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## ETHICAL SOURCING POLICY

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### PURPOSE

In today's ever-growing global market, JPM are able to source their high quality and value for money product from a variety of locations nationally and internationally. In recent years, there have been examples of poor working conditions and environmental disregard in some developing countries.

This policy sets out our expectations of our suppliers regarding labour and human rights, environment, health and safety, and business integrity.

JPM has always implemented a high level of ethical and moral values in its Australian based, family business. This high level of ethical and moral values is also expected of our local and global suppliers.

JPM will cease sourcing products from any company that it feels does not abide by our high level of ethical and moral values.

### POLICY

At JPM, we are committed to sourcing our goods and services ethically and responsibly, with the expectation suppliers meet our standards for business integrity, labour and human rights, health and safety, and the environment.

If we are made aware of Ethical issues in our supply chain, we will endeavour to work with our suppliers to resolve all issues, whether it be human rights or environmental abuses in a timely manner.

### JPM's EXPECTATIONS OF OUR SUPPLIERS

#### 1. Business Integrity

- All suppliers must fully comply with all applicable local/national laws and regulations regarding labour and human rights, health, safety and the environment.
- Suppliers must engage professional business ethics in all dealings.
- Suppliers shall not engage in acts of bribery and corruption and shall not falsify documents and records.

#### 2. Labour Rights

- Suppliers must not use any form of servitude, forced, bonded, involuntary prison, indentured, trafficked, or involuntary labour.
- Employment must be freely chosen.
- Workers must be given freedom of movement.
- Workers must not be required to lodge deposits or identity papers with suppliers and must be free to leave their employment after reasonable notice has been given.

#### 3. Safe Working Conditions

- Suppliers will provide plant and systems that are safe and without risk to health.
- Suppliers will provide workers with a safe and clean working environment taking into consideration the prevailing knowledge of the industry and of any specific hazards.
- Workers shall be provided adequate training to perform their jobs in a safe manner, and training shall be recorded.
- Where required to perform their duties, personal protective equipment must be supplied to workers by the suppliers, and workers shall be trained in its use.
- Safeguards on machinery must meet or exceed local laws.

- Where suppliers provide worker accommodation, it must be clean, safe and at a minimum meet the basic needs of workers.
- Workers shall have access to clean toilet facilities, clean drinking water and where appropriate sanitary facilities for food storage and preparation.
- Suppliers shall assign responsibility for health and safety to a senior management representative.
- Suppliers shall ensure that all health and safety procedures comply with applicable national and local laws.

#### **4. Child Labour**

- JPM supports the ILO Convention 138 relating to use of child labour
- Child labour refers to work that:
  - Is mentally, physically or morally harmful to children;
  - Can negatively affect their mental, physical or social development;
  - Interferes with their schooling:
    - by depriving them of the opportunity to attend school;
    - by obliging them to leave school prematurely;
    - by requiring them to attempt to combine school attendance with excessively long and heavy work.

In short: child labour is work that deprives children of their childhood, their potential, their dignity, and is harmful to their physical and mental development.

#### **5. Wages and Benefits**

- Wages and benefits paid for a standard working week must, as a minimum, encompass national or industry standards, whichever is the higher. In any event, wages should always be enough to cover basic needs and to provide some discretionary income for workers and their families and/or dependents.
- All workers must be provided with written, accessible, 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 may only occur with the express written permission of the worker concerned and where permitted by law.
- Deductions from wages for disciplinary measures are not permitted.
- Accurate and complete records of wages and benefits paid to each worker must be maintained.
- Workers who have a regular employment relationship with their employer are afforded obligations from their employer relating to labour and social security laws and regulations. These obligations shall not be avoided through the use of 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.

#### **6. Working Hours**

- 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. Exceptions may be considered, if:
  - permitted by national law or Collective Bargaining Agreement (CBA);
  - appropriate safety measures are implemented to protect workers; or
  - suppliers can demonstrate and prove exceptional circumstances (e.g. unanticipated and unavoidable production peaks, accidents or emergencies).
- Workers must have at least one day off in 7 days or two days off in every 14 days.
- Workers must be provided with legally required breaks during their working day.
- Overtime must be voluntary and compensated as prescribed by local laws or, where local laws do not exist, overtime should be compensated in line with ETI Base Code.
- Accurate and complete records of hours worked by each worker must be maintained.

#### **7. No discrimination in the workplace**

- There is to be 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.
- Sexual abuse or harassment must be prohibited.
- Responsibility should be allocated to ensure women's health and rights are considered and appropriate actions are taken by management to address concerns or issues when they arise.
- Pregnant workers must not be dismissed. Pregnancy testing of employees/potential recruits is not allowed.

## **8. Environment**

- Facilities operated by suppliers must comply with environmental impact rules, regulations and standards applicable to their operations. Suppliers must observe environmentally conscious practices in all locations where they operate.
- Suppliers must comply with local and national environmental laws and regulations.
- 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.
- Suppliers must manage their waste, wastewater, and pollutants responsibly and seek to improve their environmental performance. This includes ensuring that communities' access to water is not negatively impacted by the suppliers' operations.

## **9. Land Rights**

- Suppliers will ensure appropriate steps are taken to identify and respect legitimate tenure rights holders when acquiring, leasing or using land.

## **10. 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.

## **11. 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.

## **12. Packaging and paper**

- Unnecessary use of materials shall be avoided, and recycled materials shall be used wherever appropriate.

## **13. 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.

## **14. Energy use**

- All production and delivery processes shall be based on maximising efficient energy use and minimising harmful emissions.

## **15. 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.

### **In conclusion:**

In accordance with the expectations of our customers, the community, and the requirements of the Law, we endeavour to always operate responsibly within the community, and we expect the same from our suppliers. Maintaining a reputation for the highest legal, moral and ethical standards in our dealings with our customers and other key stakeholders is critical for our ongoing success. This Policy has been developed to complement our core values of integrity, trust and acting responsibly.

Our Ethical Sourcing Policy sets out our expectations of our suppliers regarding labour rights, human rights, health and safety, environment, and business integrity in sourcing products and services in accordance with legal obligations and community expectations while working with suppliers to improve their social and environmental practices.