



At engelbert strauss the focus is on people; be it our own employees or the employees of our suppliers and partners. The well-being of each and every person in the ambit of engelbert strauss is a matter of priority for us. Therefore we expect from each supplier and partner that the welfare of all their employees is respected throughout the whole company.

The environment is also of utmost importance. Careful handling of natural resources is another necessary precondition for everybody who works with or for engelbert strauss. We expect every supplier to continuously optimise all environmental aspects, for instance the consumption of energy, water and raw materials, and to utilise technology for this purpose where required.

We at engelbert strauss believe that it is only possible for our company and our suppliers and partners to succeed in the long term if due consideration is given to both people and the environment. We work hand in hand to serve our customers, employees and business. Compliance with the Code of Conduct forms the basis for a lasting partnership-like working relationship.

Our Code of Conduct is based on the conventions of the International Labour Organisation (ILO), the United Nations Universal Declaration of Human Rights (UN), the Global Compact, the OECD Guidelines for Multinational Companies, and internationally recognised environmental standards.

## 1. Scope

The principles set out in this Code of Conduct standards apply to all employees of all our contractors, relevant suppliers, subsidiaries, sub-suppliers and subcontractors. The mentioned standards, applicable local law provisions or industry minimum standards must be met, with the more stringent requirement applying.

## 2. Social responsibility

### Commitment of responsibility to the employees

At the beginning of each employment, a written contract of labour is concluded. The employment contract must meet the following minimum requirements: function, starting date, working hours, compensation (detailed calculation, social security, payment date and payment arrangements), probationary period (if applicable), duration in fixed-term contracts, holiday entitlement, termination clauses, signatures of the employee and the employer and date. The employee must be awarded a signed version of the employment. Chain contracts are prohibited.

### Prohibition of forced labor

The working environment has to ensure human dignity and respect and be free of any form of forced labor, debt bondage, threats, exploitation, physical punishment or involvement in human trafficking. The voluntary nature of the employment relationship must be ensured. This also means that all employees are granted the right to leave the factory premises at the end of regular working hours. Employees are free to terminate their employment at any time in accordance with the statutory cancellation period. ILO Conventions 29 and 105 apply.

### No discrimination

Hiring employees, principles of compensation, access to training, promotion, termination of employment or retirement must be made taking into account the principle of equal treatment. Unequal treatment based on personal characteristics such as group-specific ethnic or national origin, color, language, political or religious beliefs, sexual orientation, gender, age, family responsibilities, marital status, disability or membership in a labour organization or union is not permitted. ILO Conventions 100, 111, 143, 158, 159 and 183 apply.

## Exclusion of child labor

Generally applies: no employment of children under the age of 15, or older if required by compulsory education or applicable state law.

Concerning young workers, adherence to youth protection laws must be ensured. The work entrusted to them must not constitute a danger to health, safety or morals. Young workers should be allowed to vocational training or given the possibility to participate in training programs.

It is to ensure that no form of slavery or trafficking of children takes place.

ILO Conventions 79, 138, 142, 182 and ILO Recommendation 146 apply.

## Freedom of association and collective bargaining freedom

All employees are given the statutory right to form or join trade unions. The right to collective bargaining is recognized.

In countries where the legal union right is limited, employees should be allowed to find of an alternative form of corporate lobbying.

It is necessary to ensure that employee representatives are not exposed to harassment, discrimination, intimidation or reprisal.

Employee representatives must have free access to the workplaces, in accordance with the legal provisions.

ILO Conventions 87, 98, 135, 154 and ILO Recommendation 143 apply.

## Fair compensation

The fee, which is paid for regular working hours must reach the applicable statutory minimum wage plus other legally required services and be sufficient to cover the cost of living and to have an additional amount at free disposal.

All overtime must be paid. The payment of overtime pay must at least meet the requirements of the law.

The requirements of the statutory social insurance have to be implemented.

Illegal wage deductions or deductions from wages as a disciplinary measure are not permitted.

In countries where sick pay in case of illness is not regulated by law, employees must be adequately compensated on sickness absence days.

If the employees do not have access to free medical care, the company has to bear the costs of medical care for the employees.

The employees must receive written and understandable information about the exact composition of their compensation for each billing period, including deductions and benefits.

ILO Conventions 26, 102 and 131 apply.

## No excessive working hours

Working hours must at least meet the requirements of the law.

Regular working hours and overtime shall in no case exceed the requirements of the ILO-Conventions.

Overtime must be voluntary and cannot be arranged regularly.

The employee must be granted at least one day off per week.

Exceptions to these rules are permitted if:

- a) national laws allow that these limits are exceeded, and
- b) a freely negotiated operating agreement is in effect, which governs an average calculation including adequate rest periods.

ILO Conventions 1 and 14 and ILO Recommendation 116 apply.

## Occupational health and safety

Employees must be provided with healthy and safe workplaces. Best solutions for industry-specific occupational health and safety have to be sought. Preventive measures must be implemented in accordance with the minimum legal requirements and include Building security and stability, fire safety, machine safety, chemical safety and emergency medical care. Security measures must be implemented for residential accommodation, if they are provided by the company.

ILO Conventions 155 and ILO Recommendation 164 apply.



## **Prohibition of illegal disciplinary action and harassment**

Human dignity is inviolable and therefore any form of illegal disciplinary measures such as physical or verbal abuse, psychological or sexual abuse or other forms of intimidation are prohibited. The binding work rules and the consequences for a rule violation must be made known to the employees. For executives who use illegal disciplinary actions or workers who are guilty of abuse to colleagues, their behavior must result in appropriate disciplinary consequences. The company must implement an appropriate and functioning system that allows the employees to complain against illegal disciplinary actions or encroachments.

## **3. Environment protection requirements**

The company is required to minimize the consequences of production on the environment, and to take preventive measures to protect the environment. Legal provisions to protect and preserve the environment and established, international standards or industry standards and the requirements of emission limits must be adhered to.

Operational environment protection demands amongst others the following minimum requirements of the management: handling and disposal of environmentally hazardous substances and emissions, water consumption and waste water, energy and waste management.

## **4. Bribery and corruption**

No form of corruption and bribery is tolerated by engelbert strauss. This applies to both direct and indirect benefits, in terms of money, inappropriate gifts, invitations or other unfair advantages intended to achieve favoring or to manipulate.

## **5. Management practice**

For suppliers and their subcontractors the standards defined in this Code of Conduct are contractual. The company assumes the obligation to implement these standards.

All employees of the company must be informed, aware and trained in the implementation of their rights and obligations that arise for them out of this Code of Conduct. If existing, a workers' representation must be involved in ensuring the standards and in complaint management. In case of operational deviations from the Code of Conduct, employees' representatives must be involved in the development of corrective actions.

It is expected of any company, that the requirements of this Code of Conduct, as well as the legal requirements are implemented through systematic management practices. Consequently, an appropriate corporate policy must be adopted. Tasks must be assigned to functionaries who possess the necessary knowledge, skills and competencies to meet these. The implementation needs to be controlled.

Relevant procedures must be documented transparently and truthfully, in order to account for the implementation of the standards.

Should described standards not be achieved yet, the Company is required to define and implement corrective actions in a timely manner.

# SUPPLIER CODE OF CONDUCT ENGELBERT STRAUSS

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## 6. Monitoring

The company is committed to receive employees of engelbert strauss, or third parties authorized by engelbert strauss at any time, for announced or unannounced audits, to ensure the standards referred to in this Code of Conduct.

All necessary, truthful documents have to be made available to the auditors immediately. In addition, the auditors must be permitted to examine the entire organization, as well as to conduct face to face interviews with the employees.

Employees of engelbert strauss suppliers and their subcontractors are entitled to report any infringement of this Code of Conduct to engelbert strauss auditors or third parties authorized by engelbert strauss.

Workers who make use of their right of appeal concerning a non-compliance with the code of conduct and/or applicable law must not suffer disadvantages or be threatened with penal measures.

Non-admittance of auditors or repeated attempts to manipulate the audit results by untruthful documents or pressure on employees can lead to immediate termination of the business relationship.

Moreover, the company is obliged to verify and document the compliance with the standards in this Code of Conduct in its other production plants and its subcontractors, whether they produce for engelbert strauss or not.

The company is obliged to support the audited business partner, when needed, in the implementation of the standards.

All for engelbert strauss manufacturing facilities must be reported to engelbert strauss before the start of production, enabling them to carry out an audit in advance.

With my signature I confirm to adhere to the commitment.

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Place and date

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Supplier / business partner company name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name in printed letters

\_\_\_\_\_  
Supplier / business partner company stamp