

# Vibram Ethical Policy

## Introduction

This Ethical Policy wants to formalize and spread among VIBRAM stakeholders the values and policies that inspire the corporate objectives, as well as the behavioural standards that VIBRAM believes to be fundamental for managing VIBRAM business with its stakeholders, both inside and outside the organisation.

## Vision & Mission

VIBRAM creates innovative performance products that inspire people to experience the world.

VIBRAM has a great vision: maintaining and strengthening its market leadership by offering reliable, high quality and high performance products for people who lead active lives.

This mission has stayed the same over the years – Innovation, performance and quality – so that the company always lives up to its brand tradition. VIBRAM creates the best soles in the world.

## Commitment

VIBRAM is set up as a group with a leadership role that promotes quality, innovation and good social and environmental practices.

VIBRAM considers sustainability as an essential part of the way of doing business preserving its leadership. In 2017 the company launched a Sustainable Development Plan – The Sustainable Way – through which the company has defined actions and goals for its improvement in terms of both environmental and social aspects as well as economic ones. This commitment strengthens the values of responsibility in which the company has always believed in relation to its community, the planet and consequently future generations.

VIBRAM makes sure that all new associates are provided this information. The company will particularly focus on strategic suppliers and subcontractors and it will share with them specific Suppliers Guidelines that contains the definition of fundamental requirements, KPI, audit system and corrective actions.

VIBRAM respects internationally recognized human rights and environmental standards and places them at the core of its business practices. VIBRAM believes that no business should ever be complicit in human rights abuses. VIBRAM promotes greater environmental responsibility and encourages the development and use of environmentally friendly technologies.

VIBRAM selects business partners who are aware about the importance this policy has for the company and who are willing to be engaged in its implementation.

### **Legal Requirements**

VIBRAM and its business partners obey all applicable laws and regulations, and, in cases where either the policy or the applicable laws are stricter, the higher of the two shall be applied. Vibram will monitor and implement this compliance through an audit plan.

All local laws and regulations regarding labour, health, safety and the environment must be observed; business partners must comply with the legal requirements of the countries in which they operate in addition to all elements of this policy.

### **Health and Safety**

VIBRAM and its business partners shall adopt policies and procedures to reduce work-related injury and illness, and promote the general health of employees.

### **Bribery and Corruption**

VIBRAM and its business partners will not offer compensation of any value (gifts, discounts, services, loans, payments) to employees of suppliers or customers or governments or to governmental or political figures or parties to influence any act or decision or to secure a commercial advantage. VIBRAM and its business partners will comply with all anti-corruption laws and regulations.

### **Labour Rights**

Employment is freely chosen. There is no forced, bonded or involuntary prison labour. Workers must be free to leave employment after appropriate notice has been given to the employer. Workers are not required to lodge deposits or identity papers with suppliers.

### **Child Labour**

Neither VIBRAM nor its business partners shall develop or participate in and contribute to policies and programmes which provide 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. Neither VIBRAM nor its business partners shall employ workers below the age of 16, or, in the case of hazardous work, the age of 18. If the legal age for employment is higher than 16, then the higher age shall apply. Children and young persons under 18 shall not be employed at night or in hazardous conditions. These policies and procedures shall conform to the provisions of the relevant ILO standards.

## **Working conditions**

VIBRAM and its business partners must provide a safe and hygienic working environment, 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.

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

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

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

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

## **Wages and Benefits**

VIBRAM and its business partners, at a minimum, will pay employees wages and benefits that meet the minimum national legal standards or industry benchmark standards, whichever is higher, for all regular and overtime hours worked. Employment practices that effectively lower an employee's pay below the legal minimum wage are not permitted.

All workers must be provided with written and understandable information about their employment conditions with respect to wages and other benefits both before they begin their employment as well as during their employment, and about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure or any deductions from wages not provided for by law shall not occur without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

## **Working hours**

Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. Contractors should ensure that the regular work week does not exceed 48 hours or the maximum allowed by the law of the country of manufacture, whichever is less. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

All overtime work shall be consensual and employees may refuse overtime without threat of penalty, punishment or dismissal. Overtime shall be used responsibly, taking into account all 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 and all hours worked must be fully and accurately documented. The sum of regular and overtime hours in a week shall not exceed 60 hours or the maximum allowed by the law of the country of manufacture, whichever is less. (ILO Convention 1) Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay or the minimum allowed by the law of the country where the workers are employed.

Pregnant workers and nursing mothers who need to feed their babies shall be permitted reasonable breaks to rest, without any deductions, during the day. The supplier shall take necessary steps for the safety of female workers at overtime work or night shift.

Appropriate safeguards are taken to protect the workers' health and safety; and the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

### **Non-Discrimination**

There will be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, colour, descent, religion, age, physical or mental disability, gender/gender identity, marital status, parental status, physical characteristics or appearance, genetic information, sexual orientation, union membership, political affiliation, HIV/AIDs or any other category protected by relevant local laws.

### **Harassment or abuse**

VIBRAM and its business partners shall treat employees with respect and dignity. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

### **Environmental Compliance**

VIBRAM requires itself and its business partners to:

- 1) comply with national and local environmental laws and regulations;
- 2) identify and document the key environmental impacts and implement controls to minimise their impact on the environment adopting environmental management systems that advance sustainable environmental performances;
- 3) minimize the use of natural resources, including raw materials, energy and water;
- 4) take responsibility for proper waste management, dispose of its production waste in accordance with local environmental laws and regulations.

### **Freedom of association/collective bargaining**

VIBRAM and its business partners will ensure that workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer adopts an open attitude towards the activities of trade unions and their organizational activities.

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

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.

### **Regular employment is provided**

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

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.

### **Merchandising**

Business partners who manufacture VIBRAM-licensed products may sell the licensed products only as authorized by VIBRAM, and to no other person or entity.

### **Trans-shipment/Country of Origin**

VIBRAM and its business partners will comply with all applicable customs importation laws, and establish and maintain programmes and documentation to support country of origin production verification to avoid illegal trans-shipments.

### **Hazardous Materials**

VIBRAM products and their packaging will not knowingly violate product safety regulations and the company will stay informed about developments in product safety studies and, where appropriate, have its products independently tested for compliance. VIBRAM and its business partners must comply with VIBRAM's Restricted

Substance Policies.

### **Assessments and Monitoring**

VIBRAM is committed to raising awareness regarding social/environmental issues by implementing sustainability practices. All the stakeholders will be kept up to date on VIBRAM's new commitments and sustainable development goals. Meanwhile, stakeholders who are not in alignment with this ethical policy, they are required to inform VIBRAM and to do their utmost to cover this breach. As VIBRAM applies a zero tolerance policy, suppliers breach will be strictly considered. Indeed, strategic suppliers' compliance with these policies will be measured through a self-valuation or directly by means of audit onsite led by VIBRAM or authorised third parties. VIBRAM requires full and open access to the facilities, operations of business partners making or distributing products.

### **Contact us**

We would like to know about any violation of these rules.

Please bring these issues to our attention by contacting us at [sustainability@vibram.com](mailto:sustainability@vibram.com).

All information we receive will be treated in respect of strict confidentiality and your identity will be protected.