

POLICY ON COMBATING SLAVE AND CHILD LABOR IN THE SUPPLY CHAIN

1. INTRODUCTION

EAH TRADING is committed to building a sustainable business model to contribute to a more just, environmentally balanced and economically prosperous society.

For this purpose, we need to act and positively and proactively influence each partner and all other actors involved in our production chain, ensuring that everyone has an ethical conduct in business relations.

2. PURPOSE

This Policy on Combating Slave and Child Labor in the Supply Chain ("Policy"), aims to add to the current code of ethics and conduct of EAH TRADING, and clarify to the supplier what EAH TRADING means by ethical conduct in business relations with the companies that we provide services and operate with.

Because we believe that all relationships must be ethical, we encourage our suppliers to extend these criteria throughout their value chain, i.e. customers, partners, raw material suppliers and service providers, directly or indirectly linked to the company's activities.

3. SCOPE OF APPLICATION

This Policy covers all suppliers and business partners of EAH TRADING, as well as its related and controlled companies, in the countries where the company operates and in accordance with current legislation.

The Executive Board of EAH TRADING and the Communication Sector are responsible for enforcing this Policy, with the support of all Associates .

Associates and other stakeholders: It is essential that each person understands the role of this policy in their daily activities and actively participates in the awareness programs promoted. We remind you that failure to report possible violations will also be considered an unethical attitude and subject to the sanctions provided for in the Code of Ethics and Conduct and in the non-retaliation Policy and Consequences Management of EAH TRADING.

4. EAH TRADING RESPONSIBILITIES

It is up to the Higher Executive Board and managers of EAH TRADING, together with the Quality Department, to monitor the potential weaknesses in the various processes of EAH TRADING that may lead to the practice of illegal acts or favor the risk of illegal practices mentioned in the Policy.

5. HUMAN RIGHTS

EAH TRADING respects, raises awareness and promotes human rights in all its activities, along its production chain and in the regions where it operates. In this sense, EAH TRADING seeks to establish a commercial relationship with suppliers who share our principles and values and who also respect human rights. The standards set by EAH TRADING obeys international standards and principles, highlighting the following:

- Universal Declaration of Human Rights;
- United Nations International Covenant on Economic, Social and Cultural Rights;
- United Nations International Covenant on Civil and Political Rights;
- Fundamental Conventions of the International Labor Organization (ILO”);
- United Nations Declaration on the rights of Indigenous Peoples;
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights;
- Voluntary Principles on security and Human Rights (VPSHR);
- Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Companies;
- Sustainable Development Goals (SDG) guidelines, targets and indicators);

6. WORKING CONDITIONS

EAH TRADING requires that all suppliers must provide decent labor conditions to their employees. The workload, remuneration and benefits, and health and safety requirements, must comply with the labor legislation of each country. In cases of countries where the current legislation is inferior to international legislation, the standards of the latter should prevail.

7. COMBATING SLAVE LABOR

Slave labor is unfortunately still a reality of world, even if with a new dress. In colonial times, slave labor was an accepted and legally valid reality. The individual lost his freedom, was obliged to work to live according to the conditions of his lord, often with the use of tools such as chains, handcuffs and in degrading housing conditions. Nowadays, “modern” slavery has new features, which do not necessarily require chains, handcuffs or the like.

Modern slavery – or labor analogous to slavery, as this situation may also be called - today is configured when there is one or more of the following situations:

- Forced labor (which involves curtailing the freedom to disconnect from the employer);
- Servitude for debt (when the worker has restricted his mobility due to debt contracted with the employer or Enticer);
- Degrading conditions (labor that denies human dignity, endangering health, safety and life)
- Exhausting journey (to bring the worker to complete exhaustion given to the intensity of exploitation, also putting his health, safety and life at risk).

Although the conduct is typified in Article 149 of the Criminal Code, it is still a reality that EAH TRADING would like to assist in eradication, including on the basis of Sustainable Development Goal 8.7 of the UN 2030 Agenda¹.

In this sense, one of the priority measures of EAH TRADING is the periodic consultation of the list of Transparency on Contemporary Slave Labor, published by the Ministry of Health and Social Security, which denounces companies caught by slave and dangerous labor done by adults and children.

In parallel, EAH TRADING also undertakes to conduct a vigilant search on the List of the Worst Forms of Child Labor (TIP List), established by Decree No. 6.481 of June 12th, 2008, which regulates Convention 182 of the International Labor Organization (ILO), about the prohibition of the worst forms of child Labor and its elimination.

These searches, together with other actions in the management of suppliers, guarantee a structured control process to evaluate our supply chain based on social-environmental, economic and quality criteria. By applying such measures, we are developing a criticality matrix used as a tool for the selection of our strategic partners in order to ensure that they are in tune with our purpose.

The idea of this criticality matrix is to establish that assessments are made annually, aiming to engage and develop our suppliers for the best market practices, so that we can mitigate our risks related to the value chain and stimulate increasingly ethical and responsible businesses.

8. COMBATING CHILD LABOR

By ratifying UN conventions 29/1930 and 105/1957, as well as by signing the Universal Declaration of Human Rights, undertook to eradicate all forms of child Labor and protect adolescent workers, as expressed in national legislation. The Federal Constitution, promulgated in 1988 establishes “absolute priority” in the protection of children and the guarantee of their rights.

In this sense ,the (a) Child and Adolescent Statute (ECA); (b) The Apprentice Act (Law No. 10,097 of 2000); (c) public policies aimed at combating child sexual exploitation and (d) international Conventions, such as the Convention on the rights of the Child; International Labor Organization Convention No. 138 on the Minimum Age and ILO Convention No. 182 on the Worst Forms of Child Labor, are some examples of established norms on the subject.

In addition, the United Nations Sustainable Development Goals (SDGs), more specifically in topic 8.7, also address this issue, addressing an important challenge that requires the active participation of the public and private sectors and civil society.

It is important to bear in mind that the protection of children, one of the social rights guaranteed in the Federal Constitution², 30 years after its promulgation, had important advances, especially in the fight against child labor. Labor exploitation of children has

been sharply reduced, while the illegal work of adolescents has also become the target of government actions.

In addition to not admitting the use of child labor in the production chain and its operations, EAH TRADING acts preventively in supporting the cause, considering that the generation of income to parents, employed by the company, is one of the factors that contribute to keeping children away from work, in addition to the promotion of quality education and supervision.

The concern of the management of the production chain of operations of EAH TRADING implies establishing dialogue and guaranteeing proximity to its suppliers, agreeing by means of contractual requirements on the obligation to produce without resorting to the work of children and adolescents.

In addition, it is important that the management promotes a decent work environment to those who are of suitable working age with adequate remuneration and social protection, according to the legislation.

9. DIVERSITY

EAH TRADING encourages all its suppliers to respect and value differences in gender, origin, ethnicity, sexual orientation, belief, religious practices, political conviction, ideology, social class, disability status, marital status or age. Further guidance can be found in the Pro-Diversity Policy, available on the website <http://eahtrading.com/compliance>

10. COMMUNITY RELATIONS

We encourage suppliers to establish permanent dialogue with local communities, based on a positive, long-term common agenda aimed at sustainable local development, respecting freedom of expression and peaceful demonstration, in accordance with the law.

11. COMMITMENTS TO OPERATIONAL EXCELLENCE

EAH TRADING is committed to operational excellence, and values the performance of suppliers that focus on health, safety and the environment. In addition, it also values

the focus on discipline in its processes, quality control of its deliveries, innovation, and technical contribution to the company's operations.

12. SUPPLEMENTARY PROVISIONS, PENALTIES AND MONITORING

Failure to comply with the principles and commitments expressed in this code may entail the adoption of disciplinary measures, from the blocking of the supplier for new acquisitions to the termination of existing contracts, in accordance with current standards of EAH TRADING. Full compliance with this code is a fundamental condition for the company to remain in the supplier base.

With the constant updating of this Policy, it is up to the Higher Executive Board and managers of EAH TRADING, together with the Quality Department, to monitor the potential weaknesses in the various processes of EAH TRADING that may lead to the practice of illegal acts or favor the risk of illegal practices mentioned in the Policy.

13. SITUATIONS NOT COVERED

This Policy presents general guidelines, and some specific situations may not be covered.

What is expected in these cases is that each one acts with responsibility, prudence and ethical conscience, evaluating the best way forward with the certainty that the appropriate solution will always be governed by the values we cherish.

Any questions not specified in this document and related to the topics ethics and conduct, should be submitted for evaluation by the Executive Board.

It is up to the Human Resources Department to keep this document up to date, in accordance with the one published by the group internationally, bringing its content to the knowledge of all of the EAH TRADING Group.

14. REPORTING CHANNEL

All recipients of this Policy, when identifying a risk situation related to this Policy and other codes, policies and standards of similar content, have the responsibility to communicate the fact to the High Executive Board and the Quality Department of EAH TRADING. For this purpose, the following communication channels may be used:

- Channel disk-report: info@eahtrading.com (in the case someone wants to make an anonymous complaint);
- Called through EAH TRADINGYS;
- Complaint channel available on the website <http://eahtrading.com/compliance>(you can make an anonymous report);

15. TERM

This Policy takes effect on the date of its publication, revoking and replacing any previous communication on the subject matter and it will remain in effect for an indefinite period.

TERM OF LIABILITY

Name of the company: _____,
company duly constituted in accordance with the laws of the country _____,
based on the _____, in this Act, duly represented by the name
_____, nationality _____, occupation
_____, holder of identification no. _____, declares:

- (a) that I know and accept the principles contained in the Policy on Combating Slave and Child Labor in the Supply Chain of the company EAH TRADING, whose entirety was delivered to me on this date;
- (b) that I will seek to comply, from this date, with the terms and conditions transcribed in this Code and that I will seek to remain adequate to it, develop it and integrate it into my management processes;
- (c) that I will seek to share with the company my respective supplier network the efforts, difficulties and achievements in incorporating the proposed practices aimed at the sustainability of the company's business;
- (d) that I am aware that the signing of this Term of Commitment does not oblige the company to establish any commercial relationship with the signatory company.

Karachi, _____, 20_____.

(signature)



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