



## Ethical Sourcing Code of Conduct

### Our Commitment

Bunnings Group Limited and Bunnings Limited (collectively, **Bunnings, us or we**) respects and supports the dignity, wellbeing and human rights of workers in our supply chain and operations.

Bunnings is committed to ensuring that our products are sourced ethically and responsibly by working with suppliers and service providers to continuously improve social and environmental practices within our entire supply chain and business.

Bunnings is passionate about partnering with our suppliers to deliver the lowest prices, widest range and best service to our customers. By living our values and operating sustainably, we will continue to *build the best*, working closely with our service providers, suppliers and business partners to achieve long term, sustainable supply chains that deliver benefits to all stakeholders involved in the manufacture and supply of products or services to Bunnings.

Our expectation is that all suppliers who provide products or services to Bunnings adhere to the minimum standards established by the Code of Conduct (**the Code**). As our business relationship develops, we expect our suppliers to evolve their standards and continually improve working conditions.

The principles of the Code and the Bunnings Ethical Sourcing Program are based on those established by the Ethical Trade Initiative (ETI) and International Labour Organisation (ILO) Conventions.

To monitor our expectations, Bunnings uses the Supplier Ethical Data Exchange (Sedex) online portal for the secure exchange of ethical data with our suppliers. Suppliers should complete a self-assessment questionnaire (SAQ) and Bunnings may, at its discretion, require an independent ethical audit to demonstrate the supplier's compliance with the Code.

In the event any supplier is unwilling or unable to meet the minimum standards established in the Code or improve within the agreed timeframes, the trading and contract agreement between Bunnings and the supplier may be suspended or terminated at Bunnings' discretion.

Note, references to *supplier* include any upstream service providers, suppliers, agents, factories or subcontractors engaged by the entity trading with Bunnings, this also includes GNFR (goods not for resale) supply partners.



## Minimum Standards

### 1. Employment Conditions

#### 1.1. Child Labour

**Suppliers must not use child labour; the use of child labour is a critical breach of the Code.**

Suppliers will comply with the minimum employment age limit defined by local law or by International Labour Organization (ILO) Convention 138, whichever is higher. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age, subject to exceptions agreed with Bunnings and allowed by the ILO and local law.

Suppliers must be able to verify the age of all employees to ensure no child labour is used. Suppliers should have an employment policy specifying the minimum age for employment and have effective age verification procedures in place to implement this policy. Suppliers should ensure any third-party agencies have procedures in place to verify the age of workers.

Persons between 16 and 18 years of age are considered young workers. Suppliers must ensure the health and safety of young workers are considered and protected, for example precluding young workers from hazardous or night work and respecting overtime hours and weekend work.

Where the use of child labour is found to exist, we are committed to placing the interests of the child at the centre of our response and remediation expectations of our suppliers. For more information, refer to Bunnings **Child Labour - Critical Breach Remediation**.

#### 1.2. Forced, Bonded, Involuntary Labour

Employment must be freely chosen.

**Bunnings considers instances of forced labour, bonded labour, human trafficking, prison labour and indentured labour a critical breach of the Code.**

No worker passports or identity documents should be retained by their employer. Workers should have free and complete access to their own passport, identity documents, and residency papers at all times. Workers should have freedom of movement and not be confined to the supplier premises, including dormitories or provided housing.

Workers shall not be required to lodge any form of financial deposits with their employer or head contractor and should be free to leave their employer or head contractor after a reasonable notice period. Workers shall not have wages confiscated in part or in full to pay off debt or unreasonable recruitment fees. All costs relating to the recruitment and placement of workers should be borne by the employer.

We are committed to ensure human rights are respected and modern slavery or human trafficking is not taking place in our supply chain or broader business operations. For more information refer to **Bunnings Modern Slavery – Critical Breach Remediation**.

#### 1.3. Harassment, Abuse or Discrimination

Every worker shall be treated with respect and dignity.

No worker shall be subject to any form of harsh or inhumane treatment including intimidation, physical, sexual, psychological or verbal harassment or abuse.



**The use or threat of physical force, sexual violence, or intimidation of any kind is considered a critical breach of the Code.**

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

#### 1.4. Wages and Benefits

Wages and benefits for a standard working week must meet, at a minimum, any applicable local laws or industry practices, whichever is higher. Wages should be paid regularly, directly and on time. **Underpayment of workers' wages or benefits is considered a critical breach of the Code.**

Record keeping must be accurate and transparent. All workers should be provided with written contracts in a language each worker understands, with all terms and conditions, such as hours, piece rate, overtime, pay, deductions, benefits, leave, disciplinary and grievance mechanisms clearly explained.

Workers must be granted and correctly compensated for any types of paid leave and social insurance to which they are legally entitled. Examples of such leave include annual leave, maternity, parental and sick leave. Employers will also cover the insurance requirements of workers consistent with local laws.

Deductions from wages may only occur with the express written permission of the worker concerned. Worker assent must be obtained without coercion. Deductions from wages for disciplinary measures are not permitted. If the employer provides accommodation, the fees must not be unreasonable and should cover the basic cost of living.

Workers should have full and complete control of any money earned. Pay should be deposited into a bank account in the worker's own name, not in the name of the employer, nor into the account of a spouse or male relative.

Outstanding payments upon termination are to be paid in full (or no later than the next payroll date). Workers must not be coerced to continue working to receive any outstanding payments.

#### 1.5. Working Hours and Leave

Overtime must be voluntary, must not be excessive, shall not be demanded on a regular basis and must be compensated as prescribed by local laws. **Excessive overtime is considered a critical breach of the Bunnings Code of Conduct.**

Overtime shall be used reasonably, considering the extent, frequency and hours worked by individual workers and the workforce as a whole. Overtime shall not be used to replace regular employment.

Inclusive of overtime, workers must not work above the maximum hours of 72 hours per week (in any 7-day period). Total working hours can only exceed 72 hours per week in exceptional circumstances where all the following criteria are met:

- This is allowed by a collective agreement freely negotiated with a workers' organisation or representative;
- Appropriate safeguards are taken to protect workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Workers shall receive at least 1 day off in 7 days, or 2 days off in every 14.



Workers should not be forced to work overtime, and disciplinary measures should not include forced overtime work, nor should there be a threat of dismissal, penalty, or involuntary repatriation in cases where workers refuse to work beyond contracted hours.

Record keeping of hours worked by all workers, including those employed via third party agents or labour providers, must be accurate, complete and transparent at all times.

### 1.6. Regular Employment

Suppliers must provide each worker with a labour contract which stipulates all legally required employment terms and conditions. To every extent possible, work performed must be on the basis of a recognised employment relationship established through local law and practice.

Workers who have a regular employment relationship with their employer are afforded a number of obligations from their employer relating to labour and social security laws and regulations. These obligations shall not be avoided through the use of labour-only contracting, sub-contracting, home-working arrangements, fixed term contracts or through apprenticeships or internship schemes where there is no intention to impart skills or provide regular employment.

### 1.7. Migrant Workers

All workers should be treated equally.

Migrant workers should be treated equally to other workers performing the same or similar work. Migrant workers shall have the same entitlements as local workers as stipulated by local law.

The supplier should bear the full costs of recruitment and placement of workers. Migrant workers should not be charged any fees for recruitment or placement. The employer must not require the worker to surrender identification documents.

**Instances of bonded labour, indentured labour and unreasonable recruitment fees are considered a critical breach of the Code.**

The recruitment of workers should involve full transparency about the terms and conditions of employment, and migrant workers should be informed about the local labour laws prior to commencement of employment. For more information refer to **Bunnings Modern Slavery – Critical Breach Remediation**.

Suppliers must ensure that each of their employees, agents, contractors have a valid right to work under applicable local laws. Evidence of such rights must be provided to Bunnings on request.

### 1.8. Freedom of Association

Suppliers shall respect the right of workers to join or form trade unions and to bargain collectively. Workers should not be discriminated against for exercising this right.

Employers must adopt an open attitude towards the activities of trade unions and their organisational activities. Where the right to freedom of association and collective bargaining are restricted under local laws, suppliers will not hinder the development of alternative means of independent and free association and bargaining.

Worker representatives shall not be discriminated against and should have access to carry out their representative functions in the workplace.



## 2. Workplace Conditions

### 2.1. Health & Safety

Workers must be provided with a safe and hygienic working environment, considering the prevailing knowledge of the industry and of any specific hazards.

Supplier factories shall respect the right of a worker to refuse work that he or she has reasonable justification to believe is unsafe, without suffering discrimination or loss of pay. This includes the right to refuse to enter or to remain inside a building that he or she has reasonable justification to believe is unsafe for occupation.

Adequate steps shall be taken to prevent accidents and injury to workers arising out of, associated with or occurring in the course of work, by minimising so far as reasonably practicable, the causes of hazards inherent in the working environment.

Workers must receive adequate, recorded training to perform their jobs in a safe manner. It is expected that suppliers assign responsibility for health and safety to a senior management representative within their organisation.

Injury records are properly maintained, and all significant accidents and near misses are investigated, reported and corrective action is performed to minimise any re-occurrence.

Where local law requires; suppliers, vendors and service providers must provide worker compensation to all workers covering medical treatment for work related accidents and compensation for work related accidents resulting in permanent disability.

### 2.2. Toilets & Facilities

Suppliers must provide safe and dignified sanitation facilities to all workers.

Suppliers will ensure workers have access to clean potable water. If water is used in the facility and it is not fit for drinking it should be clearly signposted in a language the worker understands. If appropriate, sanitary facilities for food storage shall be provided.

Toilet facilities must be well maintained and regularly cleaned, ensuring the availability of soap or hand wash, and toilet tissue or paper. Workers must be afforded privacy and toilet stalls must be equipped with lockable doors. If female workers are employed the supplier shall provide adequate and hygienic means for napkin disposal.

### 2.3. Equipment

Suppliers and service providers will ensure that personal protective safety equipment is available, and workers are trained in its use.

Safety guards on machinery must meet or exceed local laws. Valid certifications are maintained for special machines/facilities operators (boiler operator, forklift operator, cargo lift operator etc.).

Risk areas, such as toxic substances and dangerous machinery, are identified and effectively managed by providing the applicable training and ensuring chemicals are properly stored and labelled with Material Safety Data Sheets (MSDS) and available to workers in the local language. Emergency eyewash stations and/or showers are provided where hazardous chemicals are handled and used.

Electrical equipment and wiring are properly maintained, covered/insulated to prevent exposure of wires. Electrical cords and outlets are in a safe, working condition. Electrical control panels are clearly marked, are easily accessible and unblocked at all times.



#### 2.4. Building Structural Safety and Fire Safety

All manufacturing facilities should have a valid Building Structure Safety Certificate or permit, confirming the compliance to the relevant building code. If a valid Building Structure Safety Certificate is unobtainable from the Government or landlord, a periodical Fire Safety certificate will be accepted within 2 years of it being conducted. Manufacturing may only take place in an approved area of the facility.

The manufacturing facility must have an adequate number of unlocked, freely accessible and clearly marked exits for emergency evacuations, properly maintained firefighting equipment and relevant first aid equipment which is readily available.

Manufacturing facilities shall communicate fire and emergency evacuation plans and post the diagrams in the local language in various locations around the manufacturing site.

Supplier factories must conduct fire and emergency evacuation drills for all areas and shifts on an annual basis, with the presence of the local fire service and/or the civil defence authority, or as required by law.

Manufacturing facilities must have a fire alarm system in place that is audible throughout the entire factory. The system is inspected regularly and tested in coordination with fire drills.

Flammable materials are stored in a designated area away from emergency evacuation routes (aisles, exit, stairways and assembly points), open flames, heated surfaces, sparks, and unprotected electrical wiring.

Designated personnel (workers and supervisors) are trained at regular intervals in fire safety, the use of fire extinguishers, and how to administer the fire prevention procedures and emergency evacuation plan. Where firefighting training is legally required, training is provided in accordance with the law.

**Inadequate and unsafe fire safety equipment and emergency exit facilities are considered a critical breach of the Code.**

#### 2.5. Accommodation

If the supplier provides accommodation facilities for its employees, the requirements regarding fire safety, cleanliness and basic needs should also cover the dormitory. The dormitory must be separated from the workplace including material storage areas, must be well ventilated, adequately heated or cooled and have a separate entrance.

Workers must have freedom to move throughout their accommodation and be able to leave the premises during their free time. Workers must be able to lock their accommodation and securely store their personal belongings.

Workers' sleeping rooms should be of a reasonable size, and residents should have their own bed. In workers' sleeping rooms, the ILO recommends:

- the floor area not be less than 7.5 square metres in rooms accommodating two persons;
- 11.5 square metres in rooms accommodating three persons; or
- 14.5 square metres in rooms accommodating four persons.
- If a room accommodates more than four persons, the floor area should be at least 3.6 square metres per person.

There are a reasonable number of operating toilets and showers that are clean and separated by gender. The ILO recommends a minimum of one toilet, one wash basin and one bathtub or shower for every six persons. Toilets should



offer privacy (i.e., ability to lock doors) and have a ventilation system to provide good circulation of air to reduce odours.

### 3. Management Controls

#### 3.1. Sub-Contractors

It is Bunnings expectation that suppliers and service providers keep and maintain transparent documentation and records.

Suppliers are required to keep Bunnings up-to-date at all times where each product is being produced or assembled, including subcontracting assembly centres. Any changes to a products manufacturing site must obtain prior approval from Bunnings. **Unauthorised subcontracting is considered a critical breach of the Code.**

Suppliers must ensure that all subcontractors, and third-party vendors providing materials or labour in the manufacture of goods ordered by Bunnings must comply with the Code.

Service providers must ensure that all subcontractors engaged to provide services to Bunnings comply with this Ethical Sourcing Code and comply with local law.

Suppliers and service providers must comply with any reasonable and lawful request by Bunnings to cease utilising a manufacturing site or subcontractor.

Home based work is expressly prohibited without specific approval by Bunnings.

#### 3.2. Environment

At a minimum, suppliers and service providers, must meet all relevant local and national environmental legislation, and strive to comply with international environmental protection standards.

Where required by law, environmental records and certificates must be maintained for the manufacturing site. Hazardous materials and chemicals will be disposed in accordance with the law to ensure these materials are not discharged and do not pollute the environment.

Supplier factories must have procedures in place to alert local environmental authorities in the event of accidental discharge of pollutants or for any other environmental emergency.

#### 3.3. Ethical Standards

**Bribes, favours, benefits or similar unlawful or improper payments, in cash or kind are strictly prohibited, and considered a critical breach of the Bunnings Code of Conduct.**

Suppliers and service providers must demonstrate a high degree of professionalism and have a close affinity with Bunnings' business ethics. Honesty, fair dealing and proper treatment of workers are required at all times.

#### 3.4. Compliance with Local Laws

Bunnings require all suppliers and service providers to comply fully with the legal requirements of the countries in which they operate. All requirements in this Ethical Sourcing Code are in addition to compliance with applicable local laws.



#### 4. Code of Conduct Requirements

Bunnings is committed to working in partnership with our suppliers and service providers to help achieve compliance with the Code. We will work collaboratively with suppliers, service providers and their respective manufacturing sites, subcontractors, agents or personnel (as applicable) that may not yet meet the minimum standards but are open to improvement and genuinely committed to rectifying issues within agreed timeframes.

In the event any supplier and service provider are unwilling or unable to meet the minimum standards established in the Code or improve within the agreed timeframes, the trading and contract agreement between Bunnings and the Supplier/ Service provider may be suspended or terminated at Bunnings' discretion.

As a Bunnings supplier, agent or vendor, you are responsible to contact the manufacturer to arrange the manufacturing site assessment, Sedex registration and onboarding and/or ethical audit, where required, and provide verification of this as requested by Bunnings.

The level of monitoring and controls required, shall be in proportion to the ethical sourcing risk factors inherent in that particular country, commodity, industry, manufacturing process or product type. This may include conducting on-site factory visits and assessments, and Bunnings may, at its discretion, require an independent audit of our suppliers to demonstrate compliance with the Code.

For further questions regarding the Code or Bunnings' Ethical Sourcing Program, you can contact the Ethical Sourcing team directly via [EthicalSourcing@bunnings.com.au](mailto:EthicalSourcing@bunnings.com.au)