

# TOMS<sup>®</sup>

## **TOMS' Workplace Code of Conduct and Compliance Benchmarks**

**Revised January 5, 2022**

## **PREAMBLE**

At TOMS, we believe we can improve people's lives through business. We expect that the suppliers who manufacture our products will conduct their business in a manner consistent with the unique values and spirit of our company and source materials from vendors that do the same. We have provided this Supplier Code of Conduct (this "Code") to clearly articulate specific minimum standards for those suppliers who manufacture our products and the subcontractors and vendors with whom they work.

We desire that by implementing and enforcing this Code, our products will be made in environments that protect workers' rights, ensure workers' health and safety and respect workers' dignity. We will work to seek out innovative suppliers that exceed our standards and strive for continuous improvement in identifying positive solutions to environmental and social issues. When differences or conflicts in standards arise, we shall apply the highest standard.

## TOMS SUPPLIER CODE OF CONDUCT

**Minimum Work Age** – Child labor is strictly prohibited. Suppliers’ employees shall be at least 15 years of age or, if greater, the minimum age for employment according to local laws in the country of operation. This applies to all subcontractors as well.

**Voluntary Employment** – Suppliers shall not use any form of involuntary or forced labor (including, without limitation, prison labor, bonded labor, indentured labor or other forms of forced labor.)

**Non-Discrimination** – Suppliers shall not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status in any hiring or employment practices.

**Wages and Benefits** – Suppliers’ employees have a right to compensation for a regular work week that is sufficient to meet their basic needs and provide some discretionary income. Suppliers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers’ basic needs and provide some discretionary income, each supplier shall work with TOMS to take appropriate actions that seek to progressively realize a level of compensation that does.

**Hours of Work** – Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Suppliers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Suppliers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

**Freedom of Association/Collective Bargaining** – Employees’ rights to associate, form or join a worker organization, and bargain collectively shall be recognized and respected without penalty or interference.

**Workplace Health, Safety and Environment**– Suppliers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring during work or as a result of the operation of suppliers’ facilities. Suppliers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.

**Positive Work Environment** – Employees shall be treated with respect and dignity. They should not be subjected to any form of harassment or abuse, including, without limitation, physical, sexual, verbal or psychological, at the workplace.

**Subcontracting** – Unapproved subcontractors should not be used to manufacture TOMS products.

**Legal Compliance** – Suppliers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.

**Management System** – Suppliers shall establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure (a) compliance with applicable laws, regulations and customer requirements related to the Suppliers’ operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement. Suppliers shall also maintain accurate financial books and business records in accordance with all applicable legal and regulatory requirements and generally accepted accounting practices.

**Code Implementation** – Suppliers must post this Code in the prominently in workplace in the local language and shall actively work to implement and integrate this Code into their operations. Suppliers shall ensure all subcontractors comply with this Code.

Suppliers, subcontractors, and their facilities are subject to monitoring and verification of their efforts to comply with this Code. Facilities may be visited on an announced and unannounced basis by both TOMS' employees and third-party auditors. TOMS is committed to work with Suppliers and support them in continued efforts to implement and comply with this Code, and remediation efforts when necessary, however, failure to consistently show improvement or continuous failure to follow the Code may result in termination of our business relationship.

# **TOMS Workplace Code of Conduct and Compliance Benchmarks**

Revised January 5, 2022

## **I. EMPLOYMENT RELATIONSHIP (ER)**

**WORKPLACE CODE PROVISION: Employers shall adopt and adhere to rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations.**

### **Employment Management Systems**

#### **ER.1 Employment Management Systems / Human Resources**

ER.1.1 Employers shall have in place written policies and practices and maintain proper and accurate records governing all aspects of employment from recruitment, hiring and probation, including written terms and conditions of employment, job descriptions, administration of compensation, and working hours for all positions, through to retrenchment and termination processes.

ER.1.2 Employers shall assign responsibility for the administration of human resources to a clearly defined and adequately qualified staff member or staff members and ensure workers at all levels receive communication and training about existing policies and procedures or any revisions.

ER.1.3 Employers should implement an annual, review process with input from workers of all policies, procedures and their implementation to ensure they meet legal requirements and the TOMS Workplace Code.

#### **ER.2 Employment Management Systems / Special Categories of Workers**

Employers shall ensure that all legally mandated requirements for the protection or management of special categories of workers, including migrant, juvenile, contract/contingent/temporary, probationary workers, home workers, and pregnant or disabled workers, are implemented. Where local laws and TOMS standards differ, the employer is expected to follow the highest applicable standard.

#### **ER.3 Employment Management Systems / New Employee Orientation**

ER.3.1 Employers shall provide an orientation to new employees at the time of hiring, which includes explanations of the employers' rules, compensation package and policies for human resources, grievance systems, industrial relations, including respect of the right to freedom of association, workers' rights and responsibilities, TOMS Code of Conduct, health and safety, and environmental protection.

ER.3.2 Training should be updated on a regular basis, and in particular, when any policies and procedures are revised.

ER.3.3 Workers should be provided with written documentation that substantiates all the issues covered in orientation briefings.

#### **ER.4 Employment Management Systems / Communication**

Employers shall inform workers about workplace rules, environmental protection systems, health and safety information, and laws regarding workers' rights with respect to freedom of association, compensation, working hours, and any other legally required information, and the TOMS Code through appropriate means, including posted in local language(s) throughout the workplace's common areas.

#### **ER.5 Employment Management Systems / Supervisor Training**

ER.5.1 Employers shall ensure that all supervisors are trained in national laws, workplace regulations, and the TOMS Code, workplace grievance systems, and the appropriate practices to ensure compliance.

ER.5.2 Employers shall inform supervisors that they should not use any form of harassment or abuse to maintain labor discipline.

ER.5.3 Trainings should be updated on a regular basis.

#### **ER.6 Employment Management Systems / Skills Development Training**

ER.6.1 Employers shall have written policies and procedures and implement practices that encourage ongoing training of all categories of workers with the goal of raising or broadening skills in order to advance in their careers within the workplace or beyond.

ER.6.2 The policies and procedures should include how workers will be informed of training opportunities, eligibility requirement for participation, if the training will be compulsory or voluntary, if it will take place during or after working hours, and if the training time will be compensated.

#### **ER.7 Employment Management Systems / Performance Reviews**

ER.7.1 Employers shall have written policies and procedures with regard to performance reviews that outline the review steps and process, demonstrate linkages to job grading, prohibit discrimination, are provided in writing and seek feedback and agreement/disagreement from employees in writing, and that follow all local legal requirements.

ER.7.2 The performance review process should be communicated to the workforce and reviewed regularly.

## **ER.8 Employment Management Systems/Promotion, Demotion and Job Reassignment**

Employers shall have written policies and procedures with regard to promotion, demotion, and job reassignment that outline the criteria, demonstrate linkages to job grading, and prohibit discrimination or use of demotion or job reassignment as a form of penalty or punishment, are provided in writing and seek feedback from employees in writing, and follow all local legal requirements.

## **Recruitment and Hiring**

### **ER.9 Recruitment and Hiring / Contract, Contingent or Temporary Workers**

ER.9.1 Employers shall hire contract/contingent/temporary workers only if such hiring is consistent with the national law of the country of production.

ER.9.2 Employers shall have in place written policies and procedures regulating the recruitment and hiring of contract/contingent/temporary workers.

ER.9.3 Contract/contingent/temporary workers shall only be hired if one of the following conditions is met:

ER.9.3.1 the permanent workforce of the enterprise is not sufficient to meet unexpected or unusually large volume of orders;

ER.9.3.2 exceptional circumstances\* may result in great financial loss to the supplier if delivery of goods cannot be met on time; or

ER.9.3.3 work that needs to be done and is outside the professional expertise of the permanent workforce.

### **ER.10 Recruitment and Hiring / Invalid Use of Contract, Contingent or Temporary Workers**

ER.10.1 Employers shall not hire contract/contingent/temporary workers as a means to support continuing business needs on a long-term basis.

ER.10.2 Employers shall not renew contracts for multiple successive short terms in lieu of providing regular employment.

### **ER.11 Recruitment and Hiring / Terms for Contract, Contingent, Migrant or Temporary Workers**

Employers must ensure the following minimum terms and conditions are met in the employment of contract/contingent/migrant/temporary workers:

ER.11.1 The enterprise must define the job functions or tasks that contract /contingent /migrant /temporary workers are hired to perform and maintains information on the use of contract/ contingent/ migrant/ temporary workers in relation to production needs;

ER.11.2 Contract/contingent/migrant/temporary workers shall be provided an employment agreement in their native language setting out the employment terms and conditions. For

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\* Please see the glossary at the end of this document for the TOMS' definition of this and other terms.

migrant workers, a copy of their employment contract in their native language shall be provided prior to departure from their country of origin;

ER.11.3 Workplace rules and regulations apply to contract/contingent/migrant/temporary workers the same as for permanent workers;

ER.11.4 National laws governing contract/contingent/migrant/temporary workers shall be observed.

ER.11.1.5 Personnel files and all relevant employment information for contract/contingent/migrant/temporary workers shall be maintained and accessible at the workplace site at all times;

ER.11.1.6 Contract/contingent/migrant/temporary workers who are hired on more than one occasion for seasonal production and specialization shall sign a separate contract for each new hire event. The workplace must retain all relevant information in each worker's personnel file; and

ER.11.1.7 Contract/contingent/migrant/temporary workers shall be given priority when the enterprise is seeking 'new' permanent employees.

## **ER.12 Recruitment and Hiring / Transition to Permanent Employee**

For any contract/contingent/temporary worker who becomes a permanent employee, seniority and other benefits eligibility must be dated from the first date as a contract/contingent/temporary worker and not from the first day of permanent employment.

## **ER.13 Recruitment and Hiring / Apprenticeships and Vocational Training**

ER.13.1 Employers shall comply with all regulations and requirements of apprentice or vocational education programs, and shall be able to document to monitors that these are legally recognized programs. Informal arrangements of any kind are not acceptable.

ER.13.2 Apprentice and vocational training programs shall be reserved exclusively for workers who lack necessary training or experience and therefore cannot yet be hired as regular workers.

ER.13.3 Apprentice and vocational training programs shall be subject to workplace conditions as set by the TOMS Workplace Code and national laws and regulations.

## **ER.14 Recruitment and Hiring / Employers Agreement with Employment Agencies**

ER.14.1 Employers shall use standard contract language with employment agencies or intermediaries that specifically imparts power to employers to directly pay wages to migrant/contract/contingent/temporary workers and ensures equality of compensation and workplace standards as set under the TOMS Workplace Code and national laws and regulations.

ER.14.2 Employers shall use standard contract language with employment agencies or

intermediaries that specifically prohibits practices that restrict any worker's freedom of movement or ability to terminate their employment.

## **Termination and Retrenchment**

### **ER.15 Termination and Retrenchment / Termination Payouts**

ER.15.1 Employers shall have in place a procedure for determining termination payouts, including methods for correct assessment of payouts for all modes of termination/retrenchment, taking into account national legal requirements.

ER.15.2 Employers shall establish channels for workers to confidentially express any concerns or problems they may be experiencing around legally owed payment during a retrenchment process.

ER.15.3 Employers shall not demand that workers sign any declaration of good health, waivers or releases of other rights as a condition of receiving severance pay or other legal benefits\* from the company, and shall not threaten to withhold benefits if workers do not sign.

ER.15.4 Upon termination, severance shall be based upon the worker's current salary and seniority as calculated from the initial date of hire.

ER.15.4.1 Where employers provide advance termination payouts as allowed by law, these amounts may be subtracted from the final severance payment but must be included as itemized deductions in the final severance calculation.

ER.15.5 Where employers provide annual indemnization, original contracts should remain without being terminated.

### **ER.16 Termination and Retrenchment / Policies and Procedures**

ER.16.1 Employers shall maintain proper and accurate records in relation to termination and retrenchment.

ER.16.2 When employers are faced with major changes in production, program, organization, structure, or technology and those changes are likely to result in temporary or permanent layoffs, employers shall communicate any alternatives to retrenchment that have been considered and consult any workers' representatives as early as possible with a view to averting or minimizing layoffs.

ER.16.3 Where temporary or permanent layoffs are unavoidable, a plan should be developed and implemented that mitigates the adverse effects of such changes on workers and their communities.

ER.16.4 The plan should be clearly communicated and posted, and include feedback channels for workers to ask questions and provide feedback.

ER.16.5 Employers shall give retrenched workers opportunity to transfer to other owned facilities

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in the country at a comparable wage and make all efforts to facilitate re-employment in other enterprises in the country.

## **Grievance System**

### **ER.17 Grievance System / Worker-Management Communication**

ER.17.1 Employers shall have a clear and transparent system of worker and management communication that enables workers to consult with and provide input to management. This might include suggestion boxes, worker committees, designated spaces for worker meetings, union representatives, and meetings between management and workers' representatives.

ER.17.2 There shall be a mechanism that allows workers to report harassment and grievances confidentially, including any concerns or problems they may be experiencing around legally owed payments during a retrenchment process.

ER.17.3 Employers shall have in place written procedures that allow a direct settlement of the grievance by the worker and the immediate supervisor. Where this is inappropriate or has failed, there should be additional options for senior management review and consideration, depending on the nature of the grievance and the structure and size of the enterprise.

ER.17.4 Employers shall ensure that the grievance procedures and applicable rules are known to workers, and that workers are fully trained on their use.

ER.17.5 Employers shall have in place procedures to track the number, types, and timing and resolution of grievances, and to communicate the resolution of grievances to the workforce.

ER.17.6 Employers shall have a system in place to prevent retaliation against or discrimination towards workers who are filing grievances, including grievances regarding harassment, abuse, violations of factory procedures, compensation\*, or unsafe working conditions

## **Workplace Conduct and Discipline**

### **ER.18 Work Conduct and Discipline / General Principles**

ER.18.1 Employers shall have written disciplinary rules, procedures and practices that embody a system of progressive discipline (e.g. a system of maintaining discipline through the application of escalating disciplinary action moving from verbal warnings to written warnings to suspension and finally to termination).

ER.18.1.1 The disciplinary system shall be applied in a fair and nondiscriminatory manner and include a management review of the actions by someone senior to the manager who imposed the disciplinary action.

ER.18.1.2 Employers shall maintain written records of all disciplinary actions taken.

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ER.18.2 Employers shall ensure managers and supervisors are fully familiar with the workplace disciplinary system and in applying appropriate disciplinary practices.

ER.18.3 Workplace Rules and policies, and disciplinary procedures and practices shall be clearly communicated to all workers in the language(s) spoken by workers. Any exceptions to this system (e.g. immediate termination for gross misconduct, such as theft or assault) shall also be in writing and clearly communicated to workers.

ER.18.3.1 Workers must be informed in writing when a disciplinary procedure has been initiated against them.

ER.18.3.2 Workers have the right to participate and be heard in any disciplinary procedure against them.

ER.18.3.3 Workers must sign all written records of disciplinary action against them.

ER.18.3.4 Records of disciplinary action must be maintained in the worker's personnel file.

ER.18.4 The disciplinary system shall include a third-party witness during imposition, and an appeal process.

ER.18.5 Employers shall inform workers that any form of harassment or abuse in the workplace shall be subject to disciplinary measures.

ER.18.6 The workplace shall commit to non-retaliation for all steps of the disciplinary process, including for a worker requesting a witness and filing an appeal of disciplinary action.

### **General Compliance**

#### **ER.19 General Compliance / Documentation and Inspection**

ER.19.1 Employers shall maintain on file all documentation needed to demonstrate compliance with the TOMS Workplace Code and required laws.

ER.19.1.1 Employers shall make these documents available to third-party assessors commissioned by the TOMS and shall submit to inspections without prior notice.

ER.19.2 All notices that are legally required to be posted in the workplace work areas shall be posted by employers.

## **II. NON-DISCRIMINATION (ND)**

**WORKPLACE CODE PROVISION: No person shall be subject to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.**

### **ND.1 General Compliance Nondiscrimination**

ND1.1 Employers, employment agencies, and intermediaries shall comply with all national laws, regulations and procedures concerning nondiscrimination. Where local laws and TOMS standards differ, the employer, employment agency, and intermediary is expected to follow the highest applicable standard.

ND.1.2 If not provided by law, employers must provide protection to workers who allege discrimination in any form, including recruitment and employment practices, compensation, marital, or health status.

### **ND.2 Employment Decisions**

ND.2.1 All employment decisions shall be made solely on the basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to the inherent requirements of a particular job.

ND.2.2 Employment decisions shall not be made on the basis of gender, race, religion, age, sexual orientation, nationality, political opinion, social group, ethnic origin, marital status, or union affiliation or sympathy.

### **ND.3 Job Advertisements, Job Descriptions and Evaluation Policies**

Recruitment and employment policies and practices, including job advertisements, job descriptions, application and interview questions and job performance/evaluation policies and practices shall be free from any type of discriminatory bias.

### **ND.4 Disclosure of Personal Information**

Employers may not request the disclosure of any personal, non-job related information during the application, recruitment, or hiring process, including but not limited to gender, race, religion, disability, sexual orientation, nationality, political opinion, social group, ethnic origin, or marital status.

### **ND.5 Compensation Discrimination**

There shall be no differences in compensation for workers for work of equal value on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin.

## **ND.6 Marital, Partnership, or Family Discrimination**

ND.6.1 Employers shall not discriminate on the basis of marital, partnership, or family status.

ND.6.2 Employers shall not threaten workers with dismissal or any other employment decision that negatively affects their employment status in order to prevent them from changing their marital, partnership, or family status (including getting married or becoming pregnant.)

ND.6.3 Employers shall not, on the basis of a worker's marital, partnership, or family status (including pregnancy), make any employment decisions that negatively affect employment status, including decisions concerning dismissal, demotion, loss of seniority, or deduction of wages

## **ND.7 Pregnancy Testing**

ND.7.1 Employers shall not require pregnancy testing of workers, except as required by national law.

ND.7.1.1 Employers shall not under any circumstances use pregnancy tests or the use of contraception in their hiring or employment decisions, even in cases where pregnancy tests are required by national law.

## **ND.8 Protection and Accommodation of Pregnant Workers and New Mothers**

ND.8.1 Employers shall abide by all protective provisions in national laws and regulations benefitting pregnant workers and new mothers, including provisions concerning maternity leave and other benefits; prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their new born children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities.

ND.8.1.1 Where such legal protective provisions are lacking, employers shall take all necessary measures to ensure the safety and health of pregnant women and their unborn children.

ND.8.1.2 Where legal protective provisions are lacking, employers shall, at minimum provide paid leave for regular pre-natal and post-natal doctor visits as well as breast-feeding breaks.

## **ND.9 Health-Related Discrimination**

Employers shall not, on the basis of a person's health status, make any employment decisions that negatively affect the person's employment status, including decisions concerning recruitment, termination, promotion, or assignment of work, unless such decision is dictated by the inherent requirements of the job or a medical necessity to protect the worker and/or other workers.

## **ND.10 Medical Examination**

Employers are allowed to require routine medical examination to assess general fitness as a

condition for recruitment or continued employment but shall not include testing for any disease or illness, such as HIV/AIDS, that does not have an immediate effect on a person's fitness and is not contagious.

#### **ND.11 Confidentiality of Health Status**

Employers shall respect the confidentiality of workers' health status and not undertake any action that could lead to a breach of said confidentiality, including screening, whether by direct or indirect testing (for instance, by making an assessment of risk behavior), or asking questions about previously taken tests or medications.

#### **ND.12 Reasonable Accommodation for Health Reasons**

Employers shall take measures to reasonably accommodate workers with chronic illnesses, including HIV/AIDS-related illnesses, which could include rearrangement of working time, the provision of special equipment, opportunities for rest breaks, time-off for medical appointments, flexible sick leave, part-time work and return-to-work arrangements.

#### **ND.13 Reasonable Accommodation, Modifications, and Adjustments -**

ND.13.1 Employers shall make all reasonable modifications and adjustments to accommodate specific religious, ethnic, gender, and disability-based needs of all workers within the workplace as well as within any employer-provided facilities such as dormitories or transportation.

ND.13.2 Workers shall not be required to reimburse the factory for the cost of these accommodations.

#### **ND.14 Dress Codes and Uniforms**

ND.14.1 Employers shall not impose any discriminatory restrictions on the dress or appearance of workers.

ND.14.2 In cases where the workplace requires uniforms or other specific clothing, accommodations shall be made for religious practice or disability.

ND.14.3 In cases where a workplace dress code is in place, the dress code shall not discriminate against or set different standards for ethnic or cultural groups.

#### **ND.15 Spoken Languages**

ND.15.1 Employers shall not require specific languages to be spoken in the work environment, nor shall they prohibit the use of any languages among workers.

ND.15.2 Employers shall make every reasonable effort to communicate to workers in their native language.

### **III. HARASSMENT OR ABUSE (H/A)**

**WORKPLACE CODE PROVISION: Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.**

#### **H/A.1 General Compliance Harassment or Abuse**

H/A.1.1 Employers shall comply with all national laws, regulations and procedures concerning discipline, violence, harassment and abuse, including that which is gender-based

H/A.1.2 If not provided under law, employers must provide protection to workers who allege harassment or abuse violations.

H/A.1.3 If not provided under law, employers must provide protection to workers who are victims of domestic violence.

#### **H/A.2 Discipline / Monetary Fines and Penalties**

Employers shall not use monetary fines and penalties as a means to maintain labor discipline, including for poor performance, for broken or lost tools/machinery, or for violating company rules, regulations, and policies.

#### **H/A.3 Discipline / Access to Facilities**

Access to food, water, toilets, medical care or health clinics or other basic necessities shall not be used as either reward or as a means to maintain labor discipline.

#### **H/A.4 Discipline / Physical Abuse**

Employers shall not use any form of – or threat of – physical violence, including slaps, pushes or other forms of physical contact as a means to maintain labor discipline.

#### **H/A.5 Discipline / Verbal Abuse**

Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline.

#### **H/A.6 Discipline / Psychological Abuse**

Employers shall not use any form – or threat – of psychological abuse, such as forcing workers to sign letters of self-criticism or posting names of workers subject to disciplinary measures as a means to maintain labor discipline.

#### **H/A.7 Discipline / Freedom of Movement**

Employers shall not restrain the freedom of movement of workers, including movement in canteens, during breaks, using toilets, accessing water, or accessing necessary medical attention, as a means to

maintain labor discipline.

### **H/A.8 Elimination of Violence, Harassment and Abuse in the Workplace**

H/A.8.1 Employers shall ensure that the workplace and all workplace facilities (such as employer-provided transportation or dormitories) are free from any type of violence, harassment or abuse, be it physical, sexual, psychological, verbal, or otherwise.

H/A.8.2 Employers, in consultation with worker/union representatives, shall assess specific hazards and risks of harassment and abuse in the workplace, including gender-based violence. This includes risks arising from working conditions, work arrangements (such as night shifts or other schedules,) work organization, and third parties such as recruitment agencies, contractors, or any other intermediaries.

H/A.8.3 Employers, shall develop, implement and monitor policy and procedures for eliminating the risk of violence, harassment, and abuse in the workplace. Policies and procedures shall include a clear statement that violence, harassment, and abuse will not be tolerated, procedures for the investigation of allegations, and measures to protect any complainants, victims, and witnesses.

H/A.8.4 Employers shall take all necessary precautions to eliminate any action (by the employer, between or among employees, or by third-parties who are retained by the employer or whose work is connected with the workplace) that would result in gender-based violence and/or harassment, regardless of whether such actions occur in or outside of the workplace and/or working hours.

### **H/A.9 Sexual Harassment**

H/A.9.1 Employers shall refrain from:

H/A.9.1.1 any act of sexual harassment, including inappropriate remark, insult, joke, insinuation, and comment on a person's dress, physique, age, family situation, etc.;

H/A.9.1.2 a condescending or paternalistic attitude with sexual implications undermining dignity;

H/A.9.1.3 any unwelcome invitation or request, implicit or explicit, whether or not accompanied by threats;

H/A.9.1.4 any lascivious look or other gesture associated with sexuality; and

H/A.9.1.5 any unnecessary physical contact such as touching, caresses, pinching or assault.

H/A.9.2 Employers shall not offer, or take any action that may suggest an offer of, recruitment, continued employment, promotion, improved working conditions, preferential work assignments or other preferential treatment in exchange for a sexual relationship

H/A.9.3 Employers shall not subject workers to prejudicial treatment of any kind in retaliation for refused sexual advances or corrected inappropriate behavior.

### **H/A.10 Security Practices and Body Searches**

H/A/10.1 All security practices shall be gender appropriate and nonintrusive, so that the dignity of workers concerned is protected when a search is undertaken.

H/A.10.1.1 Searching of bags and other personal items to prevent theft is acceptable.

H/A.10.1.2 Body searches and physical pat downs shall only be undertaken when there is a specific, legitimate reason to do so and upon consent of workers, unless a state official with the power to do so (e.g. police officer) has ordered the search.

H/A.10.1.3 Body searches shall not be undertaken in public and the person who undertakes the search shall be of the same sex as the person who is being searched.

### **H/A.11 Punishment of Abusive Workers, Supervisors, or Managers**

Employers shall have a system to discipline supervisors, managers or workers who engage in any physical, sexual, psychological or verbal violence, harassment or abuse, through measures such as compulsory counseling, warnings, demotions, and terminations or a combination thereof regardless of whether such action was intended as a means to maintain labor discipline with a view to preventing the reoccurrence of violence and harassment, and facilitating their reintegration into work, where appropriate.

## **IV. FORCED LABOR (F)**

**WORKPLACE CODE PROVISION: There shall be no use of forced labor, including prison labor, indentured labor, bonded labor or other forms of forced labor.**

### **F.1 General Compliance Forced Labor**

F.1.1 Employers, employment agencies, and intermediaries shall comply with all national laws, regulations and procedures concerning the prohibition of forced labor and human trafficking.

F.1.2 If not provided by law, employers must provide protection to workers who allege violations of forced labor.

### **F.2 Freedom in Employment**

F.2.1 All workers shall have the right to enter into and to terminate their employment freely.

F.2.2 Employment terms shall be those to which the worker has voluntarily agreed, in as far as those terms do not fall below:

F.2.2.1 provisions of national laws;

F.2.2.2 freely negotiated and valid collective bargaining agreements; or

F.2.2.3 the TOMS Workplace Code.

F.2.3 There can be no employment terms which allow employers, employment agencies, or intermediaries:

F.2.3.1 to hold wages already earned; or

F.2.3.2 use earned back wages as penalties; and

F.2.3.3 in any way punishes workers for terminating employment.

### **F.3 Debt / Bonded Labor**

F.3.1 Employers, employment agencies, or intermediaries shall not bind workers to employment as a condition of fulfilling terms of a debt

F.3.2 Employers, employment agencies, or intermediaries may provide loans directly to workers only if they are a component of a larger loan program (e.g. housing or education loans) available to all workers.

F.3.2.1 Lending and savings programs provided to workers by employers, employment agencies, or intermediaries must comply with all national laws and regulations for such programs.

F.3.3 The continuance of loans may not be dependent on continued employment at the workplace, and no penalties may be assessed on the loan for workers ending employment at the workplace.

F.3.4 Interest may not exceed the cost of administering the loan program and any tax liabilities incurred by the program, and according to legal limits.

#### **F.4 Freedom of Movement**

F.4.1 If workplace entrances are locked or guarded to prevent nonemployee access to the premises for security reasons, workers shall have free egress at all times,

F.4.2 No terms imposed by the employer or any employment agencies or intermediaries shall confine or restrict employees' freedom of movement or free transit

#### **F.5 Employer Controlled Residence**

Employers shall not require, or influence, workers to live in employer-owned or -controlled residences as a condition of recruitment, continued employment or to receive the same terms of employment and working conditions as other workers in the same position.

#### **F.6 Freedom of Movement in Employer Controlled Residence**

The freedom of movement of workers who live in employer-owned or -controlled residences shall not be unreasonably restricted.

#### **F.7 Threat of Penalty**

F.7.1 Employers shall not utilize, nor shall they use employment agencies or intermediaries that utilize, practices that restrict any worker's freedom of movement, ability to terminate their employment, or that create a threat of penalty. Examples of such practices include, but are not limited to:

- F.7.1.1 (the threat of) physical or mental coercion;
- F.7.1.2 requiring deposits;
- F.7.1.3 imposing financial penalties;
- F.7.1.4 requiring workers to pay recruitment and/or employment fees\*;
- F.7.1.5 providing precarious employment\*;
- F.7.1.6 using false information to recruit workers

#### **F.8 Forced Overtime**

The imposition of overtime where workers are unable to leave the work premises constitutes forced labor.

#### **F.9 Personal Identification and Other Documents**

Workers shall retain possession and control of their passports, identity papers, travel documents, work permits, and other personal legal documents.

#### **F.10 Storage for Employee Documents**

F.10.1 Employers shall provide at employee request secure storage for employee's documents such

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\* Please see the glossary at the end of this document for the TOMS' definition of this and other terms.

as passports, identity papers, travel documents, and other personal legal documents. Such storage shall be freely accessible to workers at all times.

F.10.2 Employers shall not withhold any such documents or restrict workers' access to them for any reason, including ensuring that workers shall remain in employment in the workplace.

### **F.11 Employment Fees**

Fees and other costs associated with the employment of workers, including migrant/contingent/contract/temporary workers, shall be the sole responsibility of the employer.

### **F.12 Free Disposal of Wages**

F.12.1 Employers may not limit in any manner the freedom of workers to dispose of their wages.

F.12.2 Workers must be free from any coercion to make use of enterprise or employer-operated stores.

## **V. CHILD LABOR (CL)**

**WORKPLACE CODE PROVISION: No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.**

### **CL.1 General Compliance Child Labor**

Employers shall comply with all national laws, regulations and procedures concerning the prohibition of child labor.

### **CL.2 Child Labor**

Employers shall not employ anyone under the age of 15 or under the age for completion of compulsory education, whichever is higher.

### **CL.3 Government Permits and Parental Consent Documentation**

Employers shall abide by all relevant rules and procedures where the law requires government permits or permission from parents as a condition of employment, and shall keep documentation on-site for inspection at all times.

### **CL.4 Employment of Young Workers**

Employers shall comply with all relevant laws that apply to young workers (e.g. those between the minimum working age and the age of 18), including regulations related to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime.

### **CL.5 Hazardous Work for Young Workers**

No person under the age of 18 shall undertake hazardous work, i.e. work which, by its nature or the circumstances in which it is carried out, is likely to harm the health or safety or morals of persons under the age of 18.

### **CL.6 Young Workers Identification System**

Employers shall have a system for identifying workstations and operations that are inappropriate for young workers according to applicable laws.

### **CL.7 Apprenticeships and Vocational Training / Minimum Working Age**

Apprentices or vocational students shall not be under the age of 15 or under the age for completion of compulsory education, whichever is higher.

### **CL.8 Proof of Age Documentation**

CL.8.1 Employers shall collect and maintain all documentation necessary to confirm and verify date of birth of all workers, such as birth certificates.

CL.8.1.1 Employers shall take reasonable measures to ensure such documentation is complete and accurate.

CL.8.1.2 In those cases where proof of age documentation is not readily available or unreliable, employers shall take all necessary precautions which can reasonably be expected of them to ensure that all workers are at least the minimum working age, including requesting and maintaining medical or religious records of workers, or through other means considered reliable in the local context.

## **VI. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (FOA)**

**WORKPLACE CODE PROVISION: Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.**

### **FOA.1 General Compliance Freedom of Association**

FOA.1.1 Employers shall comply with all national laws, regulations and procedures concerning freedom of association and collective bargaining. national laws, rules, and procedures protecting the rights of workers to organize and bargain collectively. Where local laws and TOMS standards differ, the employer is expected to follow the highest applicable standard.

FOA.1.2 If not provided by law, employers must provide protection to workers who allege violations of freedom of association.

### **FOA.2 Right to Freely Associate**

Workers, without distinction whatsoever, shall have the right to establish and to join organizations of their own choosing, subject only to the rules of the organization concerned, without previous authorization. The right to freedom of association begins at the time that workers seeks employment and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers.

### **FOA.3 Alternative Means of Association**

When the right to freedom of association and collective bargaining is restricted under law, employers shall not obstruct legal alternative means of worker association.

### **FOA.4 Anti-Union Violence, Harassment or Abuse**

FOA.4.1 Employers shall not use any form of physical or psychological violence, threats, intimidation, retaliation, harassment or abuse against union representatives and workers seeking to form, in the process of forming, or who have joined an organization of their own choosing.

FOA.4.1.1 Such practices shall not be used against workers' organizations or workers participating or intending to participate in formal or informal organizing activities, including strikes.

### **FOA.5 Anti-Union Discrimination / Dismissal, Other Loss of Rights, and Blocklisting**

FOA.5.1 Employers shall not engage in any acts of anti-union discrimination or retaliation, i.e. shall not make any employment decisions which negatively affect workers based wholly or in part on a workers' union membership or participation in union activity, including the formation of a union, previous employment in a unionized facility, participation in collective bargaining efforts or participation in a legal strike.

FOA.5.1.1 Employers shall not use blocklists to restrict freedom of association, for instance blocklists based on union membership or participation in union activity.

### **FOA.6 Restoration of Workers Rights / Worker Reinstatement**

Workers who have been unjustly dismissed, demoted or otherwise suffered a loss of rights and privileges at work due to an act of union discrimination shall, subject to national laws, be entitled to restoration of all the rights and privileges lost, including reinstatement and retroactive payment of wages, if they so desire.

### **FOA.7 Protection of Union Representatives**

Employers shall comply with all relevant provisions where national laws provide special protection to workers or worker representatives engaged in a particular union activity (such as union formation) or to worker representatives with a particular status (such as founding union members or current union office holders).

### **FOA.8 Production Shift/Workplace Closure**

FOA.8.1 Employers shall not (threaten to) shift production or close a workplace site in an attempt to prevent the formation of a union, in reaction to the formation of a union, in reaction to any other legitimate exercise of the right to freedom of association and collective bargaining, including the right to strike, or in an effort to break up a union.

FOA.8.2 If a workplace is closing and there is a dispute that the closure was done to prevent or hamper the legitimate exercise of the right to freedom of association, employers shall provide proof that can be assessed by a third party to determine the validity of the reasons given for closure.

### **FOA.9 Severance Pay**

Employers shall not offer or use severance pay in any form or under any other name as a means of contravening the right to freedom of association, including attempts to prevent or restrict union formation or union activity, including strikes.

### **FOA.10 Employer Interference**

Employers shall refrain from any acts of interference with the formation or operation of workers' organizations, including acts, which are designed to establish or promote the domination, financing- or control of workers' organizations by employers.

### **FOA.11 Employer Interference / Constitution, Elections, Administration, Activities & Programs**

FOA.11.1 Employers shall not interfere with the right of workers to:

FOA.11.1.1 Draw up their constitutions and rules;

FOA.11.1.2 Elect their representatives; or

FAO.11.1.3 Organize their administration and activities.

### **FOA.12 Employer Interference / Registration**

Employers shall not attempt to influence or interfere in any way, to the detriment of workers' organizations, with government registration decisions, procedures and requirements regarding the formation of workers' organizations.

**FOA.13 Employer Interference / Favoritism**

FOA.13.1 Employers shall not interfere with the right to freedom of association by favoring one workers' organization over another.

FOA.13.1.1 In cases where a single union represents workers, employers shall not attempt to influence or interfere in any way in workers' ability to form other organizations that represent workers.

**FOA.14 Employer Interference / Police and Military Forces**

Employers shall not in any way threaten the use of or use the presence of police or military, to prevent, disrupt or break up any activities that constitute an exercise of the right to freedom of association, including union meetings, assemblies and strikes.

**FOA.15 Facilities for Worker Representatives**

Worker representatives shall have the facilities necessary for the proper exercise of their functions, including access to workplaces and office space where required by law.

**FOA.16 Right to Collective Bargaining / Good Faith**

FOA.16.1 Employers shall recognize the rights of workers to free and voluntary collective bargaining with a view to the regulation of terms and conditions of employment by collective agreements.

FOA.16.2 Employers and worker representatives shall bargain in good faith, i.e. engage in genuine and constructive negotiations and make every effort to reach an agreement.

**FOA.17 Right to Collective Bargaining / Exclusive Bargaining & Other Recognized Unions**

Employers shall bargain with any union that has been recognized by law or by agreement between the employer and that union, provided such agreement does not contravene national law, as a, or the exclusive, bargaining agent for some or all of its workers.

**FOA.18 Right to Collective Bargaining / Unorganized Workers**

Employers can only engage in collective bargaining with representatives of unorganized workers when no workers' organization exists.

**FOA.19 Right to Collective Bargaining / Compliance with Collective Bargaining Agreement**

FOA.19.1 Employers, unions and workers shall honor in good faith, for the term of the agreement, the terms of any collective bargaining agreement they have agreed to and signed.

FOA.19.2 Worker representatives and workers shall be able to raise issues regarding compliance with a collective bargaining agreement by employers without retaliation or any negative effect on their employment status.

FOA.19.3 Where a union exists in the workplace, employers shall make available a copy of the collective bargaining agreement to all workers and other interested parties.

**FOA.20 Right to Collective Bargaining / Validity of Collective Bargaining Agreement**

FOA.20.1 Collective bargaining agreements that have not been negotiated freely, voluntarily and in good faith shall be considered not applicable.

FOA.20.2 Provisions in collective bargaining agreements that contradict national laws, rules and procedures or offer less protection to workers than provisions of the TOMS Workplace Code shall also be considered not applicable.

**FOA.21 Rights of Minority Unions and their Members**

Unions not recognized as a bargaining agent of some or all of the workers in a facility shall have the means for defending the occupational interests of their members, including making representations on their behalf and representing them in cases of individual grievances and disciplinary actions, within limits established by applicable law.

**FOA.22 Right to Strike / Sanction for Organizing or Participating in Legitimate Strikes**

Employers shall not impose any sanction on workers organizing or having participated in a strike in accordance with ILO standards and jurisprudence.

**FOA.23 Right to Strike / Replacement Workers**

Employers shall not hire replacement workers in order to prevent or break up a strike that is in accordance with ILO standards and jurisprudence, or to avoid negotiating in good faith.

## **VII. HEALTH, SAFETY, AND ENVIRONMENT (HSE)**

**WORKPLACE CODE PROVISION: Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employers' facilities.**

**Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.**

### **HSE.1 General Compliance Health, Safety, and Environment**

Employers shall comply with all national laws, regulations and procedures concerning health and safety, and the environment.

### **HSE.2 Document Maintenance / Workers Accessibility and Awareness**

All documents required to be available to workers and management by applicable laws (e.g. health and safety policies, MSDS, environmental emergency procedures) shall be made available in the prescribed manner and in the local language and language spoken by the workers, if different from the local language.

### **HSE.3 Notification and Record Maintenance**

HSE.3.1 Employers shall notify the relevant national and/or local authorities of all illnesses and accidents and environmental emergencies as required by applicable laws.

HSE.3.2 All illness, safety, accident, and emergency reports shall be maintained on site for at least one year, or longer if required by law.

### **HSE.4 Permits and Certificates**

HSE.4.1 Employers shall at all times be in possession of all legally required and valid permits and certificates related to health, safety, and environmental issues, such as:

HSE.4.1.1 Purchase and storage of chemicals;

HSE.4.1.2 Fire safety inspections;

HSE.4.1.3 Machinery inspections;

HSE.4.1.4 Waste disposal;

HSE.4.1.5 Environmental licenses/permits;

HSE 4.1.6 Sanitation permits, including those required for canteens; and

HSE 4.1.7 Vehicle inspection and driver permits for all employer provided transportation.

### **HSE.5 Evacuation Requirements**

HSE.5.1 All applicable, legally required or recommended elements of safe evacuation shall be complied with, including all of the following elements:

HSE.5.1.1 posting evacuation plans;

HSE.5.1.2 installation and maintenance of fire alarms;

HSE.5.1.3 Installation and maintenance of emergency lighting;

- HSE.5.1.4 ensuring aisles/exits are not blocked and that workers are not blocked within their workstations;
- HSE.5.1.5 employee education and training; and
- HSE.5.1.6 evacuation procedures and fire drills.

HSE.5.2 Workers shall be trained in evacuation procedures.

HSE.5.3 Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually.

HSE.5.4 The emergency evacuation procedure (EEP) includes procedures for notifying local community authorities in case of accidental discharge or release of chemical/waste products or any other environmental emergency.

### **HSE.6 Safety Equipment and First Aid Training**

HSE.6.1 All safety and medical equipment (e.g. fire-fighting equipment, first aid kits) shall be available in sufficient numbers throughout the workplace, maintained and stocked as prescribed, and easily accessible to workers.

HSE.6.2 A sufficient number of workers shall be trained in first aid and firefighting techniques. Training shall be upon hire and with periodic refresher training.

### **HSE.7 Personal Protective Equipment**

Workers shall be provided at no cost with all the appropriate and necessary personal protective equipment (e.g. gloves, eye protection, hearing protection, respiratory protection) to effectively prevent unsafe exposure (e.g. inhalation or contact with solvent vapors, noise, dust) to health and safety hazards, including medical waste.

### **HSE.8 Use of Personal Protective Equipment**

Workers shall be provided with training on the use and maintenance of personal protective equipment. Training shall be upon hire with periodic refresher training offered to all workers. Management will ensure use of PPE as necessary.

### **HSE.9 Chemical Management and Training**

HSE.9.1 All chemicals and hazardous substances shall be properly labeled and stored in secure and ventilated areas and disposed of in a safe and legal manner, in accordance with applicable laws and international standards.

HSE.9.1.1 Labels shall be placed in the local language and the language spoken by workers, if different from the local language.

HSE.9.2 Workers shall receive training, appropriate to their job responsibilities, concerning the hazards, risks and the safe use of chemicals and other hazardous substances.

### **HSE.10 Material Safety Data Sheets/Workers Access and Awareness**

HSE.10.1 Material Safety Data Sheets (MSDS) for all chemicals and hazardous substances used in the workplace must be available at the usage and storage sites of the chemicals and hazardous substances, in the local language and the language spoken by workers, if different from the local language.

HSE.10.2 Workers shall have free access to MSDS.

### **HSE.11 Chemical Management / Pregnant Women and Young Workers**

To prevent unsafe exposure to hazardous chemicals and hazardous substances, appropriate accommodations shall be made for pregnant women and workers under the age of 18, as required by applicable laws or the provisions of the TOMS Workplace Code, in a manner that does not unreasonably disadvantage workers.

### **HSE.12 Protection Reproductive Health**

Employers shall ensure that women are not engaged in work that constitutes a substantial risk to their reproductive health.

### **HSE.13 Ventilation/Electrical/Facility Installation and Maintenance**

All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and to prevent or minimize hazardous conditions to workers in the facility.

### **HSE.14 Machinery Safety, Maintenance and Workers Training**

HSE.14.1 All production machinery, equipment and tools shall be properly guarded and regularly maintained.

HSE.14.2 Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use.

HSE.14.3 Employers shall ensure safety instructions are either displayed or posted near all machinery or are readily accessible to the workers in language(s) spoken by workers.

### **HSE.15 Proper Use of Machinery**

Employers shall not use negative incentives like monetary penalty schemes to ensure workers use machinery, equipment and tools safely and properly. Rather, training on risk awareness, proper machine use, as well as positive incentives like bonuses should be used.

### **HSE.16 Workers Refusal to Use Unguarded or Unsafe Machinery**

Workers shall not suffer any negative consequences for refusing to work with machinery, equipment or tools that are not properly guarded or reasonably considered unsafe.

### **HSE.17 Ergonomics**

HSE.17.1 Workstations, including seating and standing arrangements and reach required to obtain tools, shall be designed and set-up in such a manner as to minimize bodily strains.

HSE.17.2 Employers shall train workers in proper lifting techniques, and items such as lifting belts shall be provided.

### **HSE.18 Medical Facilities**

HSE.18.1 Medical facilities shall be established and maintained in factories as required by applicable laws.

HSE.18.2 Medical staff shall be fully licensed and recognized under applicable national rules and regulations.

HSE.18.2.1 An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under national law.

HSE.18.3 An appropriate stock of medical supplies shall be maintained at all times.

HSE.18.3.1 Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner.

### **HSE.19 Sanitation in Workplace Facilities**

All facilities including workplace buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical, and safety and health regulations.

### **HSE.20 Toilets**

Employers shall establish the number of toilets required under applicable laws within reasonable distance of the workplace. In addition, the following should also be considered: number of toilets based on number of workers, privacy for each individual and gender, accessibility and hygiene.

### **HSE.21 Toilets/Restrictions**

Employers shall not place any undue restrictions on toilet use in terms of time and frequency.

### **HSE.22 Food Preparation**

HSE.22.1 All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws and international standards.

HSE.22.2 All workers handling food must be trained and/or certified to work in the facility preparing or serving food.

### **HSE.23 Drinking Water**

HSE.23.1 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace.

HSE.23.1.1 Drinking water shall be of a reasonable temperature.

HSE.23.1.2 The means to drink water (e.g. cups) must be safe and sanitary and available in an appropriate number.

### **HSE.24 Drinking Water/Restrictions**

Employers shall not place any undue restrictions on drinking water in terms of time and frequency.

### **HSE.25 Dormitory Facilities**

HSE.25.1 Dormitory facilities, including those provided by employment agencies or intermediaries associated with the employer, shall meet all applicable laws and regulations related to health, safety, and environment, including fire safety, sanitation, risk protection and electrical, mechanical, and structural safety.

HSE.25.1.1 All dormitories shall be kept secure, clean, and have safety provisions (e.g. fire extinguishers, first aid kits, unobstructed emergency exits, emergency lighting).

HSE.25.1.2 Emergency evacuation drills shall also be conducted at least semi-annually.

### **HSE.26 Dormitories Separate from Production Facilities**

All dormitory facilities must be structurally sound, in good repair, and located separately from production, warehouse and hazardous chemical storage areas.

### **HSE.27 Childcare Facilities/Children on Premises**

HSE.27.1 Childcare facilities shall not physically overlap with production areas and children shall not have access to production areas.

HSE.27.2 Children under the minimum working age shall not be allowed in workplace areas at any time, unless they are part of a guided school tour or other such unusual event.

HSE.27.3 All childcare workers must be fully trained and licensed to provide the level of care necessary at the factory. Where local legal requirements are missing, childcare workers must have at least some vocational training for childcare.

HSE.27.4 Childcare facility hours must match the working hours of the factory shift schedule, following any regulations provided by local law.

### **HSE.28 External Contractors**

Employers shall create a system to ensure that all necessary Health and Safety protections are

provided for external contractors; including protection when working within confined spaces, maintenance issues, and general Health and Safety Issues.

### **HSE.29 High-Risk Areas**

Employers shall provide all necessary protection for workers when working at heights, confined spaces, and other high-risk areas.

### **HSE.30 Health, Safety & Environmental Management System, Policies & Procedures**

HSE.30.1 Employers shall develop, maintain, and regularly review health, safety, and environmental policies to ensure that they comply with all national laws, regulations and the TOMS Workplace Code concerning health, safety, and environmental standards, regulations and procedures.

HSE.30.2 The health, safety, and environmental policies shall contain the framework for a comprehensive health, safety, and environmental management system including a HS&E risk assessment within which the following are clear and regularly tested and reviewed:

HSE.30.2.1 employers' responsibilities;

HSE.30.2.2 workers' rights and duties;

HSE.30.2.3 responsibilities of designated personnel;

HSE.30.2.4 procedures that enable workers to raise health, safety, and environmental concerns;

HSE.30.2.5 procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) and environmental emergencies;

HSE.30.2.6 protections to workers who allege health, safety, and environmental violations;

HSE.30.2.7 conducting root cause analysis on workplace accidents and taking proactive action to prevent future accidents.

HSE.30.3 Environmental policies shall include procedures to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials, and other significant environmental risks.

## **VIII. HOURS OF WORK (HOW)**

**WORKPLACE CODE PROVISIONS:** Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual.

Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances\*, the sum of regular and overtime hours in a week shall not exceed 60 hours.

### **HOW.1 General Compliance Hours of Work**

HOW.1.1 Employers shall comply with all national laws, regulations and procedures concerning hours of work, public holidays and leave.

HOW.1.2 If not provided by law, employers must provide protection to workers who allege violations of laws governing work hours.

### **HOW.2 Rest Day**

Workers shall be entitled to at least 24 consecutive hours of rest in every seven- day period. If workers must work on a rest day, an alternative consecutive 24 hours must be provided within that same seven-day period or immediately following.

### **HOW.3 Meal and Rest Breaks**

Employers shall provide reasonable meal and rest breaks, which, at a minimum, must comply with national laws.

### **HOW.4 Protected Workers (Women and Young Workers)/Regulations on Hours of Work**

The workplace shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18.

### **HOW.5 Protected Workers (Women and Young Workers) / Record Keeping**

Employers shall maintain necessary records identifying all women workers and all workers under the age of 18 entitled to legal protection concerning work hours.

### **HOW.6 Maintenance of Reasonable Levels of Staff**

Employers' personnel practices shall demonstrate an effort to maintain a level of staffing that is reasonable in view of predictable or continuing fluctuations in business demand.

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\* Please see the glossary at the end of this document for the TOMS' definition of this and other terms.

### **HOW.7 Overtime Calculation over Period Longer than One Week**

Employers are allowed to calculate regular hours of work as an average over a period of longer than one week, where national laws, regulations and procedures provide for such a possibility, but only when all formal and procedural requirements attached to such calculation (for instance, obtaining official permission from the relevant authorities or limits to the period during which such calculations can be made) are met. However, the basis for such calculation shall not exceed 48 hours per week.

### **HOW.8 Forced Overtime**

HOW.8.1 Employers shall not require or permit workers to work more than the overtime hours allowed by the law of the country where the workers are employed.

HOW.8.2 All overtime work shall be consensual, and employers shall enact a voluntary overtime system, including for overtime utilized in exceptional circumstances\*.

### **HOW.9 Explanation for Overtime in Exceptional Circumstances**

HOW.9.1 Employers shall be able to provide explanation for all periods when the exceptional circumstances exception has been used.

HOW.9.2 Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances sufficiently in advance to allow workers to make alternative plans.

### **HOW.10 Public Holidays**

HOW.10.1 Employers shall provide workers with all official public holidays as required under national laws, regulations and procedures.

HOW.10.2 If not prohibited by local law, any replacement of official holidays with alternative days off must be voluntary and agreed upon in writing by the worker in advance.

HOW.10.3 When using replacement holidays, all legal and TOMS requirements regarding overtime and hours of work apply.

### **HOW.11 Annual Leave**

HOW.11.1 Employers shall provide workers with paid annual leave as required under national laws, regulations and procedures.

HOW.11.2 Even where national laws allow employers to pay extra compensation in lieu of paid annual leave, employers shall ensure that this option is not utilized.

### **HOW.12 Annual Leave Determination**

HOW.12.1 Employers shall not impose any undue restrictions on workers' use of annual leave.

HOW.12.2 The time at which annual leave is taken is determined by employers in consultation with workers, taking into account work requirements and the opportunities for rest and relaxation

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\* Please see the glossary at the end of this document for the TOMS' definition of this and other terms.

available to workers.

### **HOW.13 Annual Leave Procedures**

HOW.13.1 Any workplace procedures regulating the timing of annual leave (e.g., requiring a minimum period of service before being allowed to use annual leave, written requests to be submitted a certain time before the annual leave) must be in line with national laws, regulations and procedures.

HOW.13.2 Workplace procedures regulating the timing of annual leave must be communicated in full to all workers.

### **HOW.14 Annual Leave Wage Payments**

Employers shall provide workers taking annual leave their normal or average wages for the full period of annual leave in advance, unless specified differently under national laws, regulations and procedures.

### **HOW.15 Retaliation for Taking Leave**

Employers shall not impose any sanction on workers for requesting or taking any type of leave, such as annual, sick, or maternity, in line with all applicable rules and procedures.

### **HOW.16 Sick Leave**

Employers shall provide workers with sick leave as required under national laws, regulations and procedures.

### **HOW.17 Sick Leave Restrictions**

Employers shall not impose any undue restrictions on sick leave. Any workplace procedures regulating sick leave (e.g. informing the employer as soon as possible, the provision of medical certificates,) must be in line with national laws, regulations and procedures and must be communicated in full to all workers.

### **HOW.18 Calculation of Absences**

Absences from work for reasons beyond the control of workers, such as sick leave or periods during which workplace operations are suspended, shall not be counted as annual leave nor shall they be deducted from calculations concerning length of service, unless specified differently under national laws, regulations and procedures.

### **HOW.19 Suspension of Work**

HOW.19.1 Employers can only suspend work in accordance with national laws, regulations and procedures.

HOW.19.2 Workers shall be paid in full during periods of suspension, unless national laws stipulate otherwise, workers and their representative organizations agree otherwise, or the relevant national authorities authorize the alternative arrangement.

HOW.19.3 Conditions of suspension should be communicated in full to all workers.

### **HOW.20 Excessive Hours Reduction**

Employers shall have in place practices that conduct regular analysis of hours of work in their workplaces and procedures that demonstrate a commitment to progressively reducing excessive hours of work.

### **HOW.21 Overtime Hours**

Other than in exceptional circumstances, the total weekly work hours (regular work hours plus overtime including any alternative shifts such as 4x4 or 3x3) shall not exceed 60 hours per week.

### **HOW.22 Time Recording System**

HOW.22.1 Employers shall have in place policies for managing all working hour, overtime, and leave records in normal and exceptional circumstances.

HOW.22.2 Accurate time records shall be maintained by employers, including overtime, breaks, and leave.

HOW.22.3 Time worked by all workers, regardless of wage system, shall be fully documented by timecards or other mechanical or electronic recording systems.

HOW.22.4 Employers shall not maintain multiple time-keeping systems and/or records.

HOW.22.5 Time records maintained shall be authentic and accurate.

HOW.22.6 If not provided by law, employers must provide protection to workers who allege existence of multiple time-keeping systems or falsification of work time records.

## **IX. COMPENSATION (C)**

**WORKPLACE CODE PROVISIONS:** Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs\* and provide some discretionary income\*. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the TOMS to take appropriate actions that seek to progressively realize a level of compensation that does.

### **C.1 General Compliance Compensation**

C.1.1 Employers shall comply with all national laws, regulations and procedures concerning the payment of compensation to workers.

C.1.2 In any case where differences or conflicts in national law and TOMS Workplace Code arise, employers are expected to apply the highest standard.

C.1.3 In any case where national laws, regulations and procedures do not address the payment of compensation to workers, employers shall follow all standards in the TOMS Workplace Code that apply to administration and payment of compensation and shall provide an employment contract that includes stipulation of compensation payment to workers.

### **C.2 Minimum Wage**

Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher, for regular working hours (not including overtime). Workers should also be informed about the legal minimum wage.

### **C.3 Wage & Benefits / Probationary Status**

C.3.1 Where probationary employment is legally allowed, workers shall:

C.3.1.1 Receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher;

C.3.1.2 Receive all legally mandated benefits;-

C.3.1.3 No workers shall work more than three months in this employment category.

### **C.4 Wage & Benefits / Apprenticeship or Vocational Training**

C.4.1 For the time-period during which they receive training, apprentices and vocational trainees shall:

C.4.1.1 receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher; and

C.4.1.2 receive all legal mandated benefits.

C.4.1.3 If local law allows for a lower minimum wage for apprentices/trainees, this lower minimum wage may only be applied for the first 30 days, if that time is dedicated primarily to training and not to production or other essential tasks.

## **C.5 Wage & Benefits / Contract, Contingent or Temporary Workers**

C.5.1 Contract/contingent/migrant/temporary workers shall:

C.5.1.1 Receive at least the minimum wage for regular workers or the prevailing industry wage for regular workers, whichever is higher;

C.5.1.2 Receive all legally mandated-benefits; and

C.5.1.3 Receive at least the same compensation as regular workers performing the same job functions or tasks with similar levels of experience or seniority.

## **C.6 Timely and Direct Payment of Wages**

All wages, including payment for overtime, shall be paid directly and in full within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month.

## **C.7 Accurate Calculation, Recording, and Payment of Wage**

All payments to all workers, including hourly wages, piecework, benefits and other incentives, shall be calculated, recorded, and paid accurately .

## **C.8 Accurate Length of Service Calculation**

All workers shall be credited with all-time worked for an employer for purposes of calculating length of service and determine the benefits to which workers are entitled.

## **C.9 Calculation Basis for Overtime Payments**

C.9.1 Employers shall compensate workers for all hours worked.

C.9.2 The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime.

C.9.3 Employees shall be compensated for overtime hours at such premium rate as is legally required in the producing country.

C.9.3.1 In those countries where there is no legally established overtime premium, employees shall be compensated for overtime hours at the prevailing industry premium rate or at the internationally recognized overtime rate\*, whichever is higher.

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\* Please see the glossary at the end of this document for the TOMS' definition of this and other terms.

### **C.10 Overtime Wage Awareness**

Workers shall be informed, orally and in writing, in language(s) spoken by workers about overtime wage rates prior to undertaking overtime.

### **C.11 Nonpayment of Incentives**

Regardless of any production quotas, incentives shall not be reduced or not paid if the result shall be wages below the legal minimum wage or the prevailing industry wage, whichever is higher.

### **C.12 Deposit of Legally Mandated Deductions**

C.12.1 All legally mandated deductions for taxes, social insurance, or other purposes shall be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc.

C.12.2 Employers shall not hold over any of these funds from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g. monthly deposits, weekly pay).

C.12.3 If the law does not specify, then deposits shall be made before the next pay period in all cases.

### **C.13 Voluntary Wage Deductions**

C.13.1 Voluntary wage deductions, including for savings clubs, loan payments, union membership dues, or any other union fees, can only be made with the express and written consent of individual workers unless (in the case of union dues and fees) specified otherwise in freely negotiated and valid collective bargaining agreements. In all cases, voluntary wage deductions must fall within the limits and conditions specified by law.

C.13.2 Written consent for voluntary wage deductions shall be documented in employee files.

C.13.3 All such voluntary deductions shall be credited to proper accounts and employers shall not hold funds illegally or inappropriately.

### **C.14 Voluntary Wage Deduction / Workers Access to Information**

Workers shall have access to regular and full information concerning the status of relevant accounts and the status and level of their payments thereto.

### **C.15 Pay Statement**

C.15.1 Employers shall provide workers a pay statement in languages understood by workers each pay period and not less frequently than once a month, which shall show:

C.15.1.1 earned wages,

C.15.1.2 wage calculations,

C.15.1.3 total number of hours worked,

- C.15.1.4 regular and overtime pay,
- C.15.1.5 bonuses,
- C.15.1.6 all deductions, and
- C.15.1.7 final total wage.

### **C.16 Compensation Receipt**

C.16.1 All compensation records, including wages and benefits whether in cash or in-kind, must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).

C.16.2 No one can receive wages on behalf of a worker, unless the worker concerned has, in full freedom, authorized in writing for another person to do so.

### **C.17 Record Maintenance**

Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to date.

### **C.18 False Payroll Records**

C.18.1 Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.

C.18.2 Payroll records maintained shall be authentic and accurate.

### **C.19 Workers Awareness and Understanding of Compensation**

C.19.1 Employers shall make every reasonable effort to ensure workers understand their compensation, including:

- C.19.1.1 the calculation of wages,
- C.19.1.2 incentives systems,
- C.19.1.3 benefits, and
- C.19.1.4 bonuses they are entitled to at the workplace and under applicable laws.
- C.19.1.5 Employers shall communicate orally and in writing to all workers all relevant information in the local language or language spoken by the workers, if different from the local language.

### **C.20 Employer Provided Benefits**

C.20.1 All workers have a right to use or not to use services provided by employers, such as housing or meals.

C.20.2 Deductions for services to workers shall not exceed the cost of the service to employers.

C.20.3 Employers must be able to demonstrate the accuracy or reasonableness of these charges.

### **C.21 Legally Mandated Benefits**

C.21.1 Employers shall provide all legally mandated benefits, including holidays, leave, bonuses, severance payments and 13<sup>th</sup> month payments to all eligible workers within legally defined time periods.

C.21.2 All benefits shall be calculated correctly.

### **C.22 Compensation Disputes**

Employers must establish a system through which workers can dispute compensation and receive clarifications in this respect in a timely manner.

### **C.23 Fair Compensation / Basic Needs**

Where compensation for a regular workweek is not sufficient to meet workers' basic needs\* and provide some discretionary income\*, each employer shall work with the TOMS to take appropriate actions that seek to progressively realize a level of compensation that does.

### **C.24 Piece Rate/Minimum Wage**

C.24.1 Employers shall not set production targets, piece rates or any other incentive or production system at such a level that workers need to work beyond regular working hours as set under the TOMS Workplace Code, excluding overtime, in order to make at least the minimum wage or the prevailing industry wage, whichever is higher.

C.24.2 Employers shall not set production targets, piecework, or any other incentive or production system at such a level that the payment for overtime work performed is less than the premium pay required by law or the TOMS Workplace Code.

### **C.25 Wage Advances**

C.25.1 Wage advances shall not exceed three months' pay or legal limits, whichever is less.

C.25.2 Advances shall only be made following clearly established rules which have been communicated to workers.

C.25.2.1 Advances must be properly documented and their receipt and accuracy must be confirmed by the relevant worker in writing (e.g. signature, thumbprint).

C.25.3 No interest may be charged for wage advances.

## GLOSSARY OF TERMS

**APPLICABLE FACILITIES.** The facilities producing Applicable Products for a Company or University Licensee affiliated with the TOMS, other than its de Minimis facilities.

**BASIC NEEDS.** The minimum necessary for a worker and two dependents to have access to resources, including food, safe drinking water, clothing, shelter, energy, transportation, education, sanitation facilities, access to health care services, and other essential needs including provisions for unexpected events. Where internationally recognized living wage benchmarks are available (such as the regionally specific Anker research methodology\*), a more specific family size is utilized.

**BENEFIT.** Remuneration in cash or in kind, in addition to payment for work done. This takes the form of holidays or leave with pay, social security benefits, medical care, health services, various allowances and bonuses, and housing, educational or recreational facilities. Additional benefits may be granted by the employer, either on their own initiative or as a result of collective bargaining. Not all legally mandated benefits or contributions can be included when evaluating workers' compensation against internationally recognized living wage benchmarks.

**COMPENSATION.** Total remuneration, in cash and in kind, payable by the employer to an employee in return for work done by the latter during a specific pay period. Compensation of employees has two main components:

- a) Wages and salaries payable in cash and/or direct or electronic deposit;
- b) The amount of benefits payable by employers.

**DISCRETIONARY INCOME.** The remaining income of a worker after taxes, legal deductions, and basic needs expenses.

**EXCEPTIONAL CIRCUMSTANCES.** Events or circumstances which substantially disrupt production and which are out of the ordinary and out of the control of the employer, including earthquakes, floods, fires, national emergencies, force majeure, or periods of prolonged political instability. The definition does not include peak production periods, which can be planned for, or holidays or seasonal fluctuations.

**EMPLOYEES.** All men and women directly employed or contracted by an employer, including executives, managers, supervisors, and workers.

**EMPLOYER.** A person or institution that has the authority to sign contracts, including employment contracts and to hire and dismiss persons in the workplace. Employers offer wages or a salary to workers in exchange for the workers' work or labor. Employers are responsible for implementing the TOMS Workplace Code in applicable facilities.

**EMPLOYMENT AGENCY.** Any person or entity, independent of the public authorities, which provides services for matching offers of and applications for employment and other services

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\* Please refer to Anker, R., & Anker, M. (2017). *Living Wages Around the World: Manual for Measurement*. Edward Elgar Pub.

relating to job seeking, such as the provision of information, or which employs workers with a view to making them available to a third party.

**EMPLOYMENT DECISION.** Employment decisions include: hiring; termination; job security; job assignment; compensation; promotion; downgrading; transfer; (vocational) training; discipline; and assignment of work and conditions of work including hours of work, rest periods, and occupational safety and health measures.

**EMPLOYMENT FEES.** All costs associated with the recruitment, compensation, training, and ongoing employment of a worker. These may include, but are not limited to: recruitment fees and related costs, as well as illegitimate costs, legal filing fees, registration fees, social security, training costs, health examination costs, and personal protective equipment costs.

**HUMAN TRAFFICKING.** Recruitment, transportation, harboring, or receipt of people for the purposes of slavery, forced labor (including bonded labor or debt bondage), or servitude.

**INTERNATIONALLY RECOGNIZED OVERTIME RATE.** The internationally recognized rate of pay for work beyond regular hours. ILO Convention 30, Hours of Work (Commerce and Offices) Convention, Article 7.4, establishes such rate at no less than one-and-a-quarter times the regular rate.

**INTERNATIONAL STANDARDS.** Practices and requirements recommended by relevant international industry associations, health and safety organizations, or inter-governmental bodies e.g. ILO, OECD, UN, the international hazard communication standards, etc.

**MANAGEMENT.** Person or persons appointed by the owners or directors of an applicable facility to supervise or manage its operations.

**PIECEWORK.** Method of wage payment solely based on the number of units produced, or any work for which piece rates are paid.

**PIECE RATE.** Predetermined amount paid per unit of output to workers executing piecework.

**PRECARIOUS EMPLOYMENT.** Work arrangement where employment security, which is considered one of the principal elements of the labor contract, is lacking. This term encompasses temporary and fixed-term labor contracts, home workers, contract workers, and contingent workers.

**RETRENCHMENT.** The permanent dismissal of an employee or employees in order to reduce the workforce.

**WAGE.** Payment made for work performed.

**LEGAL REQUIREMENTS ON WAGES.** All laws and regulations, national and local, concerning wages, including, but not limited to, full and on-time payment of wages for regular and overtime work; provision of benefits, including paid holidays; payment of social-security contributions; payment of legal taxes and deductions; and compliance with prohibitions on discrimination in wage setting and payment practices.

**MINIMUM WAGE.** The minimum wage level established by national or local law for a regular worker.

**NET WAGE.** When evaluating workers' compensation against internationally recognized living wage benchmarks, the worker's net wage includes the basic or contracted wage and benefits, and subtracts mandatory taxes and legal deductions. Leave pay can be included when it is not already included in the basic or contracted wage. Incentive pay can be included when it is earned by all workers during the regular work week. Overtime pay and social security contributions are not included in the worker's net wage.

**PREVAILING WAGE.** The level of wage generally paid in the relevant country or region of the country for work in the same sector and for comparable levels of responsibility and experience.

**WORKER.** All non-management personnel working at an applicable facility.

**APPRENTICE:** A worker who is part of an official, legally recognized apprenticeship or vocational training program.

**CONTINGENT WORKER** (also known as casual worker). A person who works occasionally and intermittently. Such workers are employed for a specific number of hours, days or weeks.

**CONTRACT WORKER.** Labor supplied by a third-party employment agency.

**HOME WORKER.** A person who carries out work in their home or in other premises of their choice, other than the workplace of the employer, for a fixed wage or piece rate, which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used.

**MIGRANT WORKER.** A person who migrates or who has migrated from one country to another or in some cases between regions or provinces of a country with a specific purpose of exercising an economic activity from which they will receive a wage.

**REGULAR WORKER.** A person with a permanent, full-time position in the factory

**SPECIAL CATEGORY OF WORKER.** The term is specifically intended to identify workers who are not permanent, or not local, who are in a probationary role, who have special needs on a temporary or permanent basis (e.g. pregnant, juvenile, disabled workers), or who fall outside the formal workplace environment (e.g. home workers).

**TEMPORARY WORKER.** A person with a labor contract of limited or unspecified duration with no guarantee of continuation.

**YOUNG WORKERS.** Persons between the minimum working age and the age of 18.