

Ethical Sourcing Policy – Optima Investments and Subsidiary Companies

ETHICAL SOURCING POLICY

Optima Investments expects that all its suppliers practice ethical and humane work practices. We have the longer-term goal of steadily improving the working conditions of all suppliers that we work with. This includes both New Zealand and offshore manufacturing businesses.

Our supplier policy also emphasizes the importance of encouraging long term business relationships that particularly enable offshore factories to invest in ethical practices, employee training and higher than average wages with the objective of sustaining and improving the quality of employees' working life.

We also recognise that global influences on employment conditions and human rights are continually changing, therefore we will regularly assess these changes and review our policies accordingly.

Optima Investments Ethical Sourcing Code of Practice (ESC)

The ESC is directly overseen and reviewed at CEO level within our organization. Supplier adherence to the ESC will be regularly reported at Optima Board meetings.

Independent Audits of supplier factories will take place each year with independent reports provided.

When non-compliance of the ESC is reported, the CEO will undertake remedial action with the supplier immediately and agree to a review of the improvements within a realistic time frame. If the supplier is either unwilling or unable to make these improvements, then a plan will be implemented to exit this supplier.

PRINCIPLES

1. No forced, bonded or involuntary labour.

Workers will not be required to lodge deposits or identity papers with an employer and must be free to leave the work premises when a shift has ended and terminate their employment with due or reasonable notice.

2. Health and Safety

A safe and hygienic work environment must be provided by our suppliers. The prevailing knowledge of the industry and any specific hazards and local laws and standards will be taken into account.

Appropriate procedures will be taken by all suppliers to prevent accidents and injuries related to the working environment and its processes. Injured workers will be treated with respect with the offer of rehabilitation and the objective of return to normal work.

Workers should receive regular health and safety training and new employees informed and instructed in safe operating procedures for their specific duties.

Access to clean sanitary facilities, clean and drinkable water and no restrictions to the access of these facilities is mandatory by all factories.

If accommodation is provided, it should be clean and safe. A sanitary food storage and preparation area must be provided.

The responsibility for health and safety within the work environment will be assigned to a senior manager.

3. Wages and Benefits

Wages must be paid according to the national law or industry benchmark, whichever is the greater. There will be an emphasis on the 'living wage' and the ability for workers to have some discretionary savings.

Wages must be paid at regular intervals, according to national or industry benchmarks. Any deductions not provided for by national laws are not permitted without the expressed permission of the worker.

4. Working Hours

Workers shall not work in excess of the lesser of (a) the limits on regular and overtime hours allowed by local and national law, or (b) 50 hours a week on a regularly scheduled basis, including overtime.

Workers shall be guaranteed one day off every consecutive seven-day period.

Overtime shall be voluntary only and workers shall be paid in accordance with national law.

5. Child Labour

Child labour must not be used and suppliers can only employ workers who meet the minimum standard as stipulated by national laws. This policy will be severely enforced.

6. Equal Treatment

Suppliers and their factories shall not discriminate in the hiring, compensation, access to training, promotion, termination or retirement on the basis of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

7. Freedom of Association

Suppliers must ensure that their workers have the right to join or not join trade unions, workers' associations and the ability to bargain collectively. The factory must recognize the rights of union organisations to exist and to represent workers in a constructive and peaceful way.

8. Discipline

Physical abuse, the threat of physical abuse, sexual or other forms of harassment, verbal abuse and other types of intimidation will never be used by a supplier or factory in relation to their workers.

All new suppliers must meet the base standards of our ESC before we will work with them.

Independent factory visits will be made to discuss our ethical trading requirements and current adherence to our ESC. Only when we are clear that a supplier has shown a genuine commitment to ethical trading will a business relationship commence.

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Policy Review Date - June 2024

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