



**Bernd Hummel Holding GmbH**

**Code of Conduct**

**Version: June 2008**

## **Standards of conduct - corporate policy**

### **Preamble**

Bernd Hummel Holding GmbH is a family owned company imbued with traditional values. In our opinion business should be conducted honestly and fairly; respecting peoples' values and rights. The aim of this code is to clearly explain what this means in practice. It establishes the standards of conduct with which we run our business. All managers and employees within the group are expected to apply the same standards when dealing with other people and organisations.

This code is of paramount importance in all our business activities. All contracts agreed by the companies within the group should comply with it. Should there be any kind of objection, the companies within the group are expected to keep to its standards and not to compromise it in any way.

In carrying out our business activities it is expected from all companies within the group that they will fulfill the following elicited standards of conduct.

### **A. Standards of conduct**

#### **1. Towards employees**

Our employees are our greatest asset. In order to continue being a successful company it is our aim to capitalise on their talent and enthusiasm. For this purpose we will:

- respect the human rights of all our employees.
- provide good, safe and healthy working conditions.
- ensure that salaries and other benefits are competitive.
- offer fair conditions of employment with contracts which assign mutually applicable obligations and rights to both employers and employees.
- promote the development and the best deployment of our employees' talents.
- select employees fairly according to performance and commitment, to promote training and to offer equal prospects to everyone.
- not discriminate against any of our employees, or potential employees, on the grounds of race, colour, religion, nationality, ethnic origin, political opinion, sexual alignment, marital status, sex, age, handicap, part time or temporary employment.
- provide a working atmosphere free from harassment and intimidation.
- manage people with consideration and respect, and give performance feedback.
- ensure that disciplinary measures are fairly and openly documented.
- keep all employees within the group informed of current changes, trends and developments.
- not ask employees to do anything illegal, immoral or which contradicts the standards of any professional association to which he or she may belong .
- encourage employees to officially report all cases of this code being contravened or abused, wherever this has been brought to their attention within the group.
- not deliberately employ people on a temporary or occasional basis with a view to avoiding employment protection, social security or other standard occupational benefits.

## **2. Towards customers**

In order to continue being successful we must win and keep customers by building partnerships with them. To this end we will:

- deliver products and services which offer the customer good value in price, quality, performance, style, safety, and which are environmentally friendly.
- establish mutually advantageous business partnerships and endeavour to fulfill or exceed both the spirit and letter of our contractual obligations.
- strive for clarity in all our agreements by trying to avoid ambivalence concerning both our obligations and what we expect from our customers.
- ensure that all problems concerning our products, relating to quality or performance, will be quickly addressed and with the minimum inconvenience for our customers.
- not attempt to win contracts or gain contractual advantages through the use of bribery or other such dubious incentives. We undertake to make no payments to the employees of customers, government authorities or agents, in order to obtain commercial advantage.
- take all appropriate and practical measures to prevent forgeries of our products being marketed.

## **3. Towards suppliers**

An efficient and reliable supply chain is an increasingly important factor in determining business success. As such, close and mutually dependent partnerships with our suppliers are necessary. For this purpose we will:

- endeavour to develop mutually advantageous partnerships with our suppliers.
- fulfill both the spirit and letter of contracts with suppliers and not to take advantage of inadvertent mistakes.
- strive for clarity in all our agreements by trying to avoid ambivalence concerning both our obligations and what we expect from our suppliers.
- transact business with suppliers only on the understanding that they specifically adopt and fulfill our standards of employment, occupational safety and environmental policy.
- agree and set clear terms of payment with our suppliers, punctually make payments in accordance with these conditions and not try to avoid payment through the use of technical pretexts.
- insist on frankness and integrity in all aspects of our transactions with suppliers and not tolerate any attempt to secure contracts from us by methods of payment or gifts to our employees, company representatives or members of their families.
- not establish business relationships with people or organisations whom we have reason to believe are involved in illegal or irregular business practices.

## **B. Standards of engagement for suppliers**

This code defines the minimum conditions which, if possible, should be exceeded. In applying them suppliers must adhere to national and other legal requirements. In the case where legal regulations deal with the same subjects set forth in this code, the regulations which provide the greatest protection to the worker should be applied.

### **1. Reasonable wages are paid**

- Wages and the provision of benefits, paid for a normal working week, equal or exceed the legal minimum national wage, or are comparable to wages paid in similar businesses -whichever amount is the highest. In every case wages are sufficient to satisfy basic needs and to offer a certain disposable income.
- Before employment commences, all workers receive written information which clearly explains both how their wages are calculated and the deductions that are made from them. Subsequently workers receive, every time they are paid, written details about the wage for the respective payment period.
- No deductions are made for disciplinary reasons, neither are any other deductions made without the explicit approval of the worker concerned, unless this is a legal requirement.

### **2. Working hours are not excessive**

- Working hours conform to national laws or businesses in comparable fields, whichever provides the greatest protection. Under no circumstances do workers regularly work more than 48 hours a week.
- Overtime is voluntary and doesn't exceed 12 hours a week. This is not regularly required and is always paid at the highest rate.
  - Workers have, on average, the right to at least one free day a week.

### **3. Working conditions are safe and hygienic**

- A safe and hygienic working environment is provided, subject to dangers that are intrinsically connected to the nature of the work. Suitable measures are taken in order to avoid accidents and damage to health, arising from, or which occur during, the period of employment. As far as possible, the causes of such hazards are reduced to a minimum.
- At commencement of employment and subsequently at regular intervals thereafter, workers receive occupational safety training. Further training takes place for workers who change their work station and are subsequently subject to other risks.
- Workers have access to clean sanitary facilities and drinking water. Where appropriate, the hygienic provision for storing foodstuffs is provided.
- When accommodation is available, it is to be clean and safe and fulfils the workers' basic needs.
- The responsibility for occupational safety is allocated to an employee in a managerial position.

### **4. No child labour is used**

- There is no recruitment of child labour.
- If cases of child labour are brought to the attention of suppliers in regions or areas in which they are active, the supplier should initiate, or take part in, high quality training programmes which they should introduce to all concerned until they are no longer children.
- No one under the age of eighteen is employed for night work, dangerous work or works in dangerous conditions.
- As far as this code is concerned, a 'child' is a person under the age of fifteen. If regional or national law stipulates a higher school leaving age or a higher minimum employment age, then this higher age is to be applied. 'Child labour'

means every kind of work involving a child or a young person unless this has been considered acceptable according to the regulations laid down in the 1973 ILO Minimum Age Convention (C.138).

#### **5. Employment is freely chosen**

- There is no use of forced labour, debt bondage or involuntary prison labour.
- Workers are not asked to make payments, to deposit identification papers or make any other kind of security, and they are entitled to leave their employment after handing in a reasonable period of notice.

#### **6. No discrimination is practiced**

- Regarding employment, wages, access to training, promotion, dismissal or pensions, no discrimination is practiced on account of race, cast, nationality, religion, age, handicap, gender, sexual orientation, family status, trade union membership, political affiliation or on any other grounds that are irrelevant to carrying out the work in question.

#### **7. There is no hard or inhuman treatment**

- Physical abuse or physical punishment, bullying, threatening physical abuse, sexual harassment or any other kind of intimidation is not tolerated and is not practised.

#### **8. Freedom of association and the right to negotiate contracts and wages is respected**

- All workers have the right to trade union membership of their choice or to establish representation for wage and contractual negotiation. They also have the right to choose not to be members of trade unions.
- The supplier shows an open attitude towards trade union activities and their recruitment of membership.
- Worker representatives do not need to tolerate discrimination and have free access to their work places in order to fulfill their functions as representatives.
- In cases where freedom of association and the right to negotiate contracts and wages are restricted by law, the employer supports suitable means of developing the contractual rights of workers and their rights to independent and free association.

#### **9. Regulated employment is provided**

- As far as possible work is carried out on the basis of regulated employment as determined by national law and practice.
- The supplier undertakes not to make any attempt to circumvent the normal obligations of employers towards employees with regard to regulations concerning occupational and social security laws. Neither is he to avoid developing skills or replace regulated employment with arrangements such as the employment of freelancers, subcontractors, home workers, apprentices or the excessive use of other temporary employment.