

PEXA Group Responsible Sourcing Policy



PEXA Exchange Limited

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Document control

Title: PEXA Group Responsible Sourcing Policy

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Change History

Version	Date	Revised by	Brief outline of changes
1.0	Apr 20	Jackie Bianco-Hill	
1.1	Dec 20	Jackie Bianco-Hill	Change name from Ethical Sourcing to Responsible Sourcing
1.2	Jan 21	Jackie Bianco-Hill	Remediation
2.0	Oct 22	Jackie Bianco-Hill	Refresh to reflect PEXA's growth into new jurisdictions. Alignment with PEXA environmental statement.

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1. Purpose

The purpose and intent of this policy is for suppliers of goods and services to PEXA to align with PEXA values (better together, make it happen make it count & innovate for good), adhere to PEXA's high standards, environmental sustainability practices, and comply with labour standards & business integrity.

2. Scope & Application

The Policy sets out the minimum standards we expect from our suppliers and extended network of partners.

This Policy applies to all suppliers and contractors of the PEXA Group (PEXArians) as well as any other third party, including those who perform services for, or on behalf of the PEXA Group. The PEXA Group includes PEXA Group Limited and each of its subsidiaries, including Digital Completion UK Ltd.

3. Policy Principles

1. Policy Requirements

- 1.1. All suppliers must agree to the Responsible Sourcing Policy principles as set out in the Agreement¹ with PEXA.
- 1.2. Should suppliers be unable to demonstrate compliance with the Responsible Sourcing Policy, PEXA reserves the right to terminate the Agreement.
- 1.3. Suppliers must complete an annual self-assessment questionnaire and PEXA may, at its discretion, require an independent audit, at the supplier's expense, of compliance with this policy.
- 1.4. Suppliers need to support PEXA in disclosing all relevant information, and report any breaches of this Policy as soon as practical, in accordance with clause 19.
- 1.5. When PEXA is made aware of an issue with a Supplier, PEXA will work with the supplier to remediate the issue identified.
- 1.6. Suppliers should designate a principal contact who is directly responsible for monitoring and communicating adherence to this Policy.

2. Legal Requirements

- 2.1. All suppliers must fully comply with all local laws and regulations regarding labour, health, safety and the environment.
- 2.2. Suppliers must also fully comply with the ethical legal requirements of the countries in which they operate in addition to all elements of this Responsible Sourcing Policy.
- 2.3. Suppliers must comply with the Ethical Trading Initiative (ETI) base codeⁱⁱ.

3. Human rights

- 3.1 Human rights are basic standards aimed at securing dignity and equality for all. Suppliers must operate and fully comply with the relevant modern slavery legislation in their jurisdiction. As a minimum, Suppliers must operate and fully comply with the Modern Slavery Act 2018 of Australiaⁱⁱⁱ
- 3.2. Suppliers must not use forced, bonded or involuntary labour.
- 3.3. Employment must be freely chosen.
- 3.4. Workers must not be required to lodge deposits or identity papers with suppliers.
- 3.5. Workers must be free to leave their employment after reasonable notice, as is appropriate or reasonable expected based on the role and jurisdiction.
- 3.6. No employee or contractor is required to pay or be charged by the company, the recruiter or broker agent via loans or deductions for worker recruiter or broker charges.

4. Child Labour

- 4.1. Suppliers must not use child labour. Child labour is defined as work that deprives children of their childhood, the opportunity to attend school and to fulfil their potential or that is harmful to their physical and mental development.
- 4.2. Suppliers must be able to verify the age of all employees to ensure no child labour is used. PEXA refers to the International Labour Organisation's (ILO)^{iv} Minimum Age Convention, where the minimum age for work is defined as being below the age for finishing compulsory schooling, and in any case not less than 15 years of age.

5. Illegal Labour

- 5.1. Suppliers must not use illegal labour.
- 5.2. Suppliers must be able to verify the legal entitlement of their employees to work in the country of employment.

6. Harsh or Inhumane Treatment

6.1. Physical abuse or physical discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited.

7. Business Integrity

- 7.1. Suppliers must engage professional business ethics in all dealings and provide transparent documentation and records.
- 7.2. Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise.

8. Wages & Benefits

- 8.1. Wages and benefits paid for a standard working week must meet a minimum national or industry standards, whichever is the higher. In any event, wages should always be enough to meet basic needs and provide some discretionary income.
- 8.2. All workers must be provided with written and understandable information about their employment conditions with respect to wages, before they enter employment, and about the particulars of their wages for the pay period concerned each time they are paid.
- 8.3. Deductions from wages may only occur with the express written permission of the worker concerned.
- 8.4. Deductions from wages for disciplinary measures are not permitted.

9. Working Hours

- 9.1. Including any overtime, workers must not work above the maximum hours per week or per month as stipulated by local laws.
- 9.2. In line with ILO standards, workers shall not be required to work more than 60 hours per week (including overtime), except in extraordinary business circumstances with their consent.
- 9.3. Workers must have at least one day off in 7 days or two days off in every 14 days.
- 9.4. Overtime must be voluntary and compensated as prescribed by local laws.
- 9.5. Record keeping on hours worked must be accurate, complete, and transparent.

10. Freedom of Association

- 10.1. Suppliers acknowledge that workers have a right to freedom of association and to bargain collectively.
- 10.2. Workers have a right to join or form trade unions of their choosing. Suppliers are required to adopt an open attitude towards the activities of trade unions and their organisation activities.

10.3. Where the right to freedom of association and collective bargaining are restricted under local laws, suppliers will not hinder the development of alternative means of independent and free association and bargaining.

11. Subcontracting & Supply Chain

11.1. There must be no sub-contracting unless documented and available for review by PEXA or an independent auditor, including but not limited to records of subcontractors' names and locations.

11.2. Suppliers must have adequate policies and processes in place for properly managing subcontracting (including auditing rights), to ensure that sub-contractors operate in accordance with applicable laws, regulations and the PEXA Responsible Sourcing Policy.

12. Safe Working Conditions

12.1. Facilities and systems of work that are safe and without risk to health will be provided.

12.2. Suppliers will provide workers with a safe and clean working environment taking into consideration the prevailing knowledge of the industry and of any specific hazards.

12.3. Workers must receive adequate, recorded training to perform their jobs in a safe manner.

12.4. Personal protective equipment must be supplied, and workers trained in its use.

12.5. Safeguards on equipment must meet or exceed local laws.

12.6. Where suppliers provide worker accommodation, it must be clean, safe and meet the basic needs of workers.

12.7. Workers must have access to clean toilet facilities, clean drinking water and where appropriate sanitary facilities for food storage and preparation.

13. Discrimination

13.1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

14. Regular Employment

14.1. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

14.2. Employees who have a regular employment relationship with their employer are afforded a number of obligations from their employer relating to labour and social security laws and regulations. These obligations shall not be avoided through the use of labour-only contracting, sub-contracting, home-working arrangements, fixed-term contracts or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.

15. Environment

15.1. Suppliers must comply with local and national environmental laws and regulations.

15.2. Suppliers must use reasonable endeavours to comply with international standards on environmental protection.

15.3. Suppliers may be required to provide information on their emissions in line with PEXA's Environmental Statement to achieve our target of net zero.

15.4 Suppliers are encouraged to set greenhouse gas (GHG) emissions reduction goals and implement measures to reduce their GHG emissions.

16. Documentation & Policies

16.1. Appropriate documentation is in place to ensure effective ethical management practices.

16.2. Appropriate policies are developed to ensure effective management of ethical issues.

17. Remediation

17.1 PEXA is committed to working with suppliers to remediate breaches.

17.2 PEXA is committed to a victim-centric approach and will endeavour to assist the person/s who has been hard done.

17.3 PEXA reserves the right to terminate should a significant breach occur.

18. Continuous Improvement

18.1. Suppliers are encouraged to go beyond compliance with applicable laws and take responsibility to continually improve social and environmental conditions and ethical behaviour.

18.2. PEXA can guide suppliers on how they build capacity in these areas.

19. Reporting forums

19.1. Suppliers should raise concerns in the regular scheduled governance meetings with PEXA, as defined by the Agreement.

19.2. If contact needs to be made before the scheduled meeting Suppliers should contact their PEXA Relationship Manager ^v or the GM of Sourcing & Partnerships if they can't contact the Relationship Manager.

19.2 PEXA has confidential reporting via a 3rd party for whistleblowing, details as follows:

Name	Deloitte Whistleblower Service
Phone	1800 173 918
Web	australia.deloitte-halo.com/PEXA
Email	whistleblower@deloitte.com.au
Name	Deloitte Whistleblower Service
Phone	1800 173 918

ⁱ *Agreement*: Refers to the terms and conditions under which the Supplier has agreed to supply goods and/or services to PEXA. Where the Supplier's Agreement does not explicitly reference this Policy, it is deemed that this Policy forms part of the general condition of supply that the Supplier has agreed to when conducting business with PEXA.

ⁱⁱ *Ethical Trading Initiative base code*: <https://www.ethicaltrade.org/eti-base-code>

ⁱⁱⁱ *Australian Modern Slavery Act 2018*: <https://www.legislation.gov.au/Details/C2018A00153>

^{iv} *International Labour Organisation*: <https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/child-labour/lang--en/index.htm>

^v *Relationship Manager*: Where applicable PEXA will nominate a Relationship Manager, to act as the single point of contact for a Supplier for the purpose of this Policy.