

At WHSmith, we are committed to respecting human rights throughout our supply chain. We believe that everyone should be treated with respect and work in a safe environment. The WHSmith Ethical Trading Code of Conduct sets out the standards we expect our partners and suppliers to work towards. The Code is based on the Ethical Trading Initiative (ETI) Base Code which stems from international labour and human rights law.

WHSmith will only work with reputable partners, suppliers and manufacturers who are committed to working towards compliance with the standards in the ETI Base Code set out below, both within their own operations and those of their suppliers.

As well as working to implement the ETI Base Code, and in line with the UK Modern Slavery Act 2015, we are committed to addressing any incidences of modern slavery within our supply chain. To this end, we pay special attention to the protection of foreign contract workers who may be potentially vulnerable to exploitation. WHSmith aims to ensure that all foreign workers retain passports, ID Cards, bankcards and similar documents to facilitate their unhindered freedom of movement, and we expect all of our suppliers and partners to follow this policy within their own operations and their own supply chains.

A process of self-evaluation, independent audit and training is in place to verify that all of our suppliers meet acceptable standards and are working towards continuous improvement, and ultimately towards full compliance with the ETI Base Code and the UK Modern Slavery Act 2015.

This Code is reviewed on an annual basis and is the responsibility of the Commercial Director (High Street), Phil McNally. Group Chief Executive Stephen Clarke is specifically tasked with keeping the Board advised on performance and ensuring that suitable support is available to the businesses.

The Ethical Trading Initiative Base Code

1. Employment is freely chosen

- i. There is no forced, bonded or involuntary prison labour.
- ii. 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

- i. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- ii. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- iii. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- iv. 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

- i. 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 minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- ii. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- iii. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- iv. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- v. A member of senior management shall assigned responsibility for health and safety.

4. Child Labour Shall Not Be Used

- i. There shall be no new recruitment of child labour.
- ii. Where child labour is found, the employer shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour"

being defined below.

- iii. Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- iv. The policies and procedures relating to the employment of children shall conform to the provisions of the relevant ILO standards.

5. Living Wages Are Paid

- i. Wages and benefits paid for a standard working week meet, at a minimum, national 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.
- ii. 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.
- iii. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working Hours Are Not Excessive

- i. Working hours comply with national laws and benchmark industry standards, which ever affords greater protection.
- ii. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7-day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

7. No Discrimination is Practised

- i. 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.

8. Regular Employment is Provided

- i. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- ii. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No Harsh Or Inhumane Treatment is Allowed

- i. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

10. Environmental Impact is Managed

- i. Suppliers should measure and where appropriate, seek to reduce the environmental impacts of their business activities. In addition to complying with local laws, steps should be taken to optimise the use of energy and natural resources and reduce the generation of waste.

Definitions:

Child - Any person less than 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply.

Young person - Any worker over the age of a child as defined above and under the age of 18. **Child Labour:** Any work by a child or young person younger than the age(s) specified in the above definitions which does not comply with the provisions of the relevant ILO standards, and any work that is likely to be hazardous or to interfere with the child's or young person's education, or to be harmful to the child's or young person's health or physical, mental, spiritual, moral or social development.

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

Reviewed by W H Smith PLC Group Board

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