is allowed

Suppliers will prohibit the use of physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.

3.10 Bribery and Corruption will not be accepted

Suppliers shall not engage, offer to engage in acts of bribery or corruption and will not falsify documents or records. A zero-tolerance policy applies.

3.11 Respect the environment

Suppliers shall comply with local environmental protection laws and regulations and ensure that key environmental impacts of facilities are identified, and controls implemented to minimise the impact of the supplier's operations on the environment.

4. Compliance with this Policy

Suppliers are responsible for ensuring compliance with this Policy and shall maintain adequate records of all aspects of the ethical standards set out in this Policy.

Ausbright will monitor compliance with this Policy. Ausbright employees, agents or its representatives may visit supplier factories or facilities to audit a supplier's compliance with this Policy.

Non-compliance with this Policy will require the supplier to undertake corrective action, which will be dependent upon the nature of the breach. This includes maintaining a Corrective Action Plan (CAP) to address the identified breaches and have in place a process for regular updates of the remediation progress.

In the case of a zero-tolerance issue or where several follow-up attempts have failed or corrective actions are not satisfactory, Ausbright reserves the right to terminate the business relationship with the supplier.

5. Policy Review

This Policy will be reviewed at least every 2 years to ensure effectiveness.