



POLICY ON MODERN SLAVERY COMPRISING FORCED LABOR AND HUMAN TRAFFICKING



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Document No: HR-POLICY-2020-03MSL

Issue Date: 10 January 2020

Modern Slavery covers harassment through forced and compulsory labour and human trafficking in the supply chains of businesses. V.K.A Polymers Private Limited understands the risks posed by forced labour, prison labour, indentured labour, bonded labour, debt servitude, state imposed forced labour and human trafficking, where coercion, threats or deception are used to intimidate, penalize or deceive workers, thereby creating situations of involuntary work and exploitation. Modern Slavery may also be associated with the worst forms of child labour in the present era of globalisation.

Our responsibility is to respect human rights and we understand the importance of taking the necessary steps to fulfil this social obligation. We do this by striving to operate responsibly along the entire value chain by safeguarding the rights of our own employees and those of the workers who assist in manufacturing our products applying our influence to affect change wherever human rights issues are linked to our business activities.

Our human and labour rights program has been built on the back of intense stakeholder outreach and engagement seeking to understand and define the most salient issues to address as a company. Through those engagements we have identified the following as salient issues for our human rights program and the focus for our human rights due diligence efforts: freedom of association and collective bargaining, working hours, health and safety, fair wages, child labour, forced labour, resource consumption, water (including chemical management), access to grievance mechanisms, diversity, procurement, product safety, as well as data protection and privacy security.

Our focus is to ensure fair, safe and healthy working conditions for the workers who make our products in alignment with international standards and norms. Forced labour, child labour, risks associated with migrant labour and the trafficking in persons, and other slavery-like practices, are issues which we have addressed in the past and continue to assess and address through our robust social assurance and labour monitoring programs.

We treat forced labour, human trafficking and slavery as zero-tolerance issues. Business relationships can be impacted if such issues are found and can lead to enforcement action, warning letters and, if timely remedies are not offered, to termination. We are committed to uphold human rights and the steps we have

undertaken to ensure that slavery and human trafficking do not operate within our business or our supply chain.

Supply Chain:

Our supply chain includes transforming synthetic materials into end-user products which is Long lasting insecticide incorporated bed nets . We have a global and multi-layered supply chain, with different types of business partners in the United Nations and World Health Organization.

Besides our own employees, our raw material suppliers play a central role in our sustainability program. It was our concern for their working conditions and well-being that led us to establish our facilities and work place areas covers workers' health and safety and provisions to ensure environmentally sound factory operations.

To enforce compliance with our Standards we have a multi-level monitoring and enforcement process in place, including the use of an innovative rating system for the assessment of our suppliers. The rating results are shared by our purchase teams and incorporated into the overall supplier rating that influences our decision whether and to which extent we continue the business relationship with a specific supplier.

This transparency and integration with sourcing decisions is fundamental to the success of our efforts to drive improvements in workplace conditions. We value long-term relationships with our suppliers with whom we are associated for more than 20 years. The length of our supplier relationship is determined by specific performance criteria which is regularly measured and reviewed.

As a company, we also have non-trade based procurement, where we contract third parties for the supply of goods and services to support our general business operations worldwide.

Policy:

We are committed to the highest level on human rights and we are committed to the United Nations Universal Declaration of Human Rights, owned and approved by the CEO and Board of Directors. The Labour Charter applies to all our business activities and operations, including trade and non-trade procurement.

Our trade-related business partners are contractually bound by our workplace standards developed around the United Nations conventions on human and labor rights. The general principles in our workplace standards are explained through our supporting which reference international law, norms and industry best practice and offer advice to business partners on ways to prevent and mitigate impacts on human rights, human trafficking and slavery.

These are reviewed regularly with the most recent update in 2019 to our migrant labour guidelines with the aim of ensuring that workers do not pay recruitment fees for securing their employment. In addition to updating our standards we are in dialogue with stakeholders and other brands towards building a collaborative approach for addressing issues related to migrant workers from other states in India.

We are focusing our efforts on the recruitment process involving migrant workers by conducting on-site investigations which include interviewing migrant workers and hiring agency officials to get first-hand information on the hiring process and the recruitment costs involved in high risk states and recruitment corridor. In accordance with our workplace standards, business partners must not use forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise.

No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views. The workplace standards include a specific clause which reads:

“V.K.A Polymers Pvt. Ltd. is committed to respecting human rights and will refrain from any activity, or entering into relations with any entity, which supports, solicits or encourages others to abuse human rights.

We expect our business partners to do the same, and where there is any perceived risk of a violation of human rights to duly notify us of this and of the steps being taken to avoid or mitigate such a breach and, where this is not possible, for the business partner to provide for the remediation of the adverse human rights impact where they have caused or contributed to this.

For the purposes of these Workplace Standards, human rights are a set of rights which recognize the inherent dignity, freedom and equality of all human beings, as expressed in the United Nation’s International Bill of Human Rights and in the

International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.”

To support our commitment to the fair treatment of the workers who make our products, including reducing pressures on working hours and ensuring the full and timely payment of wages, we have embedded within our business processes a number of responsible sourcing and purchasing practices including:

1. Effective forecasting systems enabling suppliers to plan effectively
2. Systematic dialogue with suppliers on their capacity that enables level loading during peak months

Due Diligence Processes

We have developed a due diligence approach that targets those at high-risk locations, processes or activities that require the closest attention and where we can apply influence to mitigate or remediate issues, where they occur.

Our employment guidelines describe what constitutes non-compliances or bad practices and how these should be remedied, and provides examples of best practice and case studies. If serious breaches of the workplace standards are identified in a new supplier, they are not authorized to begin supply to V.K.A Polymers Pvt. Ltd. until they have demonstrated comprehensive and sustainable remediation of the issues.

If evidence is found of human trafficking, slavery-like practices or child labour at a prospective new supplier, they will be disqualified and the findings shared with relevant government agencies for their follow-up.

For our direct supply chain, where our monitoring staff identify specific non-compliance issues, including forced labor, suppliers develop corrective action plans to address them in a sustainable manner within a set period which are closely monitored by our team through follow up audits and progress is recorded in the committee meetings.

We recognize that risks associated with modern slavery are potentially prominent in the upstream supply chain and we are therefore focused on targeted modern slavery trainings and capacity building programs for our suppliers thereby influencing ethical employment practices and providing them with the guidance to identify and remedy unscrupulous employment practices.

Where we have found non-compliance issues such as the retention of identity documents of migrant workers, clear and actionable plans to address these issues are developed with the suppliers. We have also conducted more comprehensive assessments of raw materials suppliers, to identify and address risks of modern slavery.

Risk Assessment

We have completed a risk-based mapping of our extended supply chain, i.e. those tiers that fall outside the mainstream coverage of our social compliance program and launched our modern slavery outreach program.

Additional in-depth assessments may be warranted depending on a new supplier we plan to source from, as took place prior to supply commencement. A focused review is conducted to evaluate human rights and socio-political issues and risks and resulted in the adoption of tools and approaches to prevent harm to rights-holders. Risks of modern slavery and other adverse human rights impacts have also been assessed.

For new supplier relationships, we have a well-developed pre-screening risk assessment which we call as Initial Assessments through which we evaluate prospective suppliers against a set of Zero Tolerance Issues and Threshold Issues.

Zero tolerance includes prison labour, serious, life- threatening health and safety conditions and repeated or systematic abuse. Threshold compliance issues include serious employment issues, serious health, safety or environmental issues and any combination of the two.

Compliance Monitoring (CM)

The key industry risks such as child labour, excessive hours, forced labour, freedom of association, health and safety, and women's rights are already deeply embedded in our organization.

We are aware that unregulated recruitment agencies increase the risk of forced labour. Whilst our targeted trainings and policies detail for suppliers our requirements for ethical recruitment, we assure that we have programs in place focusing on forced labour.

Our risk assessment cuts across all tiers of our supply chain and are carried out on a continuous basis relying on stakeholder engagement to inform our risk

evaluation ranging from tailored engagements with specific stakeholder groups, with the investor community, through worker interviews, engagement with government agencies on human rights topics or responding to changing regulatory frameworks. These are all material considerations in our risk assessments.

Internal and external audits are conducted at our factories to ensure compliance with our workplace standards. In addition to our own monitoring activities, we value announced assessments by independent third parties to demonstrate the credibility of and provide verified information about our program to stakeholders.

We assess our suppliers who supply raw materials, spares & packing materials by Key Performance

Indicators (KPIs) covering six primary areas:

1. Management commitment & responsiveness
2. Management systems
3. Labour & industrial relations
4. Compliance training for workers & management
5. Transparency in communication & reporting
6. Compliance performance

These assess the effectiveness of our suppliers' management systems to protect labour rights, worker safety and the environment. Socially compliant suppliers are incentivized in the form of increased order volumes in our business.

For our licensee partners and agents that manage our indirect supply chain, we use assessment scores that evaluates and scores a business entities performance in applying our workplace practices and associated guidelines.

For our modern slavery outreach program, we have clearly defined near term priorities including targeted modern slavery capacity building for our suppliers and developing collaborative models to address slavery like practices at the raw material sources.

Individuals, worker representatives and worker rights, as well as other civil society groups, can access our management and independently managed

complaint mechanism, to bring issues related to the breach human rights directly to our attention. Additionally, workers in our facility have access to suggestion boxes-based systems to anonymously lodge complaints and suggestions at manufacturing sites in real time.

Training and Capacity Building:

As part of our continuous efforts to achieve effective and sustainable practices within the supply chain, we have initiated a system of multi-level and cross-functional training and capacity building sessions with our supplier network.

All new employees are given induction training to familiarize them with V.K.A Polymers Pvt. Ltd. policies and procedures, including our workplace standards. Focused 'sustainability and modern slavery' sessions are delivered at each corporate induction day at our offices.

Our HR & legal teams have received formal briefings on the application of the UN Guiding Principles on Business and Human Rights and the corresponding human rights requirements and guidelines as well as commitments to identifying and addressing the risks of modern slavery in our business.

Legal officers in the India are responsible for ensuring compliance with disclosure requirements under the relevant modern slavery and human trafficking legislation.

Our strategy involves training selected HR, Social and Environmental Affairs staff who manages our day-to-day labour monitoring program, to become modern slavery experts. This complements their many years of experience in investigating forced labour and migrant labour cases in the supply chain.

10 Jan 2020

Managing Director