



## **Code of Conduct**

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*Faguo shall ensure that all suppliers are accompanied throughout the process of improving its standards to meet the requirements of the following Code of Conduct.*

*Suppliers shall ensure the appropriate circulation of this Code of Conduct amongst its employees and take appropriate measures for the effective application of the Code of Conduct amongst its own suppliers.*

*Suppliers shall faithfully warn Faguo of any serious difficulty in applying such Code of Conduct.*

*Suppliers shall be proactive in conducting audits which assess some or all requirements of the following Code of Conduct and shall be collaborative in any potential corrective action plan set-up to meet these requirements.*

*The compliance with the Code of Conduct shall constitute, notwithstanding any contractual clause, an essential condition of the commercial relationship.*

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## **1. GOVERNANCE**

### **1. *Legality***

The supplier shall comply with all directly applicable quality, social and environmental regulations.

### **2. *Anti-corruption***

The supplier shall work against corruption in all its forms, including extortion and bribery.

### **3. *Transparency***

The supplier must make all reasonable efforts to cooperate and share all information required upon request.

## **2. HUMAN RIGHTS**

### **1. *Child labour***

The supplier shall comply with the national minimum age for admission to employment or work in any occupation which should not be less than the age for completing compulsory schooling and, in any case, not be inferior to 15 years old. If however, the local legal minimum age is set at 14 years of age in accordance with ILO Convention 138 developing country exceptions, this lower age may apply.

The supplier shall neither recruit nor exploit children in any way. If children are found on production site, (except in a childcare room), the supplier shall seek a sensitive and satisfactory solution that puts the best interests of the child first.

The supplier shall not employ young workers under the age of 18 years old at night, nor in conditions which could jeopardize their health, their safety or their moral integrity, and/or which could harm their physical, mental, spiritual, moral or social development in accordance with ILO Convention 182.

### **2. *Forced labour***

The supplier shall not use any forced, bonded, indentured or involuntary prison labour in accordance with ILO Conventions 29 and 105.

The supplier shall not require from workers to lodge "deposits" or their identity papers and they shall be free to leave their employer after reasonable notice.

### **3. *Gender equality and non-discrimination***

The supplier shall not make any discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, gender, age, caste, social background, diseases, disability, pregnancy, ethnic, national origin, religion, disability, marital status, sexual orientation, union membership, political affiliation or any other personal characteristics. (ILO Conventions 100 and 111)

### **4. *Disciplinary practices, harassment and abuse***

The supplier shall treat all workers with respect and dignity.

The supplier shall not engage in or tolerate bullying, harassment or abuse of any kind.

The supplier shall establish written disciplinary procedures and shall explain them in clear and understandable terms to their workers.

All disciplinary actions shall be recorded.

### **3. HEALTH AND SAFETY**

#### **1. Fire risk management**

The supplier shall provide adequate safeguards against fire, and shall ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.

#### **2. Chemicals management**

The supplier shall undertake sufficient training of workers and management in waste management, handling and disposal of chemicals and other dangerous materials.

#### **3. Workplace conditions**

The supplier shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.

The supplier shall provide all workers with access to clean toilet facilities and to drinkable water and, if applicable, sanitary facilities for food preparation and storage.

The supplier shall provide access to adequate medical assistance and facilities.

#### **4. Workers safety**

The supplier must take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Appropriate and effective personal protective equipment shall be provided as needed.

The supplier shall provide regular and recorded health and safety training to workers and management, and such training shall be repeated for all new or reassigned workers and management.

#### **5. Employee housing**

The supplier shall ensure that residential facilities for workers, where provided, are clean and safe.

### **4. EMPLOYMENT**

#### **1. Worktime and workload**

The supplier shall set working hours that comply with national laws and ILO conventions, whichever affords greater protection to ensure the health, safety and welfare of workers.

The supplier shall respect that the standard allowable working hours in a week are 48 (forty-eight), excluding overtime. Workers shall not be required to work in excess of 48 hours per week on a regular basis.

All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment and shall not exceed 12 (twelve) hours per week. Overtime shall

always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

The supplier shall respect all workers' rights to at least one rest day in every 7 (seven) days period or, where allowed by national law, 2 days off in every 14-day period\* as well as annual paid leave period and public national and local holidays as per local regulations.

*\*International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.*

The total hours worked in any 7-day period shall not exceed 60 hours, except in special circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety;
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

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, sub-contracting, 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.

## **2. Remuneration**

The supplier must compensate its workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income in accordance with ILO Conventions 26 and 131.

The supplier shall always compensate all workers for all overtime at a premium rate, as required by law and, where applicable, by contractual agreement.

The supplier shall provide all legally required benefits, including paid leave, to all workers.

The supplier shall not make any deductions from wages which are unauthorized or not provided for by national law. The supplier shall not make any deduction from wages as a disciplinary measure.

All workers shall 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.

Work performed must be based on a recognized employment relationship established in compliance with national legislation and ILO conventions, whichever affords the greater protection.

## **3. Freedom of association**

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.(ILO Conventions 87 and 98)

The employer adopts an open attitude towards the activities of trade unions and their organizational activities.

Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.(ILO Conventions 135 Recommendation 143)

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.

#### **4. Anti-bribery, corruption and presentation of false information**

The supplier shall work against corruption in employment processes.

#### **5. Grievance mechanism**

A grievance mechanism is “a formal, legal or non-legal complaint process that can be used by individuals, workers, communities and/or civil society organizations that are being negatively affected by certain business activities and operations”.

We advise the supplier to set-up grievance mechanism-trade unions, workers council, run internally or externally) in order to allow workers to voice their concerns without fear of penalty or retribution.

### **5. EDUCATION AND EMPOWERMENT**

#### **1. Education level**

The supplier shall ensure that working hours of young workers (between 15 or higher as defined by national law and 18 or higher as defined by national law) do not interfere with their education; normal school attendance is ensured.

#### **2. Skills development**

We advise the supplier to offer trainings to raise the awareness of workers’ rights and provide apprenticeship or training programs for young workers (of legal working age) allowing them to build skills and the management to develop a trained work force.

#### **3. Preservation and promotion of cultural traditions**

The supplier shall respect the culture of the country in which it operates.

### **6. ENVIRONMENT**

#### **1. Environmental policy**

The supplier shall be aware of the significant environmental impact of sites and processes.

The supplier shall implement the three principles of the Global Compact relating to environmental protection:

- Apply a precautionary approach to environmental problems;
- Undertake initiatives aimed at promoting greater environmental responsibility;
- Encourage the development and diffusion of environmentally friendly technologies.

## **2. Energy and carbon emissions**

The supplier should monitor and set-up goals to reduce and make continuous improvement on energy-efficiency.

## **3. Water consumption and pollution**

The supplier shall take measures to assess and reduce water consumption by setting measurable goals.

The supplier shall properly treat wastewater before discharge to reduce environmental issues.

The supplier shall use greywater or rainwater sources when possible.

## **4. Waste management**


The supplier shall take measures to prevent and reduce waste production and ensure responsible waste management.

The supplier shall recycle and upcycle waste and residues as far as possible (internally or externally).

## **5. Restricted Substance List**

The supplier shall ensure the compliance with the Restricted Substance List provided.

**Faguo**

  
signature + date

**The supplier**

Signature + date