

Code of Conduct for Suppliers

This Code of Conduct for Suppliers (“**Code of Conduct**”) includes standards that are to serve as a clear guideline for the conduct of all business partners, including suppliers of materials, service providers, sub-contractors and contract manufacturers (“**the Supplier**” or “**Suppliers**”), of DALLI-WERKE GmbH & Co. KG or one of its affiliated companies (jointly referred to as “**dalli-group**”).

The cornerstones of this Code of Conduct are respect, tolerance, honesty, frankness and integrity towards business partners as well as the willingness to assume entrepreneurial and social responsibility.

1. Preamble

It is the object of this Code of Conduct to achieve compliance with certain social and environmental standards to which dalli-group has also committed itself, within the entire supply chain. Within the scope of its business relationships, dalli-group strictly adheres to compliance with these minimum standards which are also in accordance with the amfori BSCI Code of Conduct.¹ These standards are, amongst other principles, based on the Universal Declaration of Human Rights, International Labour Organization (ILO) Conventions and Recommendations, UN Conventions, the UN Global Compact, OECD Guidelines as well as on the respective national legislation applicable at the Supplier’s place of business. In case of differing rules the more stringent rule shall be applied.

As a prerequisite for each business relationship, the Supplier shall ensure that the following terms of the Code of Conduct are complied with both internally and by its subcontractors.

dalli-group selects its Suppliers based on objective and transparent criteria and constantly assesses the supply and service performance on the basis of transparent criteria. dalli-group prefers Suppliers with certified management systems for quality, environmental and industrial safety management and active commitment for sustainability.

dalli-group is committed to protecting and advancing human rights and works strenuously to protect against violations of human rights in its operations and supply chain. dalli-group fully supports anti-slavery and human trafficking legislation in force in the countries in which it operates, and has a zero tolerance approach to slavery and human trafficking and any non-legal or non-ethical behaviour. dalli-group acts legally, ethically and with integrity in all its business dealings and relationships. dalli-group expects the same high standards from all of its Suppliers and expects that the Suppliers will hold their own suppliers to the same high standards.

2. Legal Compliance

The Supplier shall comply with all relevant laws of the applicable legal systems. In countries in which domestic laws and/or regulations are in conflict with the BSCI Code of Conduct, or provide for a different standard of protection, Supplier should seek ways to abide by the principles that provide the highest level of protection to workers and to environment.

3. Human Rights

The Supplier shall observe and respect the cultural, social and political diversity of all nations and societies and shall emphatically support protection of internationally proclaimed human rights. The Supplier shall ensure that it is not complicit in any abuses of human rights.

¹ See reference to the amfori BSCI Code of Conduct on the website of the Business Social Compliance Initiative (available at https://www.amfori.org/sites/default/files/amfori%20BSCI%20COC%20UK_0.pdf).

4. No Discrimination

The Supplier shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic or national origin, nationality, membership in unions or any other legitimated organizations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, disease or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

5. The Rights of Freedom of Association and Collective Bargaining

The Supplier shall respect the right of workers to form unions in a free and democratic way, not discriminate against workers because of trade union membership and respect workers' right to enter into negotiations on a collective basis. The Supplier shall not prevent workers' representatives from having access to workers at the workplace or from interacting with them.

When operating in countries where free and democratic trade union activity is not allowed, business partners shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

6. Fair Remuneration

The Supplier shall, as a minimum, comply with wages mandated by governmental minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages are to be paid in due time, on a regular basis and in the full amount in legal tender. Partial payment in the form of contributions "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of the workers and shall relate to regular working hours. Deductions shall only be permitted under the conditions and to the extent prescribed by law or fixed by collective agreement.

7. Decent Working Hours

The Supplier shall comply with all applicable national laws and industrial standards relating to working hours. Irrespective of the national legislation, the employees' regular maximum working time shall be 48 hours per week. Any working hours in excess thereof shall be exceptional, voluntary, paid at a premium rate of not less than 125% of the regular rate and shall not represent a significantly higher likelihood of occupational hazards. The weekly working hours, including overtime hours, shall not exceed 60 hours. The employees are entitled to resting breaks in every working day and to at least one day off per week, unless exceptions defined by collective agreements apply.

8. Occupational Health and Safety

The Supplier respects the right to healthy working and living conditions of workers. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities shall receive special protection.

The workplace and working procedures of the Supplier shall be so designed as not to pose a hazard to the employees' health and safety. The Supplier shall ensure that the respective applicable national standards or - where these are insufficient - international standards are complied with and shall endeavour to continuously improve the working conditions. The Supplier shall take effective measures to prevent workers from having accidents, injuries or illnesses arising from, associated with, or occurring during work.

September 2019

9. No Child Labour

The Supplier shall not directly or indirectly employ children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years. This is based on the ILO rules and the applicable national law.

10. Special Protection for Young Workers

The Supplier shall particularly protect the rights of young workers. The Supplier shall ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and/or development. Where young workers are employed, the Supplier shall ensure that the kind of work is not likely to be harmful to their health or development and that their working hours do not prejudice their participation in vocational training programmes approved by the competent authority.

11. No Precarious Employment

The Supplier shall ensure that its employment relationships do not cause insecurity and social or economic vulnerability for its workers and that work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection. The Supplier shall not use the employment arrangements in any way that deliberately fails to correspond to the genuine purpose of the law.

12. No Bonded Labour

The Supplier is obliged not to engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. The Supplier shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

13. Protection of the Environment

The Supplier is obliged to take the necessary measures to avoid environmental degradation and to comply with legal requirements relating to the protection of the environment. The Supplier undertakes to promote greater environmental responsibility and shall support environmentally conscious action on the part of its employees. The Supplier shall assess the significant environmental impact of operations and establish effective policies and procedures that reflect its environmental responsibility. The Supplier shall ensure the implementation of adequate measures to prevent or minimise adverse effects on the community, natural resources and the overall environment.

14. Ethical Business Behaviour

The Supplier is required to conduct its business in a responsible and ethical manner and to exercise reasonable care and diligence to prevent any actions and conditions that could result in a conflict of interest. The Supplier is expected to keep accurate information regarding its activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices. The Supplier should neither participate in falsifying such information nor in any act of misrepresentation in the supply chain.

The Supplier shall not tolerate and shall on no account be involved in any form of corruption, bribery, extortion or embezzlement. Furthermore, the Supplier shall comply with the applicable national and international cartel law and trade laws.



September 2019

15. Data Protection

The Supplier shall collect, use and otherwise process personal information with reasonable care and in compliance with the EU data protection law and all other privacy and information security laws and regulatory requirements. Where required or requested by dalli-group, it will enter into data processing and other data protection agreements with dalli-group and its own sub-suppliers which may deal with personal data related to dalli-group or its customers or other business partners.

16. Control

dalli-group is entitled to monitor the Supplier's compliance with this Code of Conduct at any time in accordance with the applicable legislation, for example by means of information requests, inspection of certificates or audits.

17. Consequences in case of a Violation of the aforementioned Rules

dalli-group considers compliance with the requirements set out in this Code of Conduct to be essential to its contractual relationships. In case of any violation of this Code of Conduct, dalli-group reserves the right to ask the Supplier for remedial action and, if necessary, to terminate the contractual relationship without notice for cause or to terminate the cooperation with the Supplier. The Supplier shall, without delay, inform dalli-group of any violations by its subcontractors of the abovementioned rules.

* * *

We have taken notice of the content of this Code of Conduct and we hereby confirm that we will comply with the aforementioned principles and obligations.

Place, Date

Company stamp/Signature