

Bench Marks

1.5.B.1

The company, in its endeavours to ensure the human rights of the peoples who live where it is extracting natural resources, has policies that specifically ensure the human rights of communities within the terms of the Universal Declaration of Human Rights and its two covenants and the International Labour Organisation's standards.

1.5.B.2

The company ensures that when extracting non-renewable resources it creates and puts in place alternative and sustainable benefits for the future of the community in which it is operating.

1.5.B.3

The company has an agreed policy whereby compensation for the removal of natural, non-renewable assets is fully paid.

1.5.B.4

The company has in place performance standards for the monitoring of the extraction of natural and especially non-renewable resources.

1.5.B.5

The company, as a minimum, adheres to the Voluntary Principles on Security and Human Rights to ensure respect for human rights and fundamental freedoms in their security operations.

1.5.B.6

The company has in place policies that prohibit it from accepting protection from governmental military forces or from local militias.

2. THE CORPORATE BUSINESS COMMUNITY

Section 2.1 - THE EMPLOYED - Conditions

Principles

2.1.P.1

The company is guided by the various International Labour Organisation's (ILO) standards as a minimum governing its employment practices and industrial relations. This standard includes genuine respect for employees' right to freedom of association, labour organization, free collective bargaining, non-discrimination in employment and a safe and healthy working environment provided for all employees.

2.1.P.2

The company does not discriminate on the basis of gender, racial/ethnic origin, social or ethnic origin, culture, religion, age, disability, sexual orientation, nationality, citizenship or political opinion.

2.1.P.3

The company values all its employees in terms of their social, intellectual, economic and personal contribution to the company in every sector of its operations.

2.1.P.4

The company ensures that each employee is treated with respect and dignity.

2.1.P.5

The company ensures its labour force and managerial employees are proportionally representative of the communities in which it operates.

2.1.P.6

The company seeks to maximize long term contractual relationships with its employees and to safeguard employees' future employability.

2.1.P.7

The company pays sustainable living wages, which enables employees to meet the basic needs of themselves and their families, as well as to invest in the on-going sustainability of local communities through the use of discretionary income.

2.1.P.8

The company provides equal pay for work of equal value.

2.1.P.9

The company ensures work schedules that are reasonable and enable employees and their families to live in a sustained and healthful manner; the company does not rely on production based on unpaid labour.

2.1.P.10

The company recognizes the need for supporting and/or providing the essential social infrastructure of child care, elder care and community service in order to facilitate access to employment and the full participation of employees in the workplace.

Criteria

2.1.C.1

The company ensures that no person is subject to any discrimination in employment, including recruitment, hiring, remuneration, benefits, advancement, discipline, termination, or retirement, on the basis of gender, racial/ethnic origin, social or ethnic origin, culture, religion, age, disability, sexual orientation, nationality or political opinion.

2.1.C.2

The company accommodates the cultural, religious and social needs of employees.

2.1.C.3

The company ensures that no employee is subject to any physical, sexual, psychological or verbal harassment or abuse.

2.1.C.4

The company has a policy, which prohibits health testing as a condition of employment including pregnancy testing.

2.1.C.5

The company actively recruits and employs for all positions at all levels, including management, from the local population.

2.1.C.6

Training, development, promotion and advancement opportunities within the company are available to all employees of the company, regardless of status, whether full-time, part-time, short-term, permanent, or with any other contracts of employment.

2.1.C.7

All who work within and on the company's premises, whether permanent, temporary or contracted employees, including those engaged in day labour, receive equal protection, especially in provision of equipment and information concerning their health and safety at work. This information is provided in the languages of the workers.

2.1.C.8

The company recognizes the responsibilities of all its workers to their families, and provides paid maternity, paternity, family and compassionate leave.

2.1.C.9

The company supports and/or provides the essential social infrastructure of child care, elder care and community services which allow workers, especially women who have traditionally done this work as unpaid labour, to participate as employees.

2.1.C.10

Employees are free to organize and join workers' organizations without discrimination or interference and to engage freely in collective negotiations to regulate the terms and conditions of employment. No employee is discriminated against for engaging in union organizing and collective bargaining activities and other worker committees.

2.1.C.11

The company has in place programmes, policies and practices with specific goals and time lines to ensure equal pay for work of equal value.

2.1.C.12

The company ensures that, as a minimum, all employees are paid a wage, which, at least, provides sufficient purchasing power to enable employees to meet the basic needs of themselves and their families.

2.1.C.13

The company uses an established process to calculate a sustainable living wage. The process to determine a sustainable living wage is used in each of the geographic areas where workers live.

2.1.C.14

The company limits overtime work to a level that ensures humane working conditions, especially for young workers.

2.1.C.15

In situations where corporate restructuring is taking place, the company provides the opportunity for redeployment and retraining of employees in order to offer sustainable patterns of employment.

2.1.C.16

The company implements a standard grievance procedure allowing for progressive steps and channels to resolve grievances, where in the case of a grievance not being resolved at company level, provision is made for the employee to follow the appropriate legal route. The company undertakes to inform workers of their rights and assists them in this regard.

2.1.C.17

The company agrees to implement a grievance procedure, which is easily understood by workers.

2.1.C.18

The company adopts a policy not to discriminate against employees exercising their basic rights.

2.1.C.19

The company limits overtime work to minimum levels, and further endeavours to reduce overtime with a view to increasing overall employment levels whilst addressing the health needs of workers.

Bench Marks

2.1.B.1

The company adheres to ILO conventions regarding basic employment practices, equality of opportunity, and the elimination of all forms of discrimination.

2.1.B.2

The company adheres to the principles set out in the International Labour Organisation Conventions on Freedom of Association and Free Collective Bargaining.

2.1.B.3

The company makes available to independent monitors the work records of employees when there is question of discrimination against labour organizing or other collective bargaining activities.

2.1.B.4

The company pays all legally mandated benefits as a minimum standard.

2.1.B.5

The company does not require employees to work overtime on a regular basis and does not require young employees to work overtime. Employees may refuse overtime without any threat of penalty, punishment, demotion or dismissal.

2.1.B.6

The company keeps a record of all grievances lodged, how they were resolved and actions pending against the company.

2.1.B.7

The company reports publicly on the frequency of training and education of workers on their rights and responsibilities in line with best practice and industry developments. It undertakes such training that is free and compensated.

2.1.B.8

The company does not adopt the quota system for production or any forms of penalty.

2.1.B.9

Formal redundancy/layoff policies are only adopted as a last resort.

Section 2.2 – THE EMPLOYED – Health and Safety

Principles

2.2.P.1

The company provides a working environment that supports health and wellness.

2.2.P.2

The company affirms that workers have a right to a workplace that is free of toxic substances and all forms of health hazards, including second-hand smoke.

2.2.P.3

The company subscribes to the principle that every worker has the right of access to health care, including accessible and affordable medicines.

2.2.P.4

The company views health in holistic terms of body, mind and spirit, rather than the absence of sickness.

Criteria

2.2.C.1

The company adopts specific policies to ensure that the workplace is free from toxic substances and all kinds of risks; is properly ventilated and appropriate, free, protective equipment and hygienic bathrooms and changing rooms for workers, especially for women and young workers are provided.

2.2.C.2

The company ensures participation by workers from all levels of employment, in education, examination and the monitoring process on issues of occupational health and safety.

2.2.C.3

The company has a policy, which prohibits health testing as a condition for employment, including pregnancy testing.

2.2.C.4

Where governments do not provide universal health coverage, the company provides adequate coverage for its employees and their dependents. This includes necessary essential medicines, including antiretrovirals for HIV / AIDS.

2.2.C.5

The company adopts a policy of non-discrimination and commits to programmes to overcome discrimination and stigmatization of employees with HIV / AIDS.

Bench Marks

2.2.B.1

The company adheres to the relevant codes of the World Health Organization (e.g. The International Code of Marketing of Breastmilk Substitutes) and the relevant International Labour Organisation's recommendations on health and safety, on the health of young workers, the health of women workers, the use of chemicals, occupational diseases, compensation for occupational injury and other related issues.

2.2.B.2

The company has clear communication policies on occupational health and safety, stress issues and all forms of harassment, through a variety of means, including a clear checklist and a worker-friendly handbook.

2.2.B.3

The company ensures that workers can elect representatives through democratic processes to factory Health and Safety Committees. They have rights to have regular monitoring of the factory, to have full access to all the information related to the occupational health and safety issues, and they will not be penalized when they assume these duties.

2.2.B.4

The company accepts independent monitoring by civil society groups and qualified inspectors and provides access for the inspection of plant facilities. The company agrees to take action to rectify any problems in a timely fashion.

2.2.B.5

The company ensures that workers can stop work if they find themselves at risk and that workers injured at work will be provided with suitable jobs after medical and psychological treatment.

2.2.B.6

Where provided, the company ensures healthy food and decent accommodation for the workers.

2.2.B.7

The company provides on-going education on the prevention of HIV / AIDS, training to overcome the stigmatization of employees with HIV / AIDS, and provides support systems to employees and their families such as counselling.

Section 2.3 - THE EMPLOYED - Persons

Sub-section 2.3a - Women in the Workforce

Principles

2.3a.P.1

The company values women as a vital group of employees who have a significant contribution to make to the work of all companies.

2.3a.P.2

The company is aware that the rights of women are often violated by business policies and practices, which contribute to the 'feminization of poverty' and exacerbate gender inequalities. It seeks to neutralize the impact of any such policies or practices on their employees.

2.3a.P.3

The company ensures that there is equal remuneration for work of equal value.

2.3a.P.4

The company ensures that the social and biological determinants that affect women because of gender are addressed by appropriate policies within the work place, including, but not limited to, pregnancy leave, maternity leave, medical leave.

Criteria

2.3a.C.1

The company recognizes that there may be particular barriers to the full participation of women and takes positive action to diminish these barriers within the company.

2.3a.C.2

The company has in place a ranking of work situations to ensure pay parity among workers.

2.3a.C.3

The company works to provide resources of social support to enhance women's economic empowerment.

Bench Marks

2.3a.B.1

The company has in place effective and appropriate policies and statements of equality of opportunity for women in the workforce and these are monitored and maintained throughout all levels of employment. These are available to all workers in the languages of the workers.

2.3a.B.2

The company develops specific goals and measurable objectives to provide women with true and equal participation in decision-making.

2.3a.B.3

The company provides adequate technical training, which contributes to the advancement of all workers, especially women.

2.3a.B.4

The company has a policy of responding flexibly to the needs of women regarding pregnancy and family care without detriment to their employment. The company provides paid maternity and paternity leave.

2.3a.B.5

The company encourages or participates in the creation of childcare centres and centres for the elderly and persons with disabilities where appropriate.

Sub-Section 2.3b - Minority Groups

Principles

2.3b.P.1

The company does not discriminate on grounds of racial/ethnic origin, or culture.

Criteria

2.3b.C.1

The company has an employment policy, which enables people from minority groups to be recruited to the company, to achieve progression in employment in the company and to receive training and promotional opportunities without discrimination.

2.3b.C.2

The company recognizes that there may be particular barriers to the full participation of people from minority groups and takes positive action to diminish these barriers within the company.

2.3b.C.3

The company has a policy that its work force reflects the racial/ethnic origin and cultural composition of the local population at all levels.

Bench Marks

2.3b.B.1

The company complies with all forms of international conventions, such as the Wood-Sheppard Principles and does not discriminate on the basis of racial/ethnic origin, gender, religion, sexual orientation and disability.

2.3b.B.2

The company publicly discloses information on the diversity of all of its workforce, including the number of employees by gender, disability and racial/ethnic origin, at every level of the company, including at senior management level.

Sub-Section 2.3c - Persons with Disabilities

Principles

2.3c.P.1

The company ensures that persons with disabilities who apply for jobs with the company receive fair treatment and are considered solely on their ability to do the job with or without workplace modifications.

2.3c.P.2

The company values persons with physical, sensory and/or mental disabilities as full participants in the company workforce.

Criteria

2.3c.C.1

The company has in place an operative anti-discrimination policy vis-à-vis persons with physical and/or mental disabilities, with provisions for the monitoring of compliance with the policy.

2.3c.C.2

The company has a policy of employing people with disabilities and of providing the resources and facilities, which enable them to achieve progression in employment in the company and to receive training and promotional opportunities without discrimination.

2.3c.C.3

When a worker employed by the company becomes disabled, the company continues to employ that person and provides the modifications necessary to enable the worker to continue at the previous status. If a worker requires transfer to another position within

the company because of disability, wherever possible, this new job is at the same level; where not possible, existing remuneration is protected for a specified period.

2.3c.C.4

The company provides training for all its employees about hiring and accommodating persons with physical and/or mental disabilities.

2.3c.C.5

The company recognizes that there may be particular barriers to the full participation of people with disabilities and takes positive action to diminish these barriers within the company.

2.3c.C.6

The company offers disability awareness training to all employees working with or supervising people with disabilities.

2.3c.C.7

The company adopts a policy whereby managers, particularly those responsible for recruitment and employment matters, are fully versed in obligations to employ and accommodate people with disabilities.

Bench Marks

2.3c.B.1

The company periodically assesses its hiring and employment practices of persons with physical and/or mental disabilities and makes necessary correction in a specified period.

2.3c.B.2

The company regularly consults with organisations with experience and expertise regarding the employment of persons with physical and/or mental disabilities.

2.3c.B.3

The company makes the particular accommodations necessary for persons with disabilities to be able to function in the workplace.

2.3c.B.4

The company monitors and reports on the number of offers made to employees with disabilities for skill development, testing and promotion, as it does for all employees.

Sub-Section 2.3d - Child Labour

Principles

2.3d.P.1

The company does not exploit children as workers.

2.3d.P.2

The company guarantees that neither it nor its contractors employ children in conditions that violate the rights of the child.

2.3d.P.3

The company:

- € does not interfere with the right of a child to an education
- € agrees to abide by minimum age requirements for admission of children to employment as stated in the International Convention on the Rights of the Child
- € accepts appropriate regulation of hours and conditions regarding employment of children
- € safeguards the health, safety and morals of child workers.

2.3d.P.4

The company does not employ persons under the age of majority as a means of avoiding the payment of the full adult wage for doing the same work.

Criteria

2.3d.C.1

The company does not employ, in a full-time capacity, in its own workplaces or in that of its subsidiaries and suppliers, any child under the age of completion of compulsory schooling and, in any case, less than the age of 15 years. In countries where the economy and educational facilities are insufficiently developed, companies may, after consultation with the young workers, worker associations, and organizations concerned with children's rights, labour rights and human rights, initially specify a minimum age of 14 years.

2.3d.C.2

The company, when it has taken advantage of the above exception to 14 years, has made a specific public declaration of the reasons for this exception and has determined a date by which it will cease to avail itself of the provisions of this policy.

2.3d.C.3

The company works with organizations concerned with children's rights, human rights and labour rights and within the country of production to ensure that young workers are not exploited.

2.3d.C.4

The company has a precise statement regarding the employment of children and young people. This policy is publicly available throughout the company and its suppliers in the languages of any and all workers. It is clearly communicated to all employees in a manner, which can be understood, and includes verbal communications for employees lacking adequate reading skills.

2.3d.C.5

The company has a clearly stated policy and monitoring programme in regard to the employment of children.

Bench Marks

2.3d.B.1

The company has in place a monitoring and auditing programme to ensure compliance with its corporate code of conduct. This programme includes internal monitoring and auditing and well as independent monitoring.

2.3d.B.2

The company has a precise standard of recording and measurement in place, which enables it to monitor the significance of all exceptions to the pattern of child employment below the age of 15 years. In addition, the company has a precise standard and measurement of any exposure to a potentially hazardous environment for anyone aged 18 or below. These records are available for public scrutiny, especially by those groups responsible for human rights, labour rights and children's rights.

2.3d.B.3

If monitoring reveals that children are being exploited, immediate steps are taken to rectify the practice and to provide for the rehabilitation of the children involved. The company does not solve the problem by the dismissal of the children affected.

2.3d.B.4

The company regularly consults with country-specific knowledgeable organizations regarding programmes and practices to remove children from work sites and re-integrate them into home, school and community.

Sub-section 2.3e - Forced Labour

Principles

2.3e.P.1

The company employs workers who choose to be employed by that company. The company does not use any forced labour, whether in the forms of prison labour, indentured labour, bonded labour, slave labour or any other non-voluntary labour.

Criteria

2.3e.C.1

The company has a clearly stated policy in regard to the monitoring of the employment of people under duress. If it is discovered in such monitoring that any workers have been employed under duress, immediate steps are taken to rectify the practice and to provide for the rehabilitation of the workers involved. The company does not solve the problem by the dismissal of the workers involved.

Bench Marks

2.3e.B.1

The company adheres to International Labour Organisation Convention Number 29 and Convention Number 105 on Forced Labour.

Section 2.4 – SUPPLIERS

Principles

2.4.P.1

The company accepts responsibility for all those whom it employs either directly or indirectly through contract suppliers, sub-contractors, vendors or suppliers.

2.4.P.2

The company is responsible for the labour, social and environmental conditions under which and in which its products and services are produced, provided, advertised or marketed under licensing agreement.

2.4.P.3

The company affirms the concept of joint responsibility with suppliers for the additional costs of compliance with ILO labour standards, national law and the company's code of conduct.

Criteria

2.4.C.1

The company has a strong code of conduct for vendors and suppliers which includes, but is not limited to, child labour, forced labour, harassment, nondiscrimination, healthy and safe workplace, freedom of association and right to bargain collectively, sustainable living wages and benefits, hours of work, the environment, supportive social and physical community infrastructure and monitoring mechanisms for compliance.

2.4.C.2

The company adopts a policy to involve employees and workers in the supply chain in formulating, amending and implementing the company's code of conduct.

2.4.C.3

The company adopts a policy based on the equitable sharing of all costs relating to the compliance of ILO standards, national law and the company's code.

2.4.C.4

The company adopts a fair pricing policy that enables the supplier to meet its obligations to labour, social and environmental standards.

2.4.C.5

The company works with its suppliers to put in place on-going education and training programmes for workers and management on workers' rights and how to achieve and sustain compliance with labour, social and environmental standards.

Bench Marks

2.4.B.1

The company clearly communicates to its suppliers, vendors and licensees the company's code of vendor/supplier conduct and its process of enforcement. Violations

of the code are effectively addressed. Cancellation of contract is used only as a last resort.

2.4.B.2

The company develops long-term business relations with its supplier in which job security of workers is considered.

2.4.B.3

The company, along with its vendors and suppliers, has a plan of action with specific time lines to address code violations. The company has guidelines to terminate its contract if identified code violations are not dealt with in a reasonable period of time.

2.4.B.4

The company has an effective internal compliance process of training, on-site inspections and audits of suppliers and vendors.

2.4.B.5

The company accepts the role of workers and unions as monitors of workplace conditions.

2.4.B.6

To supplement its internal monitoring of code compliance, the company accepts independent monitoring of its suppliers and/or vendors. Sources of independent monitoring include non-governmental organizations, local community groups, religious, human rights, children's rights and labour groups.

2.4.B.7

The company provides regular reports to all stakeholders that are independently verified on a plan detailing how the company and the suppliers have shared responsibility for compliance.

2.4.B.8

The company adopts a transparent policy and reports publicly to all stakeholders on its compliance programme, the findings, and what changes have been made at the factory level.

2.4.B.9

The company has clear guidelines for the investigation of possible code of conduct violations, which include a safe, confidential process of interviewing employees without penalizing them or jeopardizing their jobs or safety.

2.4.B.10

The company provides on-going, free and compensated education and training for workers.

Section 2.5 - FINANCIAL INTEGRITY³

Principles

2.5.P.1

The company insists on honesty and integrity in all aspects of its business, wherever business is conducted.

2.5.P.2

The company does not offer, pay, solicit or accept bribes in any form.

2.5.P.3

The company is committed to transparency in all its accounting and financial reporting statements and communications with shareholders through its compliance with independent auditing and financial reporting principles.

2.5.P.4

The financial services and lending practices instituted by the financial institution include investment in the infrastructure and social development of all the communities where they have a presence and an impact.

2.5.P.5

The financial institution recognizes that it is the responsibility of management to prevent the use of its worldwide operations for criminal purposes.

2.5.P.6

The company acknowledges that in order for socially responsible investment to take place that it must adhere to the following principles:

- € respect for the integrity of creation
- € that socially responsible investment is based on human and community needs
- € that it consults with relevant stakeholders
- € and, that it abides by the recommendations of these stakeholder groups.

Criteria

2.5.C.1

All transactions on behalf of the company are appropriately described in the accounts of the company in accordance with established procedures and are subject to audit.

³ In 2001/2002 the finance industry was under review in regard to auditing practices relating to the financial integrity and accountability of companies in the light of a string of corporate collapses in several jurisdictions. Reforms, some more comprehensive than others, are anticipated. Reference should be made to these legislative and regulatory changes, and the several proposals calling for universal accounting standards.

2.5.C.2

All employees are required to avoid conflicts of interest between their private financial activities and their part in the conduct of company business.

2.5.C.3

The company's financial reporting policies, procedures and practices ensure that the financial position of the company is fully disclosed to all stakeholders.

2.5.C.4

The financial institution has clearly stated policies and practices to promote community reinvestment schemes that include provision for the full range of financial services to the local communities in which they operate or upon which they have an impact.

2.5.C.5

The financial institution has clear policies, controls and due diligence practices, which ensure that the source of wealth and funds of clients can be reasonably established to be legitimate.⁴

2.5.C.6

The company ensures that socially responsible initiatives are decided upon and agreed by all stakeholders, that the consultation process is inclusive and exhaustive, and that only jointly agreed socially responsible investment is implemented.

Bench Marks

2.5.B.1

As part of their reporting responsibilities, the company's auditors indicate the amount of any consultancy fees incurred, and/or commission payments made, in respect of any contract and the percentage which these fees bear to the total gross value of such contract.

2.5.B.2

The senior administrative officer of each significant unit of the company, as well as the company Chief Executive Officer, is required annually to sign a letter containing the following representations:

- € that neither the company (unit) nor any of its authorized representatives has been party to the offering, paying or receiving of bribes
- € that no payments have been made which knowingly violate the laws of the countries in which the company operates
- € that no receipts or payments of monies or other assets derived from the company (unit) have been either unrecorded or falsified when described in the relevant books and records and no other improper accounting practice has been adopted in the period under review.

⁴ See the *Global Anti-Money-Laundering Guidelines for Private Banking* Wolfsberg AML Principles at www.wolfsberg-principles.com

2.5.B.3

The company's directors and senior management certify in writing the veracity of all financial statements, and fully disclose and publicly report the financial standing of the company in an understandable manner.

2.5.B.4

Financial services, including micro-financing, discounted loan services and other fair lending practices are made available to local communities, including those under-served, on a fair and equitable basis. (e.g. financial institutions can reduce interest on loans, reduce profit margins and avoid predatory lending practices.)

2.5.B.5

The financial institution establishes an adequately staffed and independent department, which regularly reviews client activities and tracks and reports any unusual or suspicious activities to the proper authorities that any alleged criminal activity can be appropriately addressed.

2.5.B.6

The company keeps a record of all socially responsible investment initiatives, and reports them in the company's annual report in order that stakeholders may verify this report. In addition, twice-yearly reports shall be given to stakeholders on ideas, work in progress and impact assessment of these initiatives.

Section 2.6 - ETHICAL INTEGRITY

Principles

2.6.P.1

The company recognizes that its directors and employees have a central role in upholding the company's ethical standards and codes of conduct.

2.6.P.2

The company directly addresses issues of justice in line with criteria developed and endorsed by workers and stakeholders as an expression of its financial, social and environmental reporting.

2.6.P.3

The company, when lobbying, commits itself to uphold a consistent policy, which *inter alia* supports responsible environmental protection and promotes social, labour and human rights.

2.6.P.4

The company commits itself to a policy of integrating its corporate social responsibility goals into its lobbying strategy.

2.6.P.5

In its lobbying with sovereign and international authorities, the company will promote principles, legislation and rules that enhance the social, environmental and financial well being of all communities and bio-regions where they have a presence and an impact.

2.6.P.6

The company agrees not to lobby local, regional, national and international institutions to by-pass basic environmental, labour, social and human rights standards.

Criteria

2.6.C.1

The company provides training for its directors and employees regarding ethical issues, corporate social responsibility issues and codes of conduct.

2.6.C.2

The company has a mechanism to address ethical issues of concern raised by employees.

2.6.C.3

The company has in place a system of review that aligns and integrates its corporate social responsibility principles in relation to its lobbying activities at all levels.

2.6.C.4

The company establishes participatory structures representative of all stakeholders to ensure compliance with its lobbying policy.

2.6.C.5

The company's policy and guidelines for external and public relations direct that, in its efforts to influence favourable terms of reference with sovereign and international authorities, the company will promote principles, legislation and rules that enhance the social, environmental and financial well-being of all communities and bio-regions where they have a presence and an impact.

Bench Marks

2.6.B.1

The company ensures that employees who raise issues of concern do not suffer negative repercussions.

2.6.B.2

The company ensures that, should the mechanism fail and the employee raises the issue outside the company, there are no negative repercussions on their employment.

2.6.B.3

The company keeps a record of its lobbying activities and provides regular reports to all stakeholders.

2.6.B.4

The company, when lobbying United Nations agencies or other institutions, includes in its delegation, groups representative of non-governmental organisations and relevant government ministries.

2.6.B.5

The company is recognized by civil society organisations as a leader in securing legislation, rules and practices that enhance the social, environmental and financial well being of all communities and bio-regions where they have a presence and an impact.

Section 2.7 – CORPORATE GOVERNANCE

Principles

2.7.P.1

The company's governance structure is based on ethical values, including inclusivity, integrity, honesty, justice, transparency and responsiveness to shareowners and stakeholders.

2.7.P.2

The company's governance reflects its obligations to its stakeholders in the social, environmental and financial arenas.

2.7.P.3

The company's Board of Directors is characterized by independence, willingness to ask hard questions, diversity of membership, transparency of decision making and accountability.

2.7.P.4

The company's executive compensation and bonus packages are tied to financial, social and environmental performance and are in alignment with community expectations of fair and reasonable compensation.

2.7.P.5

The company communicates to its shareholders and stakeholders its plans and strategies for business acquisitions, mergers and restructuring.

Criteria

2.7.C.1

The company adopts policies and implementation plans for its environmental, social and financial operations including effective evaluation tools.

2.7.C.2

The company has systems, programmes and measurable goals in place to continuously improve the integration of financial, social and environmental decisions.

2.7.C.3

The composition of the Board of Directors demonstrates diversity (gender, ethnicity, age, background, employee) and includes a majority of independent/non-executive directors. Independent directors are included on all Standing Committees and are the sole directors on Audit, Nominating and Compensation Committees.

2.7.C.4

The company adopts a policy to measure executive compensation based on the ratio of top management's compensation compared to the lowest paid worker and takes into account such issues as limiting compensation packages during times of layoffs and economic downturns.

2.7.C.5

The company undertakes a merger, acquisition or restructuring only if it is consistent with the company's social and environmental goals.

Bench Marks

2.7.B.1

Top managers report regularly on the ethical issues and corporate responsibilities and programmes and a full report is made public annually.

2.7.B.2

The company publicly discloses the manner in which its financial, social and environmental goals are being met.

2.7.B.3

The Board reports publicly on how it is meeting its corporate governance goals.

2.7.B.4

The company offers stock options to a broad cross-section of employees and calculates stock options as an expense.

2.7.B.5

The company reports well in advance of proposed mergers, acquisitions or restructuring to secure worker participation in the decision-making process.⁵

⁵ The corporate governance movement is speeding forward internationally as never before. The changes in laws, regulations, as well as shareholder pressure promoting additional changes, are significant and growing in Canada, South Africa, the United Kingdom, the United States and many other countries. Recommending one comprehensive set of corporate governance standards at any particular moment is impossible. However, the proponents believe that the practices listed above are acceptable internationally and are consistent with the values expressed in the other sections of this document.

Section 2.8 - THE SHAREHOLDERS

Principles

2.8.P.1

Information, which enables shareowners/shareholders to understand corporate compliance with these ***Principles of Global Corporate Responsibility: Bench Marks for Measuring Business Performance*** as articulated in the Criteria and Bench Marks of this document, is fully available.

2.8.P.2

The company's corporate governance policies balance the interests of managers, employees, shareowners/shareholders, and other interested and affected parties.

2.8.P.3

The company neither restricts nor obstructs the legal rights of shareowners /shareholders.

Criteria

2.8.C.1

The company ensures shareowners'/shareholders' participation and rights to information while protecting other interested and affected parties.

2.8.C.2

The company respects the right of shareowners/shareholders to submit proposals for vote and to ask questions at the annual meeting.

2.8.C.3

The company is committed to meet with shareowners/shareholders to address issues of concern.

Bench Marks

2.8.B.1

The company observes a code or codes of best practice or has drawn up its own comprehensive corporate code, which includes guidelines for corporate governance.

2.8.B.2

Shareowners/shareholders are informed through reports and meetings about significant and material violations of corporate policies, including codes of conduct, adverse decisions by tribunals or courts, and the results of internal audits or analyses of corporate activity.

2.8.B.3

Shareowner/shareholder proposals and questions are welcomed at the company's annual meeting.

Section 2.9 - JOINT VENTURES / PARTNERSHIPS / SUBSIDIARIES

Principles

2.9.P.1

When entering into and throughout the duration of joint ventures and partnerships, the company takes into account the ethical implications as well as the financial implications of those relationships.

2.9.P.2

All parts of the company, associated companies, divisions and units and subsidiary companies abide by the same codes of ethics and conduct as the parent company as a minimum standard.

2.9.P.3

The company accepts a responsibility to promote its codes of ethics and of conduct with licensees and franchisees.

Criteria

2.9.C.1

The company recognizes that unethical behaviour by joint venture and other partners reflects on its own reputation and integrity, and the company has a mechanism to address such unethical behaviour.

2.9.C.2

The company has a clearly stated policy in regard to the monitoring of the application of codes of ethics and conduct by licensees and franchisees.

Bench Marks

2.9.B.1

The company has guidelines to assess and determine its course of action when a violation of ethical codes is perpetrated by a partner or subsidiary. These guidelines include, but are not limited to, challenging the partner or terminating the relationship.

2.9.B.2

The company takes immediate steps to address violations of codes of ethics and conduct by licensees and franchisees. The company only terminates the relationship as a last resort.

Section 2.10 - CUSTOMERS & CONSUMERS

Principles

2.10.P.1

The company adheres to international standards and protocols relevant to its products and services.

2.10.P.2

The company is committed to a marketing policy whereby it does not produce goods and services under conditions where human rights, labour rights, and environmental standards which are internationally recognized are violated.

2.10.P.3

The company ensures that its products and services meet customer requirements and product specification.

2.10.P.4

The company is committed to marketing practices which protect consumers and which ensure the safety of all products.

2.10.P.5

The company is fully committed to fair trading practices.

Criteria

2.10.C.1

The company does not market products, which denigrate or supplant sustainable natural products, nor produce them under conditions where human rights, labour rights and environmental standards are violated.

2.10.C.2

All advertisement and labelling of products is complete, fair and honest. Only claims, which can be substantiated and fulfilled, are made by the company, its employees and its agents.

2.10.C.3

The company does not market products, which denigrate or supplant sustainable natural products in such a way as to cause harm to the environment or to consumers.

2.10.C.4

The company does not market products in other countries, which have been found to be harmful in any country.

2.10.C.5

The company does not engage in cartels, spheres of influence or patent protections, which are deliberately designed to denigrate the rights of others.

2.10.C.6

The company ensures that products marketed globally have clear, specific warnings in the appropriate local language, about their possible dangers to the consumer.

2.10.C.7

The company does not take advantage of vulnerable groups through inappropriately directed marketing of unsuitable products (such as toy guns for children and tobacco).

Bench Marks

2.10.B.1

The company complies with human rights, labour standards, and environmental protocols, advertising standards legislation, international standards and protocols, product safety legislation or recognized codes where they exist and this compliance is regularly disclosed.

2.10.B.2

The company's activities and products have received positive evaluations from independent consumer organisations.

2.10.B.3

Relevant consumer codes are followed by the company in such a way as to protect vulnerable groups.

2.10.B.4

There is no evidence of the participation of the company in cartels, spheres of influence or unfair patent protections.