



## ITP GROUP

# Code of Conduct

*Apr 2011*

### **Introduction**

In order to achieve our business goal, successful sourcing from Asia, ITP works hard to maintain social responsible business. ITP group and its subsidiaries are committed to conduct all aspects of business activities with the highest standards of business ethics and in accordance with all applicable laws and regulations.

ITP set up this Code of Conduct in order to make our position clear to our suppliers, customers, our own staff and any other parties.

This Code of Conduct establishes standards of conduct required for all of ITP's suppliers. ITP understands that its suppliers are independent entities; however, the business practices and actions of a supplier may impact or reflect upon ITP and our customers. Because of this, ITP expects that all suppliers shall adhere to this

Code of Conduct conducting business with or on behalf of ITP. The suppliers must ensure that their subcontractors also comply with the same standards.

## **Inspections**

ITP reserves the right to inspect or authorize a third party to inspect and audit, at any time, whether or not notice is provided in advance, all suppliers and factories.

Suppliers shall also permit ITP's customers to inspect and audit its factories to the extent reasonably required or requested by such customer as a condition of it doing business with ITP.

Suppliers and factories shall maintain on site all documentation that may be needed to verify compliance with the terms of this Code of Conduct and any agreements between supplier and ITP. All such documentation must be accurate, (i.e. free from any attempt to falsify or mislead) and be made available promptly upon request to any person of ITP conducting an audit.

Suppliers are required to reach primary goals within a reasonable timeframe and this will, as a rule, be a prerequisite for further

co-operation with ITP. Failure to improve conditions and gain noticeable headway will lead to considerations from ITP as whether to end their business relationship with the supplier.

## **Standards**

ITP's Standards is founded on key United Nations (UN) and International Labour Organization conventions and documents.

When national and other applicable law, other requirements to which the suppliers subscribes, and these standards address the same issue, that provision which is most stringent applies.

### **1. Forced Labor/Prison Labor**

1.1 Forced or prison labor will not be tolerated by ITP. Suppliers shall maintain employment on a voluntary basis. ITP will not accept products from Suppliers who utilize in any manner forced labor or prison labor in the manufacture or in their contracting, subcontracting or other relationships for the manufacture of their products.

1.2 Workers shall not be required to lodge "deposits" or their identity papers with their employer and should be free to leave their employer after reasonable notice.

## **2. Freedom of Association and Right To Collective Bargaining**

2.1 All workers have the right to join or form trade unions of their own choosing and to bargain collectively. If these rights are limited by law, the employer shall facilitate and under no circumstance hinder parallel means for independent, free association and bargaining. Workers representatives must not be discriminated against. Means should be taken to make them able to carry out their representative functions.

## **3. Child Labor**

3.1 ITP will not tolerate the use of child labor. Suppliers and factories shall employ only employees who have attained an age no less than the legal minimum working age (in China, 16 years of age) or 15 years of age, whichever is greater.

3.2 New recruitment of child labour in infringing of the above mentioned conventions is unacceptable. If child labour, as described above, is already in existence, sustained efforts shall be made to redress the situation as quickly as possible. However, the children concerned shall be given the possibility of earning a livelihood, as well as acquiring an education until they are no longer of compulsory school age.

3.3 For jobs that require greater maturity or pose a safety risk, these employees are to be a minimum of 18 years of age.

#### **4. Discrimination**

4.1 Suppliers and factories shall not discriminate against their employees or prospective employees in hiring practices or other term or condition of work on the basis of race, color, national origin, gender, religion, age, disability, political affiliation, sexual orientation, social or marital status, maternity, membership in worker's organizations, or any other similar factors.

4.2 Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

#### **5. No Harsh or Inhuman Treatment**

5.1 Suppliers and factories shall not engage in the use or threat of corporal punishment, the use or threat of any type of abuse or harassment, including mental, physical (including sexual) or verbal, against its employees or the use or threat of any other form of intimidation. Suppliers and Factories shall treat all of its employees with respect and dignity.

## **6. Health and Safety**

6.1 Suppliers and factories shall provide a healthy and safe work environment and fully comply with all health and safety measures designed to minimize health and safety risks pursuant to applicable law. Adequate steps shall be taken by suppliers and factories to minimize the causes of hazards inherent in the working environment.

6.2 Workers shall receive regular and documented health and safety training, and such training shall be repeated for new workers.

6.3 Access to clean toilet facilities and to potable water, and if appropriate, sanitary facilities for food storage shall be provided.

6.4 Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

## **7. Wages and Benefits**

7.1 The wages paid by suppliers and factories to its employees shall be at least the greater of (1) the minimum wage under applicable law or (2) the wage that is equivalent to the prevailing

wage for the same type of work in the same or similar industry having similar ownership in the same geographic area, and should always be enough to meet basic needs and to provide some discretionary income.

7.2 All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.

7.3 Deductions from wages as a disciplinary measure shall not be permitted.

7.4 Paid annual leave and holidays shall be provided by suppliers and factories to its employees as required by applicable law.

7.5 Benefits provided by suppliers and factories shall include, at a minimum, those mandated by applicable law.

## **8. Working Hours**

8.1 Suppliers and factories shall comply with national laws and benchmark industry standards with respect to working hours.

8.2 Working hours shall not exceed 48 hours per week. (8 hours per day)

8.3 Workers shall be provided with at least one day off for every 7 day period.

8.4 Overtime shall be limited. The maximum overtime is 12 hours per week.

8.5 Workers shall always receive overtime pay, minimum in accordance with current legislation.

## **9. Regular Employment**

9.1 Obligations to employees under international conventions and social security laws, and regulations arising from the regular employment relationship, shall not be avoided through the use of short term contracting (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.

9.2 All workers are entitled to a contract of employment that shall be written in a language they understand.

9.3 The duration and content of apprenticeship programmes shall be clearly defined.

## **10. Conditions Outside The Workplace**

10.1 Production and extraction of raw materials for production shall not contribute to the destruction of the resources and income base for marginalized populations, such as in claiming large land areas or other natural resources on which these populations are dependent.

## **11. Environmental Protection**

11.1 Environmental measures shall be taken into consideration throughout the production and distribution chain ranging from the production of raw material to the consumer sale. Local, regional and global environmental aspects shall be considered. The local environment at the production site shall not be exploited or degraded by pollution.

11.2 At a minimum, suppliers and factories shall comply with all applicable laws in relation to or in connection with environmental protection. In the absence of such laws, suppliers and factories shall take responsible actions to adopt procedures to ensure the proper protection of the environment.

11.3 Relevant discharge permits shall be obtained where required.

11.4 Hazardous chemicals and other substances shall be carefully managed.

### **Implementation**

In cases where the minimum standards cannot be met immediately, or in cases where these are already met, the supplier must work to continuously improve production conditions.

Regarding subcontractors, the supplier shall through agreement strive to secure that the supplier first communicates the primary goals to all subcontractors, then reports on relevant social aspects concerning the subcontractor's businesses, and demands that the primary goals are met by subcontractors within a realistic time frame.

## **Supplier Agreement**

The undersigned acknowledges receipt of this Code of Conduct for suppliers and agrees to abide by its terms.

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(Company Name)

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(Signature)

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(Print Name)

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(Job Title)

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(Date)