

April 1, 2017

## **SOCIAL COMPLIANCE POLICY**

### **OBJECTIVE**

At FBL our approach is to work closely with our customers designing a customized agenda to achieve the highest quality and satisfaction. We stand behind every commitment made to exceed customer expectations in providing world class products and services.

We are committed towards:

- Working with dedication and innovation, with total focus on our customer.
- Integrity, honesty and sincerity by following ethical and moral standards.
- Promoting a work culture that provides individual growth, team spirit and creativity to overcome challenges and attain goals.
- Achieving growth along with our customers, staff and suppliers.

### **SCOPE**

FBL define this policy as relevant to the organization itself, its contractors, subcontractors, suppliers and other parties engaged through the supply chain.

The standards outlined below reflect the values we uphold in our own policies:

### **WORKING CONDITIONS**

- 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.
- Applicable occupational Health and Safety regulations will be adhered to, and a working environment which is safe and conducive to good health shall be provided. Workers shall receive regular and recorded health and safety training and such training shall be repeated for new or reassigned workers.
- Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

- Accommodation, where provided, shall be clean, safe and meet the basic needs of the workers.

## **WORKING HOURS**

- Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
- Comply with applicable hour and benefits laws relative to the industry and/or local labour market.

## **NO DISCRIMINATION IS PRACTICED**

- Suppliers and Contractors must comply fully with local laws regarding equality of employment opportunities.
- There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, nationality, origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation

## **FORCED AND COMPULSORY LABOUR**

Company ensures that employees working in its facility are doing so voluntarily and does not engage in or support the use of forced labour.

The company shall not engage in or support the use of forced or compulsory labour as defined in ILO Convention 29, nor shall personnel be required to pay 'deposits' or lodge original identification papers with the company upon commencing employment.

Neither the company nor any entity supplying labour to the company shall withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.

Personnel shall have the right to leave the workplace premises after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice to their employer. This is in compliance with Indian Bonded labour system (abolition) Act, 1976 and the contract labour (regulation and abolition) Act, 1970.

Neither the company nor any entity supplying labour to the company shall engage in or support trafficking in human beings.

All employees are informed of the terms of their employment i.e. job description, hours of work, over time details etc. and are not expected to work beyond these hours without their consent.

Employees are not required to work on any holiday or work overtime without their consent.

A designated person assigned with specific responsibility to communicate, deploy, monitor and maintain the process and procedures aimed towards ensuring that forced labour is not used in the site.

Employees in the recruitment function are trained on the requirements and other instruments relating to forced labour to ensure that violations do not take place at the facility.

Periodic verification of the operation of processes and procedures aimed at ensuring that forced labour is not used in and ensure continued compliance.

## **FREEDOM OF ASSOCIATION**

We believe all employees are important stake holders in the enterprise and it is imperative to build a culture of mutual trust and respect, independence and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organization.

Respect the dignity of the individual and the freedom of employees to lawfully organize themselves into interest groups, independent of supervision by Management.

Ensure that employees are not discriminated against for exercising this freedom in a lawful manner and consistent with our core values.

## **RESTRICTION AND REMEDIATION OF CHILD LABOUR**

Company ensures that there is a restriction in the age criteria for the employees working in the premises that is 18 years and below to eradicate the child labour in the industry.

The policy covers all individual's entering the premises for employment with the Organization.

1. A signage to be placed in the entrance that " No person shall permit to work below the age of 18".
  1. (A) In the event that child workers are identified at a factory, the following steps must be followed.
    - i) The child worker must stop working immediately.
    - ii) The factory must contact the child worker's parents/legal guardians to arrange for the child's safe return to his original residence. The factory is responsible for returning the child to his original residence, including the cost of transport, accommodation and any other related expenses. The factory must maintain all expense records related to the child's return. These records will be reviewed to verify that the factory has complied with the Remediation Plan.
    - iii) The factory must consider re-employment of the child once he/she is 18 years old, or the legal working age, whichever is later subject to availability of employment.
    - iv) The factory must establish a recruitment policy that prevents child workers from future employment in the factory. The factory must show that the recruitment policy is enforced.

2. All employees will be verified on their age through proper records provided by the local governmental bodies
3. If there is no record for verification of age, the employee shall get a certificate from the Approved Government Authority.
4. Without proper age records, the candidate will not be allowed to work in the premises.
5. Proper verification of age records to be done by the factory HR to authenticate the records provided.
6. The age record should be placed in the personal file of the concern employee for further verifications.

## **FAIR WAGES**

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards.

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.

Wages shall be paid directly to the workers, at the agreed intervals and in full.

Overtime must be paid at a minimum compliant with national legislation.

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

All disciplinary measures should be recorded.

## **GIFT & GRATUITY**

FBL employees are prohibited from soliciting or accepting any gifts, gratuities or other monetary incentives that are designed to improperly influence business decisions or as a condition of doing business. The Supplier has an affirmative duty to report any such request or demand immediately to FBL Management. Certain business courtesies are not prohibited. Employees may accept gifts that are infrequent and nominal in value; occasional and reasonably priced meals with a business contact or which are otherwise reasonable and customary, in countries where custom requires such courtesies so long as the receipt of these gifts does not suggest a conflict of interest or give the appearance of an improper attempt to influence business decisions. We expect our suppliers to adhere to these gift giving guidelines.

## **BUSINESS INTEGRITY**

Strive to provide a workplace free of bribery and corruption by complying with all applicable laws relating to bribery, money laundering and/or corruption as well as prohibiting the exchange of money or anything

else of value to or from anyone, including government officials, to influence actions or obtain an improper advantage .

#### **CONTINUOUS IMPROVEMENT**

The Company commits to periodically review this policy in order to continually improve, taking into consideration changes in legislation, and any other requirements to which the Company subscribes, and in order to ensure the adequacy, suitability and continuing effectiveness of the policy.

Specifically, the policy will be routinely reviewed at the Company's Management Review Meetings and will be integrated into its QMS.

**V.K. Raveendranath**  
**General Manager – Human Resources**