



## THE SHIPPERS GROUP CODE OF CONDUCT (Eff. 2018)

We do not expect this code of conduct to answer all questions. Managers and Human Resources also serve as a major source of information.

**Neither this code of conduct nor any other verbal or written communication by a management representative is, nor should it be considered to be, a contract of employment, express or implied, or an agreement by the Company to take or refrain from taking any action in a given situation, nor does it confer any contractual rights on the Associate whatsoever. The Shippers Group adheres to the policy of employment at will, which permits the Company or the Associate to end the employment relationship at any time, for any reason, with or without cause or notice.**

**Unless you have a separate employment contract in writing stating otherwise, you are an “at will” Employee. No Company representative other than the President may modify at-will status and/or provide any special arrangement concerning terms or conditions of employment in an individual case or generally, and any such modification must be in a signed writing.**

Many matters covered by this code of conduct are also described in separate Company documents. These Company documents are always controlling over any statement made in this code of conduct or by any member of management.

This code of conduct states only general Company guidelines. The Company may, at any time, in its sole discretion, modify or vary from anything stated in this code of conduct, with or without notice, except for the rights of the parties to end employment at will, which may only be modified by an express written agreement signed by the Associate and the President of the Company. **General review of the Code of Conduct:**

- The Shippers Group’s Code of Conduct sets out our policy on warehouse labor and environmental standards and is based on the Ethical Trading Initiative’s (ETI) Base Code. We believe all workers must be treated with dignity, respect and fairness and that the environment must not be harmed while doing business.
- Our customers expect working conditions in our warehouse to conform to federal/state labor standards. Where this is not the case, our brand faces reputational risks. These risks can affect our suppliers too and therefore it is also in the interest of our suppliers to uphold the standards in this Code.
- We believe the Code can only be implemented by working in partnership with our suppliers. This partnership must be based on trust, transparency and co-operation. By this we mean that suppliers must be open with us about labor and environmental conditions in order that we can jointly resolve any areas that do not meet the standards in our Code.

- The Shippers Group recognizes that in some cases it may not be possible to immediately comply with the Code because of complex and multiple barriers. Where this is the case, suppliers must commit to making continuous improvements towards the Code over a reasonable timeframe. Suppliers will be expected to implement a corrective action plan to remedy any non-compliances with the Code. This must be agreed with The Shippers Group's staff or representatives.
- Our staff or representatives may visit your site(s) to ensure that working conditions meet the standards of the Code. Suppliers will be advised of these visits in advance, but we reserve the right to make unannounced visits too. Suppliers must provide our staff or representatives unrestricted access to all facilities, including dormitories, and must provide full access to all relevant documents and records.
- Each supplier must nominate a member of senior management to be their point of contact on any matters that may arise regarding compliance with our Code. Suppliers must communicate the Code to all their workers and ensure their suppliers meet the standards of the Code.
- The provisions of this Code constitute minimum and not maximum standards, and this Code should not be used to prevent suppliers from exceeding these standards. Suppliers are expected to comply with federal/ state and other applicable law and, where the provisions of law and the Code address the same subject, to apply that provision which affords the greater protection to workers.

The Shippers Group Conflict of Interest and Business Ethics policy insures that all Associates avoid any conflict between their personal interests and those of the company. The purpose of this policy is to ensure that the Company's honesty and integrity, and therefore its reputation, are not compromised. The fundamental principle guiding this policy is that no Associate should have, or appear to have, personal interest of relationships that actually or potentially conflict with the best interest of the company.

This policy is not intended to prohibit the acceptance of modest courtesies, openly given and accept as part of the usual business amenities, for example, occasional business-related meals or promotional items of the nominal or minor value (under \$100.00).

The Shippers Group's Code of Conduct applies to all workers, including full-time, part-time, seasonal, temporary staff, contract labor and any other entity doing business within The Shippers Group.

1. EMPLOYMENT IS FREELY CHOSEN

1.1 There is no forced, bonded or involuntary labor.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively as established by the National Labor Relations Act and any similar state law.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organizational activities and agrees to follow all state and federal laws on organizing.

2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. WORKING CONDITIONS ARE SAFE AND HYGIENIC

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

4. CHILD LABOR SHALL NOT BE USED

4.1 There shall be no recruitment of illegal child labor.

4.2 The Employer shall follow all state, federal and any applicable international laws with respect to child labor, or children found to be performing child labor.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant state, federal and international standards.

4.5 The minimum working age is defined by the state of Texas and is the age, above which a person can be employed on a full-time basis Young worker: Young workers are persons under 18 years of age, but above the minimum working age, who are engaged in work.

4.6 Minimum working age: The minimum legal working age is defined by Texas law and is the age, above which a person can be employed on a full-time basis. It can be 16 years, 15 years, or 14 years in certain developing countries.

4.7 Light work: simple, limited tasks performed under adequate adult supervision, as long as they do not threaten the child's health and safety, her/his right to play or hinder their education or vocational orientation and training. The requirements regarding safety and health for light work are the same as for young workers (no hazardous work).

## 5. LIVING WAGES ARE PAID

5.1 Wages and benefits paid for a standard working week meet, at a minimum, federal/ state legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages shall be in accordance with the applicable federal and state law.

## 6. WORKING HOURS ARE NOT EXCESSIVE

6.1 Working hours must comply with federal/ state laws or and any applicable collective bargaining agreements.

6.2 Working hours, shall not exceed that which is allowable by federal/ state laws or any applicable collective bargaining agreements per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all of the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated based on federal/ state laws.

6.4 The Employer agrees to follow any applicable state and federal laws on maximum working hours in a week. Workers shall be provided with at least one day off in every seven- day period or, where required by federal/ state law, 2 days off in every 14-day period unless the worker volunteers to work all 7 days.



## 7. NO DISCRIMINATION IS PRACTICED

7.1 The employer has zero tolerance for discrimination. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, national origin, religion, age, disability, gender, pregnancy, veteran status, or sexual orientation.

## 8. NO HARSH OR INHUMANE TREATMENT IS ALLOWED

8.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Zero tolerance policy.

## 9. ENVIRONMENTAL PROTECTION

9.1 Suppliers must manage all resources and waste in accordance with federal, state and local laws or in such a way as to avoid harm to the local population.

The information in this policy is general in nature and, should questions arise, any member of management should be consulted for complete details. While we intend to continue the policies, rules described in this program, The Shippers Group, in its sole discretion, may always amend, add to, delete from or modify the provisions of this program and/or change its interpretation of any provision set forth in this program. Associates should not hesitate to speak to management if they have any questions about the Company or its personnel policies and practices.