



# Labor Standards Policy



## Introduction

Karex remains committed to enhancing its production facilities and processes in order to retain its position at the forefront of the condom manufacturing industry. Resulting from our business operations, the Company acknowledges its obligations towards its employees, stakeholders and the communities in which it works, and has outlined below its policy in relation to labor standards.

This policy is relevant to the Company itself, our contractors, sub-contractors, suppliers, freelancers, members of the public and other parties engaged with the Company's business. The Company has identified the following compelling reasons to establish a comprehensive system of minimum labor standards to guide its business operations:

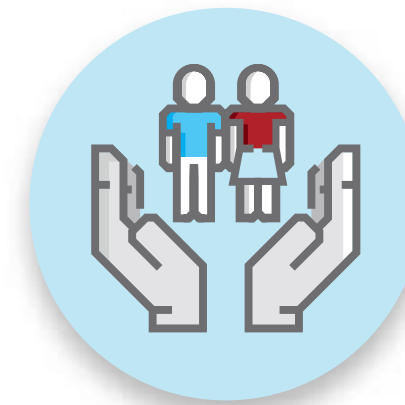
- Ethical Responsibilities - the Company acknowledges its obligations towards its employees, stakeholders and the communities in which we work and operate. The Company wishes to carry out work and to do business in an ethical fashion.
- Adverse Publicity and Damage to the Company's Reputation – adverse publicity from the discovery of poor labor standards within the Company's business operations presents reputational and structural risks to the Company not only in terms of revenue, but also in respect of staff recruitment and retention. Poor labor standards can also lead to a loss of trust and confidence with suppliers and also within the wider community. The Company therefore wants to do what is right and be seen to do what is right.
- Reduced Quality of Service – the Company recognizes that there is commonly a link between poor labor standards and poor quality of services. To this end, it is in the interest of the Company to ensure that the Company reaches and exceeds minimum labor standards requirements at all times.

## Minimum Labor Standards

The objective of Karex's policies is to provide an overview of expectations for employees and business partners. The Human Rights policy exists to:



**Child Labor** – the Company does not and will not engage in or support the use of child labor. If the Company engages any young workers (e.g. on work experience), it will ensure that a suitable risk assessment is carried out and that young persons are not exposed to any hazardous conditions, or in any case work more than 8 hours per day. The Company respects and supports children's rights consistent with the United Nations Convention on the Rights of the Child (CRC).



**Forced or Compulsory Labor** – the Company shall not engage in or support the use of forced or compulsory labor, or bonded or involuntary prison labor. Employees are free to leave after providing reasonable notice in line with their individual contracts of employment.



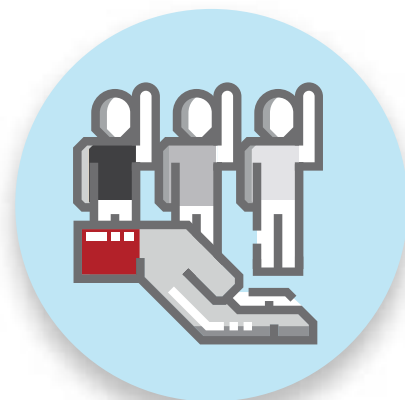
**Health and Safety** – the Company shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential accidents and injuries to employee's health by minimizing, so far as is reasonably practicable, and in cooperation with its employees, workers and other members of staff, the causes of hazards inherent in the workplace. All employees will receive safety and job specific health and safety instructions during the course of their employment with the Company. Employees shall have access to clean sanitary facilities and drinking water.



**Freedom of Association** – freedom of association is respected and the Company will comply with the government’s labor relations legislation (as appropriate) in this regard.



**Discrimination** – the Company shall not engage in or support any discriminatory practices in recruitment, remuneration, access to training, promotion, termination or retirement based on gender (including gender reassignment), marital status, family status, religious belief, disability, age, racial grounds (race, color, nationality or ethnic origin, including membership of the traveler community), sexual orientation or other conditions that could give rise to discrimination.



**Disciplinary Practices** – the Company shall treat all employees and members of staff with dignity and respect. The Company shall not engage in or tolerate the use of corporal punishment, mental or physical coercion, harassment, intimidation or verbal abuse of personnel. No harsh or inhumane treatment is allowed and the Company shall ensure that no disciplinary procedure is operated.



**Working Hours** – the Company shall comply with applicable laws and industry standards on working hours and holiday entitlements. The Company’s normal working hours do not exceed 48 hours per week, and overtime hours do not exceed 24 hours, with the relevant periods of rest similarly observed.



**Wages & Benefits** – the Company shall comply with national laws and regulations with regard to wages and benefits. All work-related activities are carried out on the basis of a recognized employment relationship established according to national law and practice. All members of staff are remunerated in a way which is in excess of the national minimum wage. The Group is committed to the Living Wage for staff other than those on formalized training programs. We encourage our employees to fully utilise their potential by offering ample training, education and personal development opportunities. Access to qualification and training measures is based on the principle of equal opportunities for all employees. We promote based on competences, skills, performance record as well as team fit and see the engagement of our employees as a critical success factor

**Karex also commits to:**

- Compliance with relevant legal and other requirements to which the Company subscribes;
- Ensuring that all our key contractors, sub-contractors and suppliers are aware of this policy; and
- Making available sufficient resources for the implementation of this policy.

The Company commits to periodically reviewing this policy in order to continually improve labor standards within the workplace. The Company shall take into consideration of the changes in legislation, legal advice as necessary and any other requirements to which the Company subscribes, to ensure the adequacy, suitability and continuing effectiveness of this policy.