

## SUPPLIER CODE OF CONDUCT

### 1. Supplier Code of Conduct

#### 1.1 Introduction

This Supplier Code of Conduct (the “Code”) applies to all suppliers, including contracted factories that produce merchandise for or on behalf of Mr Price Group. Whilst the Group recognizes that there are different legal and cultural environments in which suppliers operate throughout the world, the Code sets out the basic requirements (in addition to our contractual agreement) that all suppliers must meet in order to do business with the Group. The Code also provides the foundation for Mr Price Group’s ongoing supplier evaluation.

As a condition of doing business with the Group, suppliers must comply with the Code and, upon request, provide proof of such compliance. If the Group determines that any supplier that supplies merchandise to the Group has violated the Code, then it may either terminate, or call for the termination of the business relationship, or require the supplier to implement a corrective action plan. If corrective action is advised but not taken, the Group may suspend placement of future orders and terminate current production.

#### 1.2 General principle

Mr Price Group believes in treating employees, suppliers, communities and the environment respectfully and fairly. The Group’s suppliers shall apply the same values and operate in compliance with the relevant legislation, other requirements or prevailing codes of industry best practice in their respective countries. The provisions of the Code constitute minimum standards; therefore the Code does not prevent companies from exceeding these standards. Where applicable laws, rules and regulations address the same subject as provided within this Code, that which imposes more stringent requirements must be applied.

Accurate records must be kept on site of any incidents (including Occupational Health and Safety incidents) and corrective actions applied.

Suppliers shall provide verifiable proof of compliance with the Code upon request from the Company from time to time, which shall include but not be limited to:

- Proof of a third party audit conducted within the twelve (12) month period prior to the supplier executing the Agreement to which this Code is an annexure,
- Proof of compliance with any legislation applicable to the Supplier, which for South African Suppliers will include Bargaining Council Agreements and BBBEE compliance certificates;
- Full disclosure of all factory/manufacturing or sub-contracted sites used to product Goods for Mr Price Group, including but not limited to site names, addresses, locations (including GPS coordinates), and contact details (names, phone numbers, email addresses) (“Disclosure Details”).
- The Supplier shall be required to procure proof of compliance by any agent, guest or invitee or sub-contractor (“Third Parties”) of the Supplier involved in the manufacture or procurement of Goods for Mr Price Group.
- Where new third parties are utilised by the Supplier, the Supplier is to disclose this to Mr Price Group as well as the Disclosure Details pertaining thereto.

- The correct details of any Third Party that the Supplier makes use of in the manufacturing or procurement of Goods for Mr Price Group must be disclosed for each Official Order.

Non-compliance with the Code, which is incorporated into the Supply Agreement by reference, will be deemed as a material breach of the Supply Agreement.

### **1.3 Environment**

Mr Price Group is concerned about the impact of merchandise production on the environment, the climate and natural resources. It is therefore expected that suppliers (including contracted factories) will act responsibly by complying with applicable environmental laws and regulations in the country of operation. All production sites must monitor the impact of their activities and their products or services on the environment, health and public safety.

All outgoing wastewater from wet processes must be treated before discharge, and the treated wastewater must be compliant with applicable legislation. All waste and in particular hazardous waste must be disposed of in a responsible manner and in accordance with applicable legislation.

### **1.4 Discrimination**

Suppliers shall promote equality and prevent unfair discrimination in the workplace. In furtherance to this, suppliers shall employ, promote, train, terminate, retire and pay workers on the basis of their ability to do the job, and without regard to race, caste, colour, gender, nationality, religion, age, disability, gender, sexual orientation, union membership, political affiliation or marital status. Migrant workers shall have the same entitlement as local employees.

### **1.5 Forced Labour**

Suppliers shall not use involuntary labour of any kind, including prison labour, debt bondage or forced labour by an external authority. Workers should not be required to lodge “deposits” or identity papers with their employer, and should be free to leave their employer after giving reasonable notice.

Factory lockouts are prohibited and workers may not be prevented from leaving the factory premises under reasonable circumstances or the conclusion of the official shift.

### **1.6 Child Labour**

There shall be no recruitment of child labour. Suppliers shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable him or her to attend and remain in quality education until no longer a child; “child” and “child labour” being defined in line with the International Labour Organisation (ILO) standards.

### **1.7 Wages & Working hours**

Workers shall be provided with written and understandable information about their employment conditions and wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid. Workers shall be paid the required legal wage. No deductions as a disciplinary measure shall be permitted nor shall any deductions from wages not provided for by national law, be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Working hours must comply with national laws, collective agreement and the provisions of this code, whichever affords greater protection for workers. Working hours, excluding overtime, must be defined by contract, and shall not exceed 48 hours per week.

All overtime shall be voluntary and must be used responsibly, taking into account the extent, frequency and hours worked by individual workers and the workforce as a whole. Overtime must not be used to replace regular employment. Overtime must be compensated at a rate recommended at no less than 125% of regular pay or that which is provided for under national law.

The total hours worked in any 7 day period shall not exceed 60 hours, except in exceptional circumstances where:

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

Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days in every 14 day period.

## **1.8 Working Environment/ Health and Safety**

Suppliers must treat all workers with respect and dignity, provide them with a safe and hygienic work environment and must contribute towards the development of their employees.

Access to clean toilet facilities and potable water, and, if appropriate, sanitary facilities for food storage shall be provided. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work or from unsafe buildings. This shall be done by minimising as far as is reasonably practical, the causes of hazards and accidents inherent in the working environment.

Suppliers providing housing for workers must keep these facilities separate from working areas, clean and safe and meet the basic needs of workers. The company responsible for observing the Code shall assign responsibility for health and safety to a senior management representative, who needs to ensure that the Code is applied and the relevant first aid equipment is available. Any chemicals in the production of merchandise must be in compliance with the guidelines provided by the International Labour Organisation (ILO) Convention 170 for the safe use of chemicals.

Adequate fire safety equipment must be provided and workers must have access to medical assistance and facilities where required.

## **1.9 Freedom of Association**

Mr Price Group encourage suppliers to have open and honest relationship with workers and to allow for worker representative groups that can liaise directly with management on issues that affect workers and their productivity.

If allowed by national law, workers should without distinction, be free to join or form associations or trade unions of their own choosing, bargain collectively or form worker representative groups. The employer should adopt an open attitude towards the activities of trade unions and their organisational activities. Worker representatives must not be discriminated against for lawfully and peacefully organising, associating or bargaining collectively.

#### **1.10 Regular Employment**

Where possible, work performed by employees must be on the basis of 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, sub-contracting, home-working arrangements or apprenticeship schemes, where there may be no real intent to impart skills or provide regular employment. Such obligations should also not be avoided through the excessive use of fixed-term contracts of employment.

#### **1.11 No Harsh or Inhumane Treatment is allowed**

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Disciplinary action taken against an employee must be recorded and records kept on file.

#### **1.12 Corruption**

The Supplier will not make or cause to be made any offer, gift or payment, consideration or benefit of any kind, including facilitation payments, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of the Agreement. Any such practice will be grounds for termination of this contract