

Ethical Sourcing Policy

1. Introduction

Vital Chemical aims to provide its customers with quality products and services to the highest possible standard whilst focusing on developing and providing environmentally sound products which offer safe and cost-effective alternatives to the customer.

Vital Chemical recognises that corporate and social responsibilities reside, not only in our own activities, but in Vitals' supply chain. At Vital Chemical, we continually seek to ensure that the products, materials and services we source are ethically produced. We aim to ensure that all our suppliers comply with and follow relevant laws, regulations and agreements. We source suppliers who demonstrate a commitment to implementing policies and practices that are consistent with and complementary to our own.

Vital Chemical recognises that overseas sourcing of materials can offer substantial cost benefits. We are aware of the potential social impact that offshore supply can have. This policy has been developed to outline the strict guidelines Vital Chemical has put in place regarding humane manufacturing conditions in overseas countries.

2. Policy Objectives

The objectives of this policy are to ensure that Vital Chemical are:

- Sourcing products and services in a responsible and ethical manner;
- Working with suppliers to improve their social and environmental practices;
- Providing clear guidance to its purchasing staff; and
- Protecting its corporate reputation.

3. Ethical Sourcing of Goods and Products

The term "Ethical Sourcing" can be defined as ensuring that decent labour standards are met during the manufacturing of products, including the sourcing of materials. To meet Vital Chemical's standards for ethical sourcing, suppliers need to adhere to the following:

- All workers involved in the stages of product development are paid a fair wage;
- All workers are exposed to safe and hygienic working conditions;
- All workers are provided with reasonable working hours and/or shift work;
- All workers employment is freely chosen and not subject to forced labour;
- All workers are of legal working age;
- All workers are entitled to freedom of association; and
- No worker is subject to discrimination or harassment.



When it comes to sourcing products, Vital Chemical aspires to meet the highest ethical and legal standards, and relationships are only built with vendors and suppliers who share this commitment. To ensure these standards are met, Vital Chemical works with regulators, manufacturers, industry organisations and other retailers around the world, to continually set the bar higher for our industry.

Vital Chemical expects its suppliers to comply with all aspects of this policy and is committed to working in partnership with its suppliers to help achieve compliance to this policy. If any supplier is unwilling or unable to demonstrate continuous improvement towards full compliance with our standards, the trade agreement between Vital Chemical and the supplier will be terminated.

4. Labour Standards

Vital Chemical expects suppliers to adopt sound and ethical labour practices and to treat their employees fairly in accordance with local laws and regulations regarding labour and employment. Vital Chemical expects its suppliers to adhere to the following requirements:

4.1. Freely Chosen Employment

Employment shall be freely chosen. Suppliers shall not use any type of forced, bonded or involuntary prison labour. Forced or compulsory labour can be defined as 'any work or service that is exacted from a person under threat of penalty, and for which that person has not offered himself or herself voluntarily'. Forced or compulsory labour shall not be used as a means of;

- Political coercion or education, or punishment for the expression of political or ethical views;
- Workforce mobilisation for purposes of economic development;
- Labour discipline;
- Punishment for participation in strikes; or
- Racial, social, national or religious discrimination.

Furthermore, suppliers shall respect workers freedom of movement. Workers are not required to lodge deposits or identity papers with the employer. Workers are free to leave their employer after reasonable notice.

4.2. No Child Labour

Suppliers shall not make use of child labour. Child labour is defined as 'work that deprives children of their childhood, their potential and their dignity, and is harmful to their physical, moral and mental development'. "Child" is defined as 'a person who is younger than the local legal age for completing compulsory education'. Suppliers shall comply with the minimum legal working age in the country of question, or by the International Labour Organisation (ILO) Convention 138, whichever is higher. The ILO states that the minimum working age should not be less than the age for completing compulsory schooling and in no event less than 15 years of age (14 years of age in limited circumstances in less developed countries). Suppliers shall verify the age of their workers and maintain copies of their workers' proof of age.

Suppliers shall not make use of hazardous child labour. Hazardous work is defined as 'work which is likely to cause harm to health, safety or morals of the child because of its nature, or the working conditions, and has to be listed by national legislation after consultation with employers and trade unions'. The minimum age for hazardous work is 18 years for all countries.



4.3. Safe and Hygienic Working Conditions

Suppliers shall provide a safe and hygienic working environment, including monitoring of compliance with applicable legislation, regulations and the ILO Standards. Suppliers shall take adequate steps to prevent accidents or injury to workers health, by minimising the causes of hazards in the work environment. Workers shall receive regular health and safety training which is recorded and is made a part of the induction process for new workers. Workers shall be provided access to clean toilet facilities, potable water and sanitary facilities for food storage if appropriate. Any accommodation provided shall be clean, safe and meet basic needs. Suppliers shall also ensure that appropriate Personal Protective Safety Equipment is made readily available and workers are adequately trained in its use. Safeguards on machines must meet or exceed laws. Workers have the right to refuse work if the work environment is unsafe.

4.4. Suitable Working Hours

All working hours will comply with national laws, collective agreements and benchmark industry standards, whichever affords greater protection. Working hours excluding overtime shall be defined by contract, and shall be limited to 8 hours per day, and not exceed 48 hours per week (dependant on national law). All overtime shall be voluntary, it shall not be requested on a regular basis, and it shall not be used to replace ordinary employment. The overtime rate shall always be greater than the normal working rate, which is recommended to be not less than 125% of the regular rate of pay. Total hours worked in a 7 day period shall not exceed 60 hours, except in the following circumstances;

- This is permitted by national law;
- This is permitted by a collective agreement freely negotiated with workers;
- Appropriate safeguards are taken to protect workers health and safety;
- The employer can demonstrate special circumstances such as unexpected production peaks, accidents or emergencies.

Workers shall be guaranteed at least 1 day off in every 7 day period, or where permitted by national law, 2 days off in every 14 day period.

The ILO (Convention 090 and 079) states that young persons under 18 years of age shall not be employed, nor work at night during a period of at least twelve consecutive hours, including the interval between ten o'clock in the evening and six o'clock in the morning.

4.5. Suitable Wages and Benefits

Suppliers shall provide wages and benefits to their workers, which comply with all local laws and regulations. Wages and benefits paid for a standard working week must meet national legal standards or industry benchmark standards, whichever is higher. Wages must be paid to workers at a regular interval, and deductions from wages are permitted only where prescribed by law or a collective agreement. Wages should be enough to meet basic needs and to provide discretionary income. Any overtime worked should be paid accordingly. All workers shall be provided with written and understandable information about their employment conditions in relation to wages, before they commence employment. Deductions from wages for disciplinary measures or any deductions from wages not provided for by law shall not occur without the express permission of the worker concerned. All disciplinary measures should be recorded. In the case of bankruptcy, workers must be treated as privileged creditors in respect of unpaid wages, subject to limits set by law.



4.6. No Discrimination or Harassment

All conditions of employment including hiring, compensation, training, promotion, termination or retirement, must be based on an individual's ability to do the job, not on the basis of personal characteristics, such as gender, ethnic origin, religion, age, disability, personal beliefs, marital status, sexual orientation, union membership or political affiliation. Men and women should be entitled to equal pay for work of equal value. Suppliers must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination or any other inappropriate workplace behaviour. All workers shall be treated with dignity and respect. Suppliers shall not implement inappropriate medical testing in determining employment. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be strictly prohibited.

4.7. Freedom of Association

Suppliers shall respect the rights of workers to lawfully join or form trade unions of their own choosing and to bargain collectively. The employer shall adopt an open attitude towards activities of trade unions and organisational activities. Workers representatives shall not be discriminated against and are to have full access to carry out their functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilities shall not hinder the development of parallel means for independent and free association and bargaining. Freedom of association is also held to cover the right to strike.

4.8. No Bribery or Corruption

Suppliers shall not engage in any acts of bribery and/or corruption including but not limited to, bribes, favours, benefits or other similar unlawful or improper payments such as cash. Suppliers shall provide transparent documents and record, and these shall not be falsified.

5. Conflicts of Interest

Suppliers must avoid any situation that may involve a conflict, or the appearance of conflict between their personal interests and the interests of Vital Chemical. Each supplier must make prompt and full disclosure to Vital Chemical of any situation which may involve a conflict of interest.

Conflicts of interest include, but are not limited to:

- Ownership of a significant financial interest in any competitor of Vital Chemical; and
- Any other arrangement or circumstance, including family or other personal relationships, which might influence the supplier or contractor from acting in the best interest of Vital Chemical.

6. Insider Trading

Suppliers must ensure that non-public information obtained as a consequence of a relationship with Vital Chemical will not be used for the personal profit of the supplier, and their employees or of anyone as a



result of association with their employees. The Corporations Act 2001 contains stringent prohibitions against insider trading. This prohibited conduct applies both to the securities of Vital Chemical and to those of its customers, suppliers, or other companies with whom Vital Chemical does business.

7. Environmental Compliance

Suppliers shall as a minimum, comply with all applicable laws and regulations relating to the environmental impacts of their business, including waste disposal, and maintain procedures for notifying local authorities in the event of an environmental accident resulting from the supplier's operation. Supplier compliance with environmental law shall include any international or applicable local laws affecting the source of materials and processes used to manufacture products.

8. External Reference

- International Labour Organisation (ILO) Standards
- The Corporations Act 2001
- Ethical Trading Initiative (ETI)

9. Revisions

Revision Date	Revision Description	Author	Approved by
10.02.2025	Updated with Safety Champion and current forms	Dancris Gloria	Ben Hough