



Third-Party Labor Provider Responsible Recruiting & Employment Standard

1. PURPOSE:

To establish a global standard governing the responsible recruiting, sourcing and employment of third-party workers in Colgate operations. This standard focuses on workers hired and employed directly by a third-party labor provider, with a special focus on migrant third-party workers.

This standard is intended to eliminate the common issues and indicators of forced labor imposed by third-party labor providers, such as:

- Excessive recruitment fees requiring workers to incur debts or loans to secure work
- Non-payment of legally required wages and benefits
- Withholding of passports or other official forms of identity documents or other valuables
- Illegal or excessive wage deductions for accommodation, transportation or other employer provided services or punitive fines
- Lack of clear terms and conditions of employment
- Abusive treatment of workers and poor living conditions in employer provided accommodations

This standard should be considered in conjunction with the Company's Third Party Code of Conduct, Labor Practices Standard, and other applicable policies. Any general concerns or any questions regarding the standard should be directed to the Colgate-Palmolive Responsible Sourcing team at: responsible_sourcing@colpal.com.

2. SCOPE

This standard applies to workers (as defined in section 4.1), employed directly by a third-party labor provider working in Colgate operations, including at manufacturing sites, business offices and warehouses. The standard also applies to third-party workers in sales service activities, such as merchandising, marketing and distribution services. Where indicated, additional requirements apply to migrant third-party workers.

This standard is not intended to replace local, regional, or national legal or regulatory requirements or contractual obligations. The standard should be viewed as a separate requirement, and the responsible Colgate business professional should apply the stricter of any requirement between the standard and any applicable laws.

3. ROLES AND RESPONSIBILITIES:

- 3.1.** The third-party labor provider is responsible for adherence to this standard. A designated Colgate business professional is responsible for ensuring the third-party

labor provider's compliance with this standard, and therefore a Colgate business professional must be identified as having the primary relationship with third-party labor provider. Depending on the nature of local operations, the responsible business professional may come from various functions, such as Human Resources, Procurement, Marketing/Commercial, Finance, Global Technology, or local factories/sites. Additional support may be provided by the site leadership team in the case of our factories, Legal and the Global Responsible Sourcing Team.

4. DEFINITIONS:

4.1. Third-Party Labor Provider

4.1.1. An entity that employs Third Party Workers who perform services for Colgate's operations (on or off-site) for any period of time.

4.2. Third-Party Worker

4.2.1. A worker hired and employed directly by a third-party labor provider. The worker is paid directly by the labor provider and Colgate pays the labor provider a fee for the worker's services. The third party worker may take daily direction from the labor provider or Colgate.

4.2.2. This standard does not apply to contract workers performing skilled work, such as plumbers, electricians, engineers, or similar skilled workers etc. as provided by facility management service providers (ex. JLL and Sodexo).

4.3. Migrant worker:

4.3.1. An individual employed by a third-party labor provider performing work for Colgate operations in a country or province of a country of which he/she is not a naturalized registered citizen.

4.4. Child Labor

4.4.1. Permitting any person younger than the minimum age allowed by applicable law to work. For the purpose of Colgate operations, workers less than the age of 16 are not permitted.

4.5. Forced Labor

4.5.1. Persons coerced to work through the use of violence or intimidation or by subtle means such as accumulated debt, retention of identity papers (e.g., passport), other personal valuables or threats of denunciation to immigration authorities.

4.6. Recruiting or Service Fees:

4.6.1. Fees paid by a third-party worker during the recruiting or employment process with a third-party labor provider. These fees may include:

4.6.1.1. Pre-departure fees and costs eg. skills tests, medical examinations

4.6.1.2. Costs associated with documentation and/or permits

4.6.1.3. Transportation and lodging costs

- 4.6.1.4. Arrival / Orientation / On-Boarding
- 4.6.1.5. Costs associated with return to the workers' country of origin, when the contract is temporary.

4.7. Sub-agents or brokers:

- 4.7.1. Entities having a formal or informal working relationship with the third-party labor provider for the purpose of recruiting workers.

5. **GENERAL REQUIREMENTS**

NOTE: The following requirements in section 5, apply for all third-party labor providers sourcing third-party workers for Colgate operations

5.1. **Management Systems & Practices**

- 5.1.1. Written contracts must be in place with third-party labor providers.
- 5.1.2. Third-party labor providers must have appropriate licenses and permits for all countries in which they operate, and require sub-agents or brokers working on their behalf to be similarly licensed wherever they operate.
- 5.1.3. Confirmation of the legal working status of all third-party workers prior to performing services for Colgate.
- 5.1.4. Third-party labor providers should have a code of conduct, and/or written policies ensuring protections for third-party workers consistent with this standard and the Colgate Third Party Code of Conduct.

5.2. **Worker Age-Proof Records**

- 5.2.1. Age proof records must be available for all third-party workers.
- 5.2.2. No third-party-workers are allowed to perform services under the age of 16.

5.3. **Requirements for Young Workers (defined as workers between the ages of 16-18 years)**

- 5.3.1. The responsible Colgate business partner must maintain a written record of all third-party young workers.
- 5.3.2. The written record should identify the young worker and include verified proof of age and any legal documentation regarding the ability to work.
- 5.3.3. The third-party labor provider must provide assurance that the young workers are working in accordance with local laws. If any questions arise as to local legal requirements for young workers, please consult Local Legal.

- 5.3.4. Young workers cannot be employed during school hours (except as permitted under apprenticeships or other lawfully permitted programs).
- 5.3.5. Young workers must not perform work that exposes them to hazardous materials or activities that may be unsafe to their physical and mental health.

5.4. Non-Discrimination/Non-Harassment

- 5.4.1. No discrimination on the basis of race, color, religion, sex, gender identity, national origin, ethnicity, age, sexual orientation, disability, marital status, veteran status or any other characteristic protected by law in any of the terms or conditions of employment. This includes but is not limited to recruitment, hiring, promotion, transfer, compensation, training, demotion or layoff.
- 5.4.2. Physical abuse, the threat of physical abuse, verbal abuse, and/or the sexual and/or other harassment, or other forms of intimidation is prohibited.

5.5. Working Hours

- 5.5.1. Working hours for third-party workers must comply with local law.
- 5.5.2. As a general practice workers should not routinely work seven days without being provided a day of rest.
- 5.5.3. Regular work shifts are not more than 12 hours.
- 5.5.4. Twenty-four hour work schedules are prohibited, regardless of job duty or regulations.
- 5.5.5. Double shifts are permitted, but do not exceed 16 consecutive working hours. Workers are provided with at least 8 hours off between shifts.

5.6. Wages/Benefits

- 5.6.1. All workers should be provided written confirmation of the amount of their wages, and frequency of payment, before commencing their employment with the Third Party Provider.
- 5.6.2. All workers must be paid the minimum legal wage rate.
- 5.6.3. All legally required wage deductions are made (i.e. social security, taxes, etc.).
- 5.6.4. All legally required benefits are provided (i.e., social security, pension, annual leave, maternity benefits, sick leave, etc.).
- 5.6.5. All wage deductions must comply with local laws.
- 5.6.6. All workers receive wage slips in a language they understand clearly detailing rates of pay, deductions and benefits.
- 5.6.7. All workers are paid on time as required by local law.
- 5.6.8. Workers cannot be required to purchase or incur wage deductions for work related items such as uniforms or personal protective equipment.
- 5.6.9. All overtime and rest day working premiums are paid per local law.

5.7. Freedom of Association & Right to Collective Bargaining

- 5.7.1. Workers have the right to join or form trade unions of their own choosing and to bargain collectively, unless prohibited by applicable law.

5.7.2. Documented mechanisms are in place for workers to raise concerns with management and the use of these communication mechanisms have been communicated to all workers. The third-party labor provider should resolve worker-related issues in a fair, consistent and timely manner.

5.8. Disciplinary Practices

5.8.1. Clear disciplinary processes are in place, aligned with local law and are actively communicated to and understood by workers and supervisors.

5.9. General Guidance (Note: These are not requirements, but advise as best practice)

5.9.1. Third-party labor providers whenever possible should directly recruit workers rather than rely on third-party recruiting sub-agents or brokers.

5.9.2. Where recruiting sub-agents or brokers are used, the third-party labor provider should have a mechanism to conduct due diligence with sub-agents or brokers and verify that they have all required licenses and permits and have management systems implemented to ensure compliance with this standard

6. REQUIREMENTS SPECIFIC TO MIGRANT WORKERS

6.1. Contracts of employment / appointment letters are provided to all employees in a language understood by them, detailing the terms and conditions of employment, length of employment, working hours, wages, benefits and any deductions and disciplinary actions that can lead to wage deductions or termination, as well as procedures for appeal mechanisms, which are consistent with local law.

6.2. Employment contracts specify the circumstances in which a worker can terminate his/her contract without penalty. No penalty shall be imposed for the termination of an employment situation that could be construed as involuntary labor.

6.3. Unless permitted by law, labor providers ensure that no recruiting or service fees (see definitions) have been charged, directly or indirectly, in whole or in part, to job-seekers and workers for the services directly related to recruitment for temporary or permanent job placement, including when using the services of sub-agents or brokers performing recruitment activities directly. Employers should pay the costs of recruitment directly to the extent possible.

6.3.1. The third-party labor provider has a clear policy against charging fees to job seekers and clearly informs workers about this policy at the point of recruitment.

6.3.2. If the third-party labor provider charges fees to workers, the fees are clearly defined, and set forth in any written employment contract.

6.4. Unless required by law, labor providers, sub agents or brokers of the labor provider do not retain any documents or demand monetary deposits or other collateral as a condition of employment. Workers are not subject to the withholding of wages,

identification cards, passports or other travel or working documents, or other personal belongings.

- 6.5. Third-party labor provider workers are not forced to accept agency provided accommodations or transportation. Workers are free to select their own lodging and transportation. Where workers are provided with employer provided accommodations and transportation, they are of similar quality and cost to other non-employer provided options. Authorized charges or wage deductions for accommodations, transportation or other agency provided services, where permitted or required by law, are fully disclosed to workers and are consistent with market rates.
- 6.6. Third-party workers have the freedom to leave the worksite at the end of their shift. Working hours are clearly defined and workers have the freedom to terminate their employment at any time upon giving notice within the terms and conditions of their employment contract.
- 6.7. The final terms of the employment contract are reviewed by and agreed upon by the worker in advance of arrival at the final site of employment. The terms and conditions of the contract are not changed without review and agreement by the worker
- 6.8. Loans to third-party labor workers are not provided by the third-party labor provider or any sub-agent or broker.

7. COMPLIANCE ASSESSMENTS

7.1. Responsible Sourcing Risk Assessment and Due Diligence

- 7.1.1. All labor providers will join Sedex and complete a Sedex Service Provider Self-Assessment Questionnaire along with the Colgate Labor Provider Recruitment Survey
- 7.1.2. Vendor provided information will be evaluated by the Colgate Responsible Sourcing Team against Forced Labor Risk Indicators and the Labor Provider Risk Matrix to identify high risk labor providers required to undergo a Labor Provider Audit.
- 7.1.3. Labor Provider Audits when required will be conducted against an identified labor provider audit protocol (ex. SMETA) by qualified third-party auditors.
- 7.1.4. Labor provider practices identified during the audit that are determined to be illegal or not aligned with the requirements detailed in this standard will require remediation by the labor provider and corrective action verification by the third-party auditor. The Colgate business owner is responsible for ensuring the labor provider implements any required corrective actions with the support of the Responsible Sourcing team and Legal and Human Resources organizations as appropriate.
- 7.1.5. Labor providers unable or unwilling to remediate activities determined to be illegal or not consistent with this standard may be terminated