

SUPPORTING STANDARDS & GUIDELINES

FOR THE WFSGI CODE OF CONDUCT

VERSION 1.3, FEBRUARY 2019



INTRODUCTION

ABOUT

The World Federation of the Sporting Goods Industry (WFSGI) was formed in 1978 to promote the world's sporting activities, to standardize the size of equipment and the rules of sport, to improve the standards of quality for sporting goods and to promote responsible and sustainable practices in sporting goods internationally. Today the WFSI consists of a diverse global membership including brands, manufacturers, retailers and national and regional sports federations ("member").

The ideals of the WFSGI are the ideals of sport, and the organization seeks to promote fairness, honesty, mutual understanding and high ethical standards. WFSI is committed to fostering a sports industry in which members actively build business partnerships with those who share the values of sport and take responsibility for making the values real through active engagement.

WFSGI members recognize the important role they play in the global economy and their influence on the social and economic conditions under which sporting goods are produced. That influence is exercised both through their actions as

employers, and, far more profoundly, through their decisions as customers of companies that serve as suppliers of goods and services ("suppliers").

WFSI also acknowledges that companies operate under different legal, economic, social and cultural environments and these differences merit understanding and respect.

OBJECTIVE AND SCOPE

The purpose of this document is to outline principles and requirements for Legal Compliance, Working Conditions, Environment, Community Involvement, Company Specific Standards, Verification and Compliance. This guidance document is developed to help members, their suppliers and employees understand our requirement and to give an indication of what will be reviewed during an audit. This guidance document also provides indicators of compliance for facilities to follow and implement in the workplaces they are operating in.

RESOURCES/REFERENCES

The principles of the WFGSI Principle of Conduct are based on the relevant Conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights and internationally accepted occupational health and safety standards.

ILO Conventions:

- C29, Forced Labour Convention, 1930
- C105, Abolition of Forced Labour Convention, 1957
- C111, Discrimination (Employment and Occupation) Convention, 1958
- C87, Freedom of Association and Protection of the Right to Organize Convention, 1948
- C135, Workers' Representatives Convention, 1971
- C98, Right to Organize and Collective Bargaining Convention, 1949
- C138, Minimum Age Convention, 1973
- C131, Minimum Wage Fixing Convention, 1970
- R135, Minimum Wage Fixing Recommendation, 1970
- C100, Equal Remuneration Convention, 1951
- R85, Protection of Wages Recommendation, 1949
- C95, Protection of Wages Convention, 1949
- C1, Hours of Work (Industry) Convention, 1919
- R116, Reduction of Hours of Work Recommendation, 1962
- C14, Weekly Rest (Industry) Convention, 1921

- R190, Worst Forms of Child Labour Convention Recommendation, 1999
- C182, Worst Forms of Child Labour Convention, 1999
- C155, Occupational Safety and Health Convention, 1981
- C161, Occupational Health Services Convention, 1985
- R164, Occupational Safety and Health Recommendation, 1981
- R184, Home Work Recommendation, 1996

Universal Declaration of Human Rights:

- Universal Declaration of Human Rights (UDHR), 1948

Internationally Accepted Occupational Health and Safety Standards:

- OHSAS 18001, Occupational Health and Safety Management System Requirements

WFGSI Code of Conduct Supporting Standards & Guidelines, V 1.3, February 2019

SUMMARY OF WFSGI CODE OF CONDUCT: SUPPORTING STANDARDS

SECTION	SUB-SECTION
1. Legal Compliance	
2. Working Conditions	
	2.1 Forced Labour 2.2 Non-Discrimination 2.3 Freedom of Association and Collective Bargaining 2.4 Wages and Benefits 2.5 Hours of Work 2.6 Regular Employment 2.7 Child Labour 2.8 Health and Safety 2.9 Harassment or abuse
3. Environment	
4. Subcontractors	
5. Community Involvement	
6. Company Specific Standards	
7. Verification and Compliance	

WFSGI Code of Conduct Supporting Standards & Guidelines, V 1.3, February 2019

WFSGI CODE OF CONDUCT: SUPPORTING STANDARDS

The following section gives an explanation of the WFSGI Code of Conduct requirements and provides guidance on what a facility needs to do to develop, document, and implement the criteria.

1. LEGAL COMPLIANCE

1.1. Legal Compliance

Principle	
Members companies and their suppliers must operate in full compliance with national and local laws, rules and regulations relevant to their business operations including but not restricted to employment, environment and health and safety.	
Requirements	Compliance Indicators
• Being familiar with all the applicable legal requirements. • Mechanisms to keep track of legal and regulatory changes specifically related to employment practices, wages, working hours, health and safety and environment. • Controls in place to ensure the facility is operating in compliance with the applicable legal requirements.	• Facility has a designated person who has a good knowledge and experience in the applicable labour laws, regulations, the WFSGI program requirements and any relevant standards for social compliance. • Facility has a mechanism in place to keep track of the latest legal requirements. For instance, a designated person to monitor, update, maintain and communicate any updates in the legislative changes. • Facility has established written policies and procedures in place to ensure the facility is operating in compliance with applicable laws and social compliance requirements. Policies should include the following: ○ Top management commitment to the continuous improvement of labour standards in the supply chain; ○ A clear framework for setting social compliance objectives and targets; ○ Commitment to compliance with relevant legal requirement; ○ Senior management endorses legal compliance through worker training and publishing the policy at the facility.

2. WORKING CONDITIONS

2.1. Forced Labour

Principle	
Employers shall not use forced labour, whether in the form of prison labour, indentured labour, bonded labour, or otherwise. No employee can be compelled to work through force, the threat of force, or intimidation of any form.	
Requirements	Compliance Indicators
- Establish sound hiring and employment practices to prevent use of prison labour, indentured labour, bonded labour, which practices include the following: - Understand the source of labour and terms of hiring and ensure all workers are informed and understand the basic terms of their employment; - Ensure employees are in possession of personal documents (ID cards, passports, travel documents, etc.); - Prohibition monetary deposits: ensure that workers do not have to pay any deposits to secure their job; - Freedom of movement: No unreasonable restrictions on movement of employees during or after working hours, including enforced overtime; - Ensure rights of employees to terminate relationship without penalty.	<i>Forced or prison labour</i> occurs most often where the facility is using a government or military-controlled agency to provide or arrange for the hiring of employees. - Prison labour itself is not a violation per se, but prison labour in punitive nature must be strictly prohibited unless in some cases it is lawful, voluntary and paid in accordance with legal minimum wages, and prison labour are provided with the same legal protection as non-prison labour. <i>Indentured labour</i> refers to situations where an employer forbids employees from leaving at the employee's discretion. - All employees are voluntarily present. Imprisonment or locked in the employment site shall be strictly prohibited. - Do not restrict the employees' right to leave, whether that is the end of work shift or to terminate employment. - Do not require employees to perform excessive overtime or discipline employees for refusing to work overtime. - Do not restrict employee movement in the facility such as access to toilets/ drinking water and, where applicable, the facility compound or dormitories. <i>Bonded labour</i> refers to situations where employees work to pay a debt, which is often incurred by another person, offering the employee's labour in exchange. - Employment contracts do not contain any clauses that include unlawful recruitment fees or penalties for terminating employment. Do not retain original government-issued identification, passport, or any personal documents unless facility is bound by local regulatory requirements to do so. - If employees' original documents must be retained, facility should have a system to enable the employees to retrieve their documents at any time. Facility shall also communicate this procedure with employees and signed consent letters from employees should be maintained in records.

2.2. Non-discrimination

Principle	
No person shall be subject to any discrimination in employment, included in hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin. Foreign or domestic migrant labour shall be treated on an equal basis with local employees.	
Requirements	Compliance Indicators
- Establish sound hiring and employment practices to prevent discrimination in the workplace, which include the following: - Employees are judged solely based on their ability to perform the job they are applying for or currently engaged in terms of recruitment, hiring, training, promotion, and termination. - Employees are not unfairly treated due to race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, disease, pregnancy, or political affiliation.	- Employees are entitled to the same wages and benefits without regard to gender, race, age and maternity status. - All employees regardless full time, part time, short-term, permanent or with any other contracts of employment, local, migrant or foreign employees should be provided with the same training, development, promotion and advancement opportunities. - Employment contracts stipulate that all employees in the same roles are engaged under the same terms and condition, that is, equal pay for roles of equal value. - Job descriptions indicate employment is based on occupational qualification and not personal characteristics. - The facility does not question prospective employees about their pregnancy status and that pregnancy tests are not conducted before hiring or as a pre-condition to employment. - Hiring procedures do not require applicants to disclose marital status. - Pregnancy employees' wages should not be reduced during pregnancy nor should they be terminated when they become pregnant. - All employees have an equal opportunity to work overtime.

2.3. Freedom of Association and Collective Bargaining

Principle	
The rights of workers to join (or not to join) organisations and associations of their own choosing without penalty and interference, and to bargain collectively shall be recognized and respected. Where the right to freedom of association and collective bargaining is restricted under law, the employer shall consider the development of parallel means for independent and free association and bargaining	
Requirements	Compliance Indicators
- Establish sound hiring and employment practices, to allow employees to form unions, bargain collectively, or communicate in some other way with management, which include the following: - Right to openly communicate with management regarding working conditions by establishing a union or other type of employee organization; - Adhere to legal terms of a collective-bargaining agreement (where applicable); - Allow employees to carry out representation activities without interference, intimidation, or discrimination from management.	- Recognize employees' right to collective bargaining and freedom of association. - Give full access and unconditional support to employees to exercise their right of forming or belonging to a union or organization. - Allow regular union meetings to be held and provide adequate facilities and support for the union to carry out their activities. - Allow employees to spend a reasonable amount of time on union activities. - Provide alternative forms of independent and free worker representation and negotiation, where the right to freedom of association and collective bargaining is prohibited under the law.

2.4. Wages and Benefits

Principle	
Employees shall be fully and legally compensated for all hours worked. In all cases, wages must equal or exceed the minimum wage or the industry wage, whichever is higher and all legally mandated benefits including insurances, holidays and leave shall be provided. In addition to their compensation for regular hours of work, employees shall be compensated for overtime hours at the rate legally required in the country of operation or, in those countries where such laws do not exist, at a rate exceeding their regular hourly compensation rate.	
Requirements	Compliance Indicators
- Establish sound employment practices to ensure proper wage payment and benefits through the following means: - Accurate and complete payroll record-keeping; - Accurate and complete normal and overtime wage calculations; - Guarantee minimum wages/ agreed wages in Collective Bargaining Agreement; - Payment of all legally required withholdings and benefits; - Supply pay stubs or similar documentation detailing pay calculations; - Pay wages on time and in legal tender.	- All employees including permanent, temporary, full time, part time, agency, casual, local, domestic migrant and foreign employees are receiving at least the legal minimum wages for all standard working hours. - The industry wage is paid to the employees when it is above the local minimum wages. - In addition to wages for standard working hours, employees are compensated for overtime hours at the legally or contracted mandated rates. - If piece rate system is applicable, original piece rates and related supporting records are maintained as proof of wages calculation. - The facility has a process to calculate wages and no discrepancies between records are noted. - Pay slips in local language are provided to all employees for each pay period. - No illegal deductions are allowed. Fines and deductions for disciplinary process are only allowed when permitted by local law and this shall be detailed in payroll records and employees' pay slips. - Social security, pensions, and healthcare benefits are provided to employees and the relevant cards, documents, and receipts are maintained. - All employees are provided with all legally required benefits, including but not limited to paid annual leave, holiday work, maternity leave/ benefits, and medical leave. - Wages are paid regularly in legal tender; frequency of payment strictly adheres to the legal requirements. Supporting documents, such as bank-transfer statements, are maintained and provided as proof upon request.

2.5. Hours of Work

Principle	
Employees shall not be required, except in extraordinary circumstances*, to work in excess of 60 hours per week, including overtime, or the local legal requirement, whichever is less. Overtime work must be voluntary. Employees shall be allowed to at least twenty four (24) consecutive hours rest within every seven day period.	
Requirements	Compliance Indicators
- Establish sound employment practices to prevent excessive working hours through the following means: - Accurate and complete working-hours record-keeping; - Limit working hours within applicable law or agreement; - Employees given time off each week; - Employees record and acknowledge their own time records; - Communicate working hour's terms through written policies and contracts. *Extraordinary circumstances: Events which are extremely unlikely, such as earthquakes, floods, fires and other natural disasters, also riots and demonstrations. Events which happen frequently, such as interrupted electrical supply or late delivery of materials, do not constitute extraordinary circumstances.	- The standard working hours and overtime hours shall not exceed the legal limit stipulated by the law, or contractual agreement. - The facility should strive to meet their customer's expectations on internationally accepted standards and overtime hours in the industry and showcase continuous improvement towards meeting these requirements. - The standard workweek is forty-eight hours, excluding overtime. - The standard workweek, including overtime, is sixty hours. - If any legal waiver is obtained from the legal authority by the facility in relation to the working hours, facility maintains a copy of the waiver to demonstrate compliance and establishes a proper system to keep track of the hours worked to ensure compliance with the waiver. - One 24-hour day off in seven is guaranteed to employees. - If a piece-rate system is applicable, production records also clearly separate standard and overtime hours. - Facility uses time cards, electronic bar-card system, or attendance records to keep track of actual working hours for all employees. - Time records clearly include time in and out at the start and end of each day. - The facility has a process for recording employees' hours accurately; the records of standard working hours and overtime hours should be clearly separated. - The facility maintains complete working-hours records without any discrepancies with payroll records and other relevant records. - Pay slips or attendance records show the hours worked clearly and are given on a regular basis to employees for them to acknowledge in confirmation of their accuracy. - The facility has policies and procedures on working hours covering the following: - Terms of employment – regular working hours and days; - Overtime requirements and pay; - Disciplinary procedures for tardiness and other hours-related issues; - Employees are given advance notice when overtime hours may be necessary; - Working-hours policies and procedures are consistent with the details in employment contracts, such as standard working hours, overtime hours requests, and rest-day entitlements. - Written procedures are in place to determine, manage, and control overtime.

WFSGI Code of Conduct Supporting Standards & Guidelines, V 1.3, February 2019

	• Overtime requests from employees are maintained in employees' personal files.
--	---

2.6. Regular Employment

Principle	
Employees shall be employed on the basis of a recognised employment relationship established through national law and practice. Obligations of employers shall not be avoided through the excessive use of temporary contracts, subcontracting or apprenticeship schemes.	
Requirements	Compliance Indicators
• Ensure employee rights and protections through the following means: ○ Sign labour contracts complying with local labour laws with all employees; ○ Maintain valid documentation for foreign employees; ○ Processes in place for contracted employees from a third- party agency; ○ Proper use of contract employees, subcontractors, home workers and/ or apprenticeship schemes.	• Labour contracts are signed with all employees (if legally required), valid (not expired), and complying with local labour laws. • Employees have a copy of their signed employment contracts and understand all the applicable terms and conditions. • Employment contracts should include but be not limited to the following: ○ Standard working hours and wages; ○ Rest day; ○ Overtime request and condition; ○ Holiday allowances. • Operate in compliance with the terms and conditions of the employment contracts. • If foreign employees are hired, keep the necessary documentation in place, such as approval from the authority to employ foreign employees and work permits/ visas, if required by law. • Contracted employees from an agency are fully in compliance with local regulatory requirements, including signed contracts, no fees charged to employees, overall equal labour-protection rights, proper wages, and training. • Contracted employees recruited via an agency receive the same treatment as workers hired directly. There must be no discriminatory treatment against workers hired through a recruitment agent. • Contract employees, sub-contracting or home-working, and/ or apprenticeship schemes employed at the facility are used strictly for temporary, auxiliary, or substitute positions. • Foreign and agency employees should be provided with the same opportunities for training, promotion, and access to the facility as the permanent and local employees. • Documentation between the facility and agency are ready to be reviewed by a third-party monitoring firm upon request. • If workers are contracted through a broker – it is the responsibility of the facility to ensure all rights upheld and wages and benefits are correctly guaranteed.

WFSGI Code of Conduct Supporting Standards & Guidelines, V 1.3, February 2019

2.7. Child Labour

Principle	
No person shall be employed at an age younger than 15 (or 14 where the country of operation allows), or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15. All legal requirements for employees under 18 shall be followed and no person under the age of 18 shall be engaged in hazardous work or conditions, or any work at night.	
Requirements	Compliance Indicators
- Establish sound hiring and employment practices to prevent child labour and mistreatment of juvenile employees, including the following: - Age-documentation review; - Personnel file keeping; - Establish remediation system for any child workers found; - Understand and follow all legal requirements for juvenile employees; - Special protections for juvenile employees; - Sensible apprenticeship/ temporary contract procedures.	- Comply with all applicable laws governing minimum working age. Age limitations should be set at 15 or above if there is no minimum working age, or the local law requirement is less than 15. - Implement robust hiring policies and procedures to ensure the minimum age of employees corresponds to all national and local laws and that the age of each employee is verified prior to his/ her employment. - Maintain updated personnel files for all employees. These files should include, but not be limited to, copies of identification card, birth certificate, passport, travel document, social-security card, driving license, or other documentation. In countries where official proof-of-age documents are not available, the facility should use an appropriate and reliable method to assess the age and this age-verification documentation shall be maintained. - Where required by local legal requirements or where applicable, all juvenile employees shall be registered with the local authority. The register shall be up to date, record the juvenile employees' names, ages, and dates of birth, and indicate the job natures and roles of juvenile employees. - Verify the fitness of juvenile employees thru regular health examinations, the cost of which should be borne by the facility. - Maintain a list of employees such as juvenile employees who by age are restricted by laws to certain hours and job natures. - Take all necessary measures to prevent the protected employees from engaging in any hazardous duties or unsafe working conditions likely to endanger their health. - Maintain all relevant documents if apprenticeship program is applicable. - Child-labour remediation policy and procedures are developed in case any child labour is found on the employment site. The program should be in line with local legal requirements. - Total commitment to the program from top management is required, including: - Ensuring the child no longer works; - Establishing a method of keeping the child protected and safe without him/ her being at risk or required to work; - Contact details of the child and their parents; - Payment of a stipend; - Identification of education programs for the child.

WFSGI Code of Conduct Supporting Standards & Guidelines, V 1.3, February 2019

2.8. Health and Safety

Principle	
A safe and hygienic working environment shall be provided, and occupational health and safety practices which 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 employer facilities shall be promoted. This includes safe buildings, fire protection, electrical safety, safe use of hazardous substances and correct use of personal protective equipment. Lighting, heating and ventilation systems should be adequate. Employees should have access to adequate sanitary facilities and potable water at all times. The workplace shall have safety and health policies and procedures that are clearly communicated to all employees. All standards shall apply to employee residential facilities, where provided by employers.	
Requirements	Compliance Indicators
• Maintain safety working environment and safe building. • Establish emergency preparedness program which include: ○ Fire protection; ○ Fire prevention; ○ Evacuation procedures. • Establish electrical safety program. • Establish a chemical and hazardous material safety program. • Establish a machinery safety program. • Provide a comfortable working area: ○ Maintain an acceptable level of temperature, lighting and ventilation; ○ Provide unlimited access of sanitary facilities and potable water. • Establish safety and health policies and procedures and clearly communicate to all employees. • Residential facilities provided to employees should be clean, well maintained and contain adequate living space.	• Facility must have the proper permits/ licenses for the building in regards to inspections, construction changes, building permits and fire safety permits per the legal requirements. • Pillars, beams, ceiling, wall or floor of the building must be free of any notable cracks or other abnormalities which may be signs of structural integrity issues. • Buildings must be properly inspected, maintained and repaired to ensure the stability and safety of the facility's infrastructure. • There is a sufficient number of emergency-evacuation exits at the facility that are clearly marked, unblocked, unlocked, reasonably spaced, and designed in accordance with local laws. • Evacuation plans are posted throughout the production floors with aisles, stairs, and passageways kept clear at all times. • Sufficient number of emergency lights is installed. • Stairways and emergency-evacuation exits are equipped with handrails, where needed. • Fire detection system such as fire alarms, smoke alarms, sprinkler systems and other fire service equipment as required by law are properly installed throughout the facility and regularly maintained. • Firefighting equipment such as fire extinguishers, fire hose reels, fire hydrants as required by law is adequate for the nature of the facility's operations and free from obstruction. • Fire extinguishers are properly mounted/ fixed, fully maintained, and clearly labeled throughout the facility. • Employees are trained in the use of firefighting equipment and training records are kept. • Fire-protection facilities are inspected on a regular basis. • Construction projects have the proper fire service inspection certificate. • Fire drill is conducted in the last twelve months or as required by law. • Employees involved in the control, clean-up, and disposal of hazardous materials receive regular training on emergency response plans and actions and training records are maintained. Electrical Safety:

	- Electrical installations and wiring should be inspected regularly and maintained by professionals to prevent electric-shock hazards. There should be no damaged cords and plugs, frayed wiring, or missing protective covers or shields. Chemical and hazardous material safety: - Chemical and hazardous wastes are legally permitted and properly stored, labeled, and disposed of as per instructions of licensed vendors - Containers are stored properly or secondary containment is used to avoid leakages - Relevant washing amenities and protocols in place in case of contamination - Material Safety Data Sheet (MSDS) is a document intended to provide information regarding a specific chemical and MSDS should be placed in areas where readily available in the languages which are understood by employees. - Personal protective equipment (PPE), such as skin protectors, safety glasses, face shields, respirators, eye protection, hand protection, etc., as required to control exposure to chemical and hazardous materials, is provided to employees free of charge and monitored to ensure it is correctly used. Machinery Safety: - All dangerous moving parts require safeguarding. - Machine registration, maintenance and inspection should be kept current, valid and updated. - All machine operators should receive safe operating procedure training. - Personal protective equipment (PPE), such as face masks, safety gloves, earplugs, etc., as required to control machine safety hazards, is provided to employees free of charge and monitored to ensure it is correctly used. Comfortable working area: - Adequate control of temperature in the work environment is critical. In countries where a legal requirement is set for work temperature, facility should follow such requirement. In the absence of legal requirement, facility should ensure work environment is maintained at a reasonable and comfortable room temperature. - Adequate lighting is generally between 500 and 1000 lux, the amount of light varies and depends on type of task, type of surfaces and general work area. Poor lighting can be a safety & health hazard and affect the quality of work while glare (too much lighting) may affect visibility too. - Adequate ventilation means proper circulation of air to avoid pollutants accumulating to levels that can pose health and comfort problems. - Restrooms should be maintained in a clean condition, fully stocked with sanitation materials (soap, tissues, etc.) - Potable drinking water should be made available at a designated clean area and free of charge. - Comprehensive written social compliance policy should include commitment from management to compliance with relevant legal requirement including health and safety, working conditions, etc. - Processes and procedures to support the implementation of the written social compliance policy, should include but not limited to employee safety procedures, fire safety procedure, hazardous materials handling procedure, etc.
--	---

WFSGI Code of Conduct Supporting Standards & Guidelines, V 1.3, February 2019

	• Safety and health policies and procedures should communicate to all employees by at least one of the following methods in local languages: employee manual, employee training with records, employment contract. • Dormitory is separate from production and/ or warehouse building if required by law. • All fire protection and safety standards apply to workplace are equally applicable to residential area.
--	---

2.9. Harassment or abuse

Principle	
Every employee shall be treated with respect and dignity and has the right to a workplace free from physical, sexual, psychological or verbal harassment or abuse.	
Requirements	Compliance Indicators
• Establish sound hiring and employment practices to prevent sexual, psychological, physical, verbal harassment, abuse, intimidation and/ or bullying at the facility, which includes the following: ○ Establishing a non-threatening and unthreatening workplace environment; ○ Developing a clear and uniform disciplinary procedure with good record-keeping; ○ Training in disciplinary procedures and workplace etiquette; ○ Establish an internal-communication system between management and employees.	• Prohibit comments or behavior which are reasonably interpreted and understood by the employees to be physically or mentally threatening or demeaning. • Prohibit any physical touching of employees in a way that could be reasonably considered as having a sexual implication. • Prohibit any sexual comments and/ or jokes made to/ about employees in a way that could be reasonably considered as a disturbance or intimidation. • Do not use monetary fines as a disciplinary measure. • Prohibit corporal punishment or abusive disciplinary practices. • Any disciplinary actions should be clearly documented and recorded properly. • The corresponding employees should be well informed of the disciplinary action and due acknowledgment is required. • Discipline and/ or grievance procedures are communicated to the workforce. • The facility management should have a good understanding of the discipline and/ or grievance procedures. • Conduct training to all levels of employee upon hiring and on an ongoing basis about the policy, employee conduct and their rights. • Conduct non-intrusive security searches, especially when carried out by a person of the opposite gender.

3. ENVIRONMENT

3.1. Environment

Principle	
Members and their suppliers shall aim for progressive improvement in their environmental performance. This includes: • Responsible use of natural resources such as energy and water. • Responsible management and reduction in the use and disposal of hazardous chemicals. • Reducing, minimizing and avoiding pollution and waste including solids, liquid and air emissions. • Designing and developing products, materials and technologies according to sustainable principles. • Integrating principles of sustainability into business decisions and practices.	
Requirements	Compliance Indicators
• Establish water consumption and conservation policies and procedures to manage water-related activities based on activities and chemicals used in operations. • Establish energy consumption and conservation policies and procedures to manage energy-related activities. • Obtain all required permits, licenses and/ or registrations for discharge and/ or disposal of solid waste, hazardous waste, wastewater, storm water and air emissions. • On-going monitoring to ensure facility is operated in compliance with the corresponding license/ permit conditions. • Implement principle of sustainable manufacturing. Facility has system and process in place to engage in eco-design through life-cycle assessment approach relating to the ecological footprint of the products.	• Procedures to reduce amount of water withdrawn can be deemed as water conservation, for example the following actions: ○ Reduce water consumption; ○ Reduce water leakages; ○ Improve water-use efficiency; ○ Increase recycling and re-use of water; ○ Prevent water pollution internally. • Procedures to reduce energy consumption, or help increase the time available before the planet's bio-capacity is reached can be deemed as energy conservation, for example the following actions: ○ Reduce energy use/ consumption; ○ Reduce energy loss or waste of energy; ○ Improve energy efficiency; ○ Increase recycling and re-use of waste energy; ○ Change the energy sources from fossil-fuel energy to clean or renewable energy such as solar, hydro, etc. • Hazardous/ solid waste is disposed using licensed vendor per local legislation. And per the chemicals/materials used and pertaining to their specific volumes. • Storm water discharge should meet the discharge limits. Store waste discharge points should be identified within the premises. Monitoring of the store water discharge point to prevent hazardous materials enter into the drainage system. • Wastewater should be analyzed, treated if needed, and discharged according to the legal requirement and/or operational requirement which ever is higher.

WFSGI Code of Conduct Supporting Standards & Guidelines, V 1.3, February 2019

- | | |
|--|---|
| | <ul style="list-style-type: none">• Air emission to the environment should be closely monitored and if possible reduce emission to an acceptable level by different treatment system such as scrubbers, thermal oxidation, before discharge.• Implement eco-design and improve energy efficiency in the use phase of the product life cycle.• Implement eco-design and reduce energy consumption in the disposal phase of the production life cycle.• Recycling program for used products. |
|--|---|

4. SUBCONTRACTORS

4.1. Subcontractors

Principle	
Members and their suppliers shall have full knowledge of subcontractors in their supply chain. All declared and approved subcontractors must comply with this principle.	
Requirements	Compliance Indicators
Mechanism and control in place to monitor suppliers' and/ or subcontractors' performance in social compliance.	- The facility establishes, maintains, and documents appropriate procedure to evaluate and select suppliers and/ or subcontractors based on their performance and commitment towards social compliance. - The facility's social-compliance policy and requirements are communicated to all suppliers and/or subcontractors by at least one of the following methods (in the local language): Business contract, supplier/ subcontractor manual, training records, or other written processes.

5. COMMUNITY INVOLVEMENT

5.1. Community Involvement

Principle	
Members and their suppliers recognize the economic and social impact of their work and commit to improving conditions in the wider communities in which they operate.	
Requirements	Compliance Indicators
Evaluate impacts from production activities on the local communities' livelihoods, emissions, discharges and access to water, etc.	- Provide access to local community to understand the production activities. - Provide opportunity to hear community input on the impact of the manufacturing activities. - Involve the public in local community in business decision making process.

6. COMPANY SPECIFIC STANDARDS

6.1. Company Specific Standards

Principle	
Members are encouraged to draw up their own specific code of ethical conduct, if they have not already done so, building on the above standards.	
Requirements	Compliance Indicators
Commitment to create own code of ethical conduct from the top.	- This specific code of ethical conduct requires members to follow all applicable local and national statutory requirements. - The code should also outline good practices in the areas of labour standard, wages and hours standards, health and safety working condition, environmental regulation, management system, subcontractors, community impact, verification and compliance. - Consulting employees in the process of drafting to get input.

7. VERIFICATION & COMPLIANCE

7.1. Company Specific Standards

Principle	
These principles have been adopted by WFSGI to provide guidance for members suppliers to ensuring that their business operates responsibly. • Members shall take steps to ensure compliance with these standards in their own operations and in those of their suppliers. • Where there are instances of non-compliance [e.g. significant and/ or persistent breaches] whether found by internal or independent external monitors, members shall ensure timely and reasonable remediation of such non-compliance; and ensure that adequate steps are taken to prevent recurrence and/or occurrence in other organizations. • WFSGI reserves the right to require members to report regularly on the steps they are taking to ensure compliance with this Principle and responsible business practices more broadly.	
Requirements	Compliance Indicators
• Establish policies and procedures to ensure compliance with applicable laws and regulations of the countries and social compliance requirements.	• Facilities social compliance system should be assessed both internally (i.e. internal audit) and externally by independent external audit firm to ensure compliance and to identify improvement opportunities. • Any social compliance issue is reviewed and investigated to identify and determine root causes and appropriate and/ or preventative action is taken to stop a recurrence of the same or similar issue from recurrence in the future. • A continuous monitoring and evaluation of social compliance system including but not limited to monthly and/ or quarterly reporting about social compliance system and activities.