



## Code of Conduct for Business Partners

### I. Preamble

The following Social and Environmental Code of Conduct and its requirements stipulate the standards HOYER Handel GmbH (hereafter referred to as HOYER) expects with regard to the mindset and conduct of business partners in their corporate activities. These requirements are the precondition for successful execution of business relations between HOYER and its business partners.

The requirements as described in this Code of Conduct are based on **national and international provisions, conventions and standards**, such as the Universal Declaration of Human Rights, Children's Rights and Business Principles, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, UN Global Compact, and the relevant International Labour Organisation (ILO) Conventions and Recommendations to improve working conditions in the supply chain.

Furthermore, as a member of the **Business Social Compliance Initiative (BSCI)**, HOYER follows the initiative's principles and reflects them in this Code of Conduct, with the objective to declare binding, uniform minimum social standards for its business partners in the various countries, and to monitor the observance of these standards by means of an appropriate control system.

### II. Corporate Philosophy and Values

With its **corporate philosophy**, HOYER makes a clear commitment to sustainability in order to create high-quality, innovative products while furthering economic and social values at the same time. The requirements as described in this Code of Conduct are therefore also based on our **corporate guidelines and values** that are loyalty, respect, appreciation, trustworthiness, social responsibility and team orientation. HOYER products stand for innovation, reliability and longevity. Also, HOYER strives for clear, fair, solution-oriented and honest communication as well as constructive and open dialogue with business partners and other stakeholders in order to reinforce the principles of socially responsible business. Moreover, HOYER considers building up mature industrial relations between employees / workers and management key for sustainable businesses.

### III. Scope and Coverage

In the HOYER Code of Conduct, the term "business partners" covers both HOYER's direct business partners as well as their business partners in the supply chain, particularly producers and their (sub-) suppliers and other sub-contractors. Thus, all suppliers and sub-suppliers of HOYER must undertake to observe the requirements as described in this Code of Conduct for Business Partners.

Business partners must comply with all applicable local, national and international laws and regulations, legal requirements, and applicable treaties. However, HOYER's requirements may exceed those requirements set out in local law in order to safeguard worker rights under applicable national and international labour and social security laws and regulations.

The requirements stated in this Code of Conduct apply to all business relations between HOYER and its business partners. Therefore, every business partner must take appropriate steps to ensure compliance with these requirements. The commitment shall be regularly approved by the business partners by signing the HOYER Compliance Declaration to the Code of Conduct. The Code of Conduct must be displayed and freely accessible to all employees / workers. They shall be enabled to read it in a language they understand.

### IV. Requirements

## HUMAN RIGHTS

### **1. Human dignity**

As an elementary prerequisite of cohabitation among human beings, human dignity is to be respected.

### **2. No child labour**

In connection with the manufacture of products or the provision of services on behalf of the HOYER Handel GmbH, child labour, as defined in the conventions of the ILO and the United Nations, the SA8000 International Standard or by national provisions, rendered by persons younger than 15 years, is prohibited. Of varying standards, the strictest shall apply in each case. Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. This principle aims to protect children from any form of exploitation.

If it should transpire that children are, nonetheless, working under conditions covered by the definition of child labour, such grievances are to be resolved by way of documented strategies and processes. The children's education shall be supported in an appropriate manner. Special care is to be taken on the occasion of the dismissal of children, as they might move into more hazardous employment, such as prostitution or drug trafficking. In removing children from the workplace, business partners should identify, in a proactive manner, measures to ensure the protection of affected children. Where appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family.

### **3. Special protection for young workers**

Young workers who, as defined in the SA8000 International Standard, are over the age of 15 but under the age of 18, may only be employed outside of school hours. Business partners have to ensure that young workers do not work at night and are protected against any conditions of work that are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle. Daily working hours shall under no circumstances exceed eight hours; and the total period of time spent daily at school, at work and during transport shall not exceed ten hours. Where young workers are employed, business partners must ensure that the kind of work is not likely to be harmful to their health or development. Furthermore, their working hours must not hinder their attendance at school, their participation in vocational orientation approved by the competent authority, or their capacity to benefit from training or instruction programs.

Business partners shall establish the necessary mechanisms to prevent, identify and mitigate harm to young workers, this with special attention to the access young workers shall be given to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

### **4. Prohibition of forced labour and disciplinary measures**

In conformity with the conventions of the ILO, all forms of compulsory labour are prohibited. Business partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. Business partners will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners. Business partners shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly. Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Any exertion of corporal punishment, mental or physical force or verbal abuse is prohibited. All disciplinary procedures must be established in writing and are to be explained verbally to workers in clear and understandable terms.

## LABOUR

### **5. Fair remuneration**

The nationally applicable provisions of labour law shall be complied with. Wages and other remuneration received by the employees must, at the very least, be in conformity with the statutory regulations and/or the standards of the local manufacturing trade approved on the basis of collective bargaining, whichever is higher. These shall be clearly defined and paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance “in kind” is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours. The aim is to pay wages and other remuneration which provide the workers with a decent living for themselves and their families, in as far as the minimum statutory wages are insufficient. Any deductions for noncash benefits shall only be permitted provided they are limited in scope and reasonable compared to the value of the noncash benefit. Also, deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

### **6. Decent working hours**

The regular maximum working time shall not exceed 48 hours per week. However, exceptions specified by the ILO are respected. Statutory provisions, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO.

In exceptional cases as defined by the ILO, the limit of hours of work as prescribed above may be exceeded, in which case overtime is permitted. The amount of overtime per week shall not exceed 12 hours. Additional overtime work shall be permitted only where needed in order to meet short-term business demands and as agreed upon under a collective bargaining agreement. Overtime shall be paid for on a separate basis. The overtime premium shall not be less than one and one-quarter times the regular rate and must not involve a significantly higher likelihood of occupational hazards.

An employee is entitled to one day off following six consecutive days of work. Additional consecutive working days shall only be admissible if this is permitted under national law and a collective bargaining agreement. Furthermore, business partners shall grant their workers the right to rest periods during every working day.

### **7. No discrimination and no harassment**

Any discrimination, harassment, exclusion or preference for persons based on gender, sexual orientation, age, religion or ideology, caste, birth, race, social background, disability, family responsibilities, marital status, diseases, ethnic or national origin, nationality, membership in unions or any other legitimate organizations, political affiliation or opinions, or any other personal characteristic or creed of an employee or worker, is prohibited. In particular, workers shall not be harassed or disciplined on any of the grounds listed above. Business partners undertake to ensure a working environment free from harassment. They shall promote social environment that fosters respect for the individual.

### **8. Diversity and equality**

HOYER embraces the unique background and personal characteristics of every person and aims to offer the resources to develop their professional excellence based on the belief that diversity leads to

business strength. The company works to cultivate an environment where all individuals can thrive professionally. Business partners shall strive to achieve gender equality and empower all women.

## 9. Freedom of organization and assembly

The rights of employees and workers to found unions of their own choice in a free and democratic way and become members of these, and their rights to conduct collective activities in accordance with the respective national laws and regulations as well as ILO conventions, may not be restricted in any manner whatsoever. Workers must not be discriminated against for exercising these rights.

Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

When operating in countries where trade union activity is unlawful or 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.

## 10. Occupational safety and health

Safe and healthy conditions at work as well as the living spaces and local communities of workers shall be guaranteed, without prejudice to the specific expectations set out hereunder. Conditions at the workplace, sleeping accommodation and/or working conditions, which are in violation of basic human rights, are prohibited. Business partners shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced.

Vulnerable individuals such as – but not limited to – young workers, new and expecting mothers and persons with disabilities, shall be given special protection. In particular, young employees shall not be exposed to dangerous, unsafe or unhealthy conditions that harm their physical or mental health and development.

Employees shall participate regularly in courses on health and safety in the workplace.

The active co-operation between management and workers and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees. Furthermore, a senior management representative shall be appointed to take on responsibility for a safe and healthy workplace environment for all personnel, and for introducing and implementing health and safety standards in the workplace.

Business partners shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. They shall take effective measures to prevent workers from accidents, injuries or illnesses arising from, associated with, or occurring during their work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent in the workplace.

Business partners will seek to improve workers' protection against accidents including coverage by compulsory insurance schemes.

Business partners shall take all appropriate measures within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including residential facilities to workers if provided by the employer, as well as to protect against any foreseeable emergency. Business partners shall respect the workers' right to exit the premises upon imminent danger without seeking permission.

Business partners shall ensure adequate occupational medical assistance and related facilities.

Business partners shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

### **11. No precarious employment**

Business partners observe this principle if, without prejudice to the specific expectations set out in this chapter, (a) they ensure that their employment contracts do not cause insecurity and social or economic vulnerability for their workers; (b) work is performed on the basis of a recognized and documented employment contract established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

Before entering into any employment contract, business partners are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners should aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in the migrants' hometowns.

Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes – but is not limited to – (a) apprenticeship schemes where there is no intent to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

## **ENVIRONMENT**

### **12. Environmental protection and compliance**

Regulations on environmental protection and safety in connection with the treatment of waste, handling of chemicals or other dangerous materials or substances shall be complied with. Business partners must comply with all applicable environmental laws and regulations in all countries in which they operate.

### **13. Environmental management system and environmental permits**

Business partners are required to provide the relevant environmental permits and licenses. All business partners with a relevant risk profile are required to have a suitable environmental management system in place.

### **14. Resource efficiency and climate protection**

Business partners commit to the efficient use of energy, water and raw materials, the use of renewable resources and the minimization of health hazards and damages to the environment. Furthermore, they agree to take appropriate measures to reduce greenhouse gas emissions.

### **15. Handling of chemicals**

Business partners must avoid the use of substances and materials with adverse environmental or health impacts. To that end, business partners must identify alternative environmentally friendly solutions that are effective over the long term. Business partners are obliged to register, declare and, if applicable, obtain approval for such substances.

Chemical containers are to be properly labelled and safely stored in line with national regulations. A material safety data sheet (MSDS) is to be made available in the local language and to be provided to concerned employees.

## **16. Water and waste management**

Water is a scarce resource and must be used as efficiently as possible.

Business partners commit to the environmentally friendly disposal of residual waste and chemicals. Any waste and in particular hazardous waste must be taken care of in a responsible manner and in accordance with local laws.

## **17. Product safety and quality**

Upon delivery, all products and services must meet the contractually agreed quality and safety criteria. All products must be tested according to the current, legal and latest scientific methods for defects and harmful product properties, which could affect the health of users.

## **18. Proactive and precautionary approach**

Business partners are expected to continuously improve their environmental performance of their products, services and company by setting targets and monitoring environmental key performance indicators. Negative impact on the environment and the health of employees must be avoided or kept to a minimum in all activities throughout the entire lifecycle of products and services. Furthermore, precautions should involve the systematic application of risk assessment, risk management and risk communication. When there is reasonable suspicion of harm, decision-makers need to apply prudence and consider the degree of uncertainty that follows from scientific evaluation.

## **19. Environmentally friendly technologies**

Business partners shall tackle ecological challenges with due care and foresight. The development and dissemination of environmentally friendly technologies shall be encouraged.

Environmentally sound technologies, as defined in Agenda 21 of the Rio Declaration, protect the environment, are less polluting, use all resources in a more sustainable manner, recycle wastes and products, and handle residual wastes in a more acceptable manner than the technologies for which they were substitutes. They include a variety of cleaner production processes and pollution prevention technologies as well as end-of-pipe and monitoring technologies. Moreover, they include know-how, procedures, goods and services and equipment as well as organizational and managerial procedures. Where production processes that do not use resources efficiently generate residues and discharge wastes, environmentally sound technologies can be applied to reduce day-to-day operating inefficiencies, emissions of environmental contaminants, worker exposure to hazardous materials and risks of environmental disasters.

## **20. Environmental awareness and promotion**

Business partners should undertake initiatives to increase environmental awareness and to promote greater environmental responsibility. Employees and workers shall be instructed on how to handle hazardous materials and substances.

Business partners shall develop training programs to improve the understanding of social and environmental behaviour, the implementation of processes and the communication of sustainable

expectations towards their employees. Business partners shall continually qualify their employees and encourage them to act according to rules and regulations.

## ETHICS

### **21. No corruption**

Bribery and any other forms of corruption are prohibited. Business partners must not be involved in any act of corruption, extortion or embezzlement, nor in any form of bribery – including but not limited to – the promising, offering, giving or accepting of any improper monetary or other incentive.

Business partners are expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices. Business partners should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain.

### **22. No fraud**

Fraud is a criminal act and therefore strictly prohibited to be used as methods to gain personal or professional advantages or property.

### **23. No conflict of interest**

Decisions made by our business partners must be based on objective criteria, rather than being improperly influenced by personal interests, and are not influenced by financial or personal interests or relationships. Any mix of private and business interests could lead to conflict of interest and are therefore categorically rejected by HOYER. If any business partner becomes aware of a potential conflict of interest, this fact must be communicated to HOYER immediately.

### **24. Gifts and entertainment**

HOYER employees are not allowed to accept any gift for themselves or others, from any person, group or organization having business relationship with, regardless of the value. Employees of HOYER are allowed to be entertained. However, these always have to comply with local business practices, correspond to the position of the invitee, and need to be business related.

HOYER points out, that any violation of the above stated regulations can lead to the immediate termination of the business relationship with the respective business partner and to disciplinary action for the affected employee of HOYER.

### **25. Free competition**

Business partners respect fair and free competition. HOYER requires its business partners to comply with the applicable competition and antitrust regulations. Business partners must ensure there is no exchange of competitively sensitive information or any other behaviour that restricts or could potentially restrict competition in an improper manner.

### **26. Import and export control**

Business partners shall strictly comply with all applicable laws for the import and export of goods, services and information. Furthermore, they commit to comply with sanctions lists.



## **27. No money laundering**

Business partners ensure compliance with the applicable legal provisions against money laundering.

## **28. Compliance with statutory provisions**

The prevailing national laws and provisions, minimum industrial standards and the conventions of the ILO and the United Nations are to be complied with. Of all prevailing provisions, the strictest shall apply in each case.

## **29. Data protection**

Business partners should collect, use and otherwise process personal information with reasonable care. The collection, use, and other processing of personal information is to comply with privacy and information security laws and regulatory requirements. Confidential content may not be published, transmitted to a third party or made available in any other form without the necessary authorization.

## **30. Company implementation**

The observance and supervision of the aforementioned social and environmental standards is to be ensured by an internal company strategy of social accountability and an appropriate internal company procedure, which must be in conformity with the requirements of the current BSCI Code of Conduct. Business partners of HOYER are obliged to adhere to these social standards. They constitute the basis for continuous cooperation with HOYER Handel GmbH. The business partners agree that the adherence to the aforementioned minimum social requirements can be monitored at any time by either HOYER Handel GmbH itself or by an independent examiner commissioned by HOYER Handel GmbH. The business partner undertakes to impose these minimum social standards upon its sub-suppliers, and to supervise their compliance with such standards.

## **V. Grievance and whistle-blower hotline**

Business partners, workers, employees and other stakeholders are entitled and asked to bring any violations of this Code of Conduct and/or applicable laws to the attention of HOYER Handel GmbH. HOYER is fully committed to this Code of Conduct for Business Partners. Without any disadvantages for the reporting person, breaches of these regulations may be reported at any time to the Executive Board or any member of the Company Management team.

Furthermore, breaches may not only be reported to the line manager but also at any time to the HOYER whistle-blower hotline: [socialcompliance@hoyerhandel.com](mailto:socialcompliance@hoyerhandel.com). Any reported violations, illegal or unethical behaviour, etc. are forwarded to the Corporate Responsibility Department that will check the violations and instigate a clearly defined process that will lead to an appropriate solution.

## **VI. Legal consequences**

For HOYER, compliance with the requirements set in this document is essential to its business relations. HOYER reserves the right to take appropriate legal actions if a business partner is found to be in violation of these requirements.