

Califia Farms Supplier Code of Conduct

2021 UPDATE

INTRODUCTION

Califia Farms is committed to maintaining high standards of social and environmental responsibility and ethical conduct within our business operations worldwide, and we aim to partner with suppliers who share our values. To that end, this Supplier Code of Conduct sets out minimum standards of conduct that we expect our suppliers to meet. This Supplier Code of Conduct is based on the Ethical Trade Initiative Base Code, [UN Guiding Principles on Business and Human Rights](#), and the [International Labour Organisation \(ILO\) Declaration on Fundamental Rights and Principles at Work](#). This Code of Conduct applies to our own manufacturing sites, as well as our direct suppliers, who, by signing this Code of Conduct certify that they and all entities in their supply chain meet the requirements below.

The provisions of this Code constitute minimum and not maximum standards, and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other laws applicable in the country(ies) in which they do business and, where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection.

REQUIREMENTS

Employment is Freely Chosen

- 1.1 Supplier does not use forced, bonded or involuntary labor of any kind, including involuntary prison labor.
- 1.2 Supplier does not require employees to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.
- 1.3 Supplier’s employment agreements comply with local laws and regulations, inform workers of their legal rights and employment conditions in a language understood by the worker, and are completed before work has commenced
- 1.4 Supplier ensures employees are made aware of their rights and responsibilities at the time of hire.

Freedom of Association and the Right to Collective Bargaining are Respected

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organizational activities.
- 2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Working Conditions are Safe and Hygienic

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Supplier shall provide workers regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Training shall be provided in a manner understood by the employee.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.
- 3.6 Suppliers shall identify and reduce the use of hazardous materials, chemicals, and substances. Suppliers will also ensure their safe handling, storage, and disposal.
- 3.7 Potential emergencies are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures. Emergency exits shall be unlocked and unblocked at all times.

Child Labor Shall Not be Used

4.1 There shall be no new recruitment of child labor*.

4.2 Companies shall develop or participate in and contribute to policies and programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child; “child” and “child labor” being defined in the appendices.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

* Per the ILO, children are classified as people under the age of 15, under the legal age for completion of compulsory education, or under the legal minimum age for employment according to national law, whichever is higher. A child may help at their family’s business only if they perform light work and meet the requirements above.

Living Wages are Paid

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure are not permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

5.4 Workers should be charged fair prices, where applicable, for job uniforms, protective gear, food, toiletries and other essential items and transportation. The collective cost of living expenses and transportation costs shall not exceed the amount paid for the duration/term length of employment.

Working Hours are Not Excessive

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labor standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.*

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any seven-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met: • this is allowed by national law; • this is allowed by a collective agreement freely negotiated with a workers’ organization representing a significant portion of the workforce; • appropriate safeguards are taken to protect the workers’ health and safety; and • the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14 day period.

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

No Discrimination is Practiced

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, pregnancy status or political affiliation.

Regular Employment is Provided

8.1 To every extent possible work performed must be on the basis of recognized employment relationship established through national law and practice.

8.2 Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, sub- contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

No Harsh or Inhumane Treatment is Allowed

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.