



Standard
CARPETS

STANDARD CARPETS IND LLC

SOCIAL COMPLIANCE POLICY

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INTRODUCTION

Standard Carpets Ind LLC is committed to promoting human rights and environmental sustainability in all areas of its functioning. Our Social Compliance Policy detailed below aims to improve the social and environmental impact we make in communities around the world. Through a commitment towards improvement of workers' rights, quality workplace conditions and effective management systems, the policy detailed herein is held in accordance with the standards set out in Social Accountability 8000 International Standard June 2014 edition (SA8000:2014).

COMPLIANCE WITH THE LAW

First and foremost, Standard Carpets Social Compliance Policy requires that Standard Carpets and its affiliates comply fully with all applicable national and local laws (including but not limited to) labor immigration, health and worker safety. Standard Carpets Social Compliance Policy also requires that there is no unresolved material government actions based on the supplier and/or factory failing to follow local labor law, immigration, health or safety laws and/or regulations. In all cases, regional requirements should always be adhered to under all circumstances. Should the Standard Carpets Social Compliance Policy be in violation of any law, then the law should always be followed. The Standard Carpets Social Compliance Policy will, most often, be above and beyond legal requirements.

SOCIAL ACCOUNTABILITY REQUIREMENTS

Standard Carpets as well as its contractors, subcontractors, suppliers and other parties engaged through the supply chain are expected to adopt the following standards. Collectively these standards reflect the values we uphold and are intended to implement a high level of responsibility for all those engaged with Standard Carpets.

While Standard Carpets recognizes the many different legal and cultural environments in which companies operate around the world, our Social Compliance Policy requires compliance of basic criteria to create a level of corporate accountability. Accordingly, it is the responsibility of all Standard Carpets business partners, suppliers, agents and designated 3rd parties to act in accordance with our Social Compliance Policy.

1. CHILD LABOR

- a. The organization shall not engage in the hiring or recruitment of child labor. Workers must be over the age of 15 (even if permitted under local law).
- b. The organization shall establish, document and maintain an effective age verification process.

2. FORCED OR COMPULSORY LABOR

- a. The organization shall not engage in or support the use of forced or compulsory labor (including prison labor) shall not recover any kind of employment fees and shall not require personnel to pay 'deposits' to the organization upon commencing employment.

- b. Neither the organization nor any entity supplying labor to the organization shall engage in or support human trafficking.
- c. Neither the organization nor any entity supplying labor to the organization shall withhold any part of any employee's salary, benefits and/or property as a form of punishment or detainment.
- d. Employees shall have the ability to leave the workplace premises after completing the standard workday and be free to end their employment without restriction after having given notice and after having worked the required notice period.
- e. All employees shall be provided a contract of employment explaining information regarding their employment conditions and wages.

3. HEALTH AND SAFETY

- a. The organization shall provide a clean, safe and healthy workplace environment that actively prevents potential health and safety incidents as well as occupational injury or illness.
- b. The organization shall exhibit no physical or psychological abuse or acts of punishment towards its employees.
- c. The organization shall provide employees with effective health and safety training. Such training shall also be repeated for new and reassigned personnel.
- d. All machinery operated by the organization must be maintained to a standard that ensures workers are not at unreasonable risk while controlling or being near operation.
- e. Workers shall be provided with the necessary safety equipment to comply with, at the very least, the minimum national safety standards.
- f. All dangerous, combustible and hazardous materials must be stored, used and disposed of in a correct and safe manner.
- g. All fire exits and all routes to fire exits must be free from obstruction and clearly sign-posted in the local and common language or with a commonly recognized symbol. Exits should not be blocked by materials, debris or finished goods.
- h. The organization shall establish documented procedures to detect, prevent, minimize, eliminate or otherwise respond to potential risks to the health and safety of personnel. The organization shall maintain written records of all health and safety incidents that occur in the workplace and in all residences and property provided by the organization.
- i. In the event of a work-related injury the organization shall provide first aid and assist the worker in obtaining follow-up medical treatment. First Aid equipment must be available in each factory.
- j. The organization shall provide a workplace that is properly lit, properly ventilated and has adequate and safe heating facilities.
- k. The organization shall provide free access to clean toilet facilities, clean drinking water, suitable spaces for meal breaks, and, where applicable, sanitary facilities for food storage.

4. WORKERS ACCOMODATION

- a. Accommodation for workers must meet all national (or local) legal requirements relating to health and safety and shall be fit for dignified human habitation.
- b. All workers assigned company accommodation shall be provided either a mat or a bed and storage for personal possessions and sleeping quarters must be segregated according to sex.
- c. All fire exits must be clearly marked and all routes to fire exits must be free from obstruction and clearly sign-posted in the local and common language or with a recognizable symbol.
- d. The organization shall provide clean and hygienic toilet and shower/bathing facilities which must be segregated according to sex.
- e. The organization shall provide access to clean drinking water and sanitary facilities for food storage.
- f. Residences provided by the organization shall be properly lit, properly ventilated and have adequate and safe temperature control measures.
- g. All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the organization.

5. DISCRIMINATION

- a. The organization shall actively prohibit discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other discriminatory condition.
- b. The organization shall not allow any behavior that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact, in the workplace and in all residences and property provided by the organization, whether it owns, leases or contracts the property from a service provider.

6. WORKING HOURS AND WAGES

- a. Employees will work on overtime by mutual agreement without any force or coercion. There shall be no penalty or punishment for choosing not to work overtime.
- b. The organization shall ensure wages for a normal work week, not including overtime, meet at least legal or industry minimum standards.
- c. The organization shall not make deductions from wages for disciplinary purposes.
- d. The organization shall ensure that personnel's wages and benefits are explained in detail via a written employment contract. The organization shall render all wages and benefits in a stated time period and there shall be no delay or restriction of payment.
- e. All overtime shall be reimbursed at a premium rate as defined by national law.

8. ENVIRONMENTAL RESPONSIBILITY

- a. The organization shall conduct its business in compliance with all applicable environmental laws, rules and regulations.
- b. The organization shall have effective emergency response policy should an accident take place.

9. BUSINESS ETHICS

- a. The organization is responsible for conducting all business in an honest and ethical manner. There is a zero-tolerance approach to bribery and corruption and a full commitment to acting professionally, fairly, and with integrity in all relationships and business dealings.
- b. The use, possession, distribution, purchase, or sale of drugs and/or alcohol by any employee while on company premises, staying in company accommodation or while operating company equipment is strictly prohibited.
- c. The organization strictly prohibits actual or threatened violence against co-workers, visitors or anyone else who either enters company premises or has contact with employees during the course of work. Every threat of violence is serious and should be reported to a member of management immediately.
- d. Employees shall not perform non-company work for personal benefit or solicit such work on the company premises or while working on the company's time. Using company property (including equipment, telephones, materials, resources or proprietary information) for personal commercial gain is strictly prohibited.
- e. No action shall be taken to directly or indirectly, defraud, influence, coerce, manipulate or mislead any other employee, officer, director, independent auditor or lawyer for the purpose of rendering company records of any kind.

10. MONITORING AND ENFORCEMENT

We at Standard Carpets are committed to not only comply with this policy, but also work collaboratively with contractors, agents and supplier to drive compliance throughout the supply chain. For this reason, all those engaged with Standard Carpets are encouraged to adhere to the Social Compliance Policy outlined above. We are willing to take into consideration country wise variation in protocol, however no compromises are to be made with regards to health and safety requirements nor human rights issues.

The Standard Carpets Social Compliance Policy is to be made available to all employees and third party suppliers. Ultimately, it is the goal of Standard Carpets to use this Social Compliance Policy as an integral part of our supply chain strategy, influencing how we rate, select and build vendor partnerships now and in the future.

11. CONTINUOUS IMPROVEMENT

Standard Carpets strongly encourages contractors, agents and suppliers to exceed the Social Compliance Policy requirements and promote best practices throughout all operating facilities. Standard Carpets commits to periodically review this policy in order to continually improve, taking into consideration changes in legislation, and any other requirements to which the company subscribes, and in order to ensure the adequacy, suitability and continuing effectiveness of the policy.

12. SOCIAL COMPLIANCE QUERIES

For questions or further discussion regarding the above social compliance policy please contact Kyle Waney at kwaney@standardcarpets.com. A copy of this policy as well as further information about Standard Carpets Ind. LLC can be found through the company website www.standardcarpets.com.

This policy is endorsed by Standard Carpets Senior Management.



V. Bhushan

(Managing Director)