

JD WETHERSPOON PLC

RESPONSIBLE SOURCING PRINCIPLES AND CODE OF PRACTICE

Version 1 – August 2014

Introduction

Our Responsible Sourcing Principles and the accompanying Code of Practice set out JD Wetherspoon's expectations of vendors on issues such as pay, working hours, child labour, worker rights and representation. In sourcing products from many different countries, we aim to uphold internationally agreed standards of labour, and we expect vendors to treat employees fairly, honestly and with respect for their basic human rights.

Responsible Sourcing Principles:

- **Pay:** wages and benefits must be at least fully comparable with local norms. Where possible they should be better than the national legal minimum or industry benchmarked norms or what is required to achieve a locally acceptable standard of living. Wages should be paid in full and on time, at agreed intervals.
- **Working hours:** should conform to industry benchmarked norms and must not be excessive, with sufficient provision for sleep and resting time.
- **Working conditions:** we expect vendors to provide working conditions for employees that are locally recognised as good.
- **Health and safety:** we expect vendors to make every effort to provide safe and hygienic working conditions, and provide regular training in health and safety. They must minimise the risks of fire, accident and injury.
- **Child labour:** vendors should not employ or recruit children and should pay particular attention to the health and safety and educational needs of young employees.
- **Forced labour:** we will not knowingly purchase any merchandise produced through forced, bonded or involuntary labour or by people working illegally.
- **Employee representation:** vendors' employees should have the fullest practicable rights of free association. We encourage vendors to share information with their employees and to develop effective mechanisms for consultation.
- **Equality of treatment:** providing they show sufficient ability and capability, our vendors' employees should have equal access to jobs.
- **Environment:** vendors should make every practicable effort to use raw materials obtained from sustainable sources; should dispose of waste and pollutants in an efficient, safe and environmentally responsible manner; should minimise energy usage; and should abide by international, national and sector codes of practice concerning the use of chemical products, including pesticides.
- **Animal welfare:** vendors should ensure high standards of animal welfare both for animals that are raised for meat and dairy products, and for animals used for work and transport.

Implementation of Code Requirements

- Vendors are expected to establish management systems for delivering compliance to this

Code, and maintain records demonstrating compliance. An individual in a senior management position should be appointed to ensure compliance with the Code.

- Vendors are expected to communicate the requirements of this Code to all employees, suppliers and any out-workers or sub-contractors engaged in their supply chain. Vendors should take steps to ensure that their suppliers and sub-contractors comply with requirements of this Code. Vendors should also provide means for employees to report or discuss non-compliances confidentially.
- Vendors must comply with all applicable national laws in the countries in which they operate and all relevant ILO conventions. Where these standards differ, the standard that provides workers with greater protection will prevail.
- Vendors must comply with all JD Wetherspoon Plc policies related to Responsible Sourcing.

Reference: ILO Conventions 81 (Labour Inspection).

Employment of Children

- Children under the age of 15 must not be recruited or employed, unless the local minimum age for work or mandatory schooling specifies a higher age or if International Labour Organisation (ILO) developing country exemptions apply. Children must not be exploited, denied education and their health and safety must be protected. Children may participate in activities which culturally involve the whole community over a limited period of time.
- Children and young people under 18 must not be expected to work throughout the night or under potentially hazardous conditions.
- If children or young people are found working for any vendor, the vendor involved will be expected to cease the practice and provide remediation for the children or young people concerned, including support for the child to attend and remain in quality education until no longer a child. Vendors must clearly document and communicate their policies for dealing with under age children identified even if there are no known children employed.

Reference: ILO Conventions 138 and 182, Recommendation 146 (Minimum Age), Recommendation 190 (Worst Forms of Child Labour).

Forced Labour

- There must be no forced, bonded or involuntary labour of any description.
- Vendors must allow their employees the right to leave after giving reasonable notice.
- Workers must not be required to lodge deposits or I.D. papers unless it is a legal requirement to do so. In all circumstances these must be returned promptly upon cessation of employment.

Reference: ILO Conventions 29 and 105, Recommendation 35 (Forced and Bonded Labour).

Health, Safety and Hygiene

- Every effort must be made to provide a safe and hygienic working environment. Adequate steps should be taken to prevent accidents and injury to health arising out of, associated with, or

occurring in the course of work. Vendors must have appropriate procedures in place to deal with serious injuries.

- Vendors must complete fully documented risk assessments of their sites and accommodation provided, and regularly monitor risks posed to workers' health and safety.
- Vendors are expected to assign a senior management representative to be responsible for health and safety issues. Vendors should set up procedures to consult with employees to seek their contribution in assessing the site's health and safety and in developing health and safety standards.
- No worker must be employed in potentially hazardous conditions without receiving adequate safety training and supervision. Records of safety training must be available for inspection. Individual workers must be able to demonstrate their understanding of the job and the ability to perform it to at least the minimum standard required by their employer.
- Vendors must provide essential items of climatically appropriate protective clothing and safety equipment free of charge to their workers.
- Workers must be provided with access to potable drinking water, clean toilets, and (if appropriate) washing facilities.
- Where provided, accommodation must be safe, clean and meet the basic needs of workers. Secure storage facilities should be provided. Vendors should provide a range of mixed gender, segregated and family accommodation as appropriate for the number of workers housed.
- Where management provides dedicated transport for the movement of the workforce to, from, or within the workplace, these must conform to the minimum standards set down in the appropriate national transport legislation. In the absence of such legislation, the management must make every reasonable effort to minimise risk to the workforce whilst transporting them.
- Food, beverages and domestic goods offered for sale to workers must be at price levels no higher than those prevailing nationally.

Reference: ILO Convention 155 & Recommendation 164 (Occupational Safety & Health), ILO Convention 190 & Recommendations (Safety and Health in Agriculture).

Discipline

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation is not acceptable.
- Disciplinary and grievance procedures must be clearly documented and communicated to all employees. All disciplinary measures of a serious nature must be recorded.

Freedom of Association and Employee Representation

- Vendors must recognise and respect the rights of workers to freely join associations (such as workers councils, trade unions and workers associations) which can collectively represent their interests. Employers must not interfere with or attempt to dominate or control such bodies, nor discriminate against workers choosing to belong to them.

- Vendors should respect the rights of such workers' associations to represent their members, and to bargain collectively as defined and interpreted by the ILO and national legal framework.
- Vendors must share with their employees any information which will affect working conditions, and develop effective mechanisms for consultation.
- Where the right to freedom of association and collective bargaining is not permissible under national law, vendors should facilitate the development parallel means of independent and free association and bargaining.

Reference: ILO Conventions 87 and 98. Also relevant are Convention 135 and Recommendation 143 (Workers' Representatives), and Convention 154 (Collective Bargaining).

Working Hours

- Workers must not be expected to work in excess of 48 hours per week or less if there is a lower national limit or an agreed industry norm.
- Overtime should be voluntary, limited to no more than 12 hours per week, and not requested on a regular basis; it must be paid at a premium rate or in accordance with national legislation.
- There should be proper provision for rest and sleep. Breaks, holiday allowance and rest periods must be in full accordance with national law. Individual workers should have on average at least one full day's rest per 7 days or the equivalent if shift work is involved.

Equality of Treatment

- There must be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on (but not limited to) gender, age, disability, national origin, race, marital status, sexual orientation, political opinion, union (or non-union) membership, religion, or caste.
- Workers must not be expected to perform duties incompatible with their physical or mental abilities.

Reference: ILO Conventions 100 and 111, Recommendations 90 and 111 (Equal Remuneration, Discrimination (Employment and Occupation)), ILO Conventions 122 (Employment Policy), ILO Convention 159 & Recommendation 168 (Vocation Rehabilitation & Employment/Disabled Persons).

Wages

- Wages and benefits must be at least fully comparable with locally benchmarked industry norms or national legal requirements, whichever is higher. Wages must always be sufficient for basic needs whilst still providing some discretionary income.
- Before entering into employment, workers should be informed as to the payment process. Wages must be paid directly to the workers in the form of cash or cheques or into the workers' nominated bank account, at the agreed intervals and in full. Information relating to wages must be available to workers in an understandable form.

- No deductions from wages, other than those required by national law, must be permitted without the express agreement of the worker concerned. Deduction from wages for disciplinary purposes must not be permitted.

Reference: ILO Convention 131 and 90.

Regular Employment

- All workers must be provided with simple, written contracts which must detail the terms and conditions of their employment. Contracts should be in the appropriate language for each worker.
- Employers must not employ workers on repeated temporary contracts or apprenticeship schemes merely to avoid paying wages and other benefits given to permanent workers.
- Employers must encourage workers to participate in all state benefit schemes, especially sickness, injury, and retirement pensions. They must offer advice to do so, if needed.
- The company must take effective steps, which are at least in compliance with the requirement or recommendations of government and/or local labour authorities, to avoid the employment of workers who do not have the legal right to work.

Environment

- Vendors must seek to make continuous improvements in their environmental performance and, as a minimum, comply with the requirements of local and international laws and regulations.
- Vendors must make practical efforts to minimise the use of energy, water and raw materials: where possible these resources must be renewable.
- Vendors must make practical efforts to minimise waste and dispose of it in a safe, efficient, and environmentally responsible manner.
- Vendors must avoid contamination of the local environment and ensure that air, noise and odour pollution is within nationally defined limits.
- Vendors must minimise chemical use and abide by international, national and sector specific Codes of Practice for the use of pesticides and chemicals.

Animal Welfare

- We expect that our vendors employ high standards of animal welfare in the rearing of livestock for meat or dairy products, that they must be treated humanely, are allowed to live free of hunger, thirst, fear, distress, pain, injury disease and transported in line with these requirements.
- Where animals are used as beasts of burden, ploughing etc., they must be treated humanely, and allowed to live free of hunger, thirst, fear, distress, pain, injury or disease.