

## CODE OF CONDUCT

We the IBENA Textilwerke GmbH are inspired and united by our shared values, which transcend national borders. We see ourselves as enthusiastic partners to our customers, as creative strategists within an integrated network and as focused managers making decisions with long-lasting effects.

We believe in social responsibility, environmental protection and fair cooperation as the guiding tenets of all that we do. Credibility is a crucial element of our success and we earn it every day anew through firm convictions and consistent actions. The force that motivates us and makes us successful is passion, and so we believe in "Passion for Sustainability".

We support the principles of the United Nations Global Compact with respect to human rights, labour rights, the protection of the environment and ethical business practices.

### 1. Scope

The requirements as set forth are based on the United Nations Universal Declaration of Human Rights, the UN Conventions on the Rights of the Child and on the Elimination of All Forms of Discrimination against Women, the ILO (International Labour Organisation) Conventions and the OECD Guidelines for Multinational Enterprises. The Code of Conduct specifies minimum standards only. They should not be interpreted as maximum and limits are not to be used against employees in any way. Whenever possible, the minimum requirements shall be exceeded.

Business partners must ensure that the Code of Conduct is also observed by all subcontractors involved in production processes of final manufacturing stages carried out on behalf of the Otto Group.

### 2. Legal Compliance

IBENA Textilwerke GmbH abides by national and international laws, rules and regulations in their internal and external dealings. Business partners shall comply with all national legal requirements involved in conducting their business as well as with the minimum social requirements of this code. Whenever the provision of national and international laws, industry standards and this Code address the same subject, the stricter regulation applies.

Obligations of this Code or local labour laws shall not be avoided through the use of labouronly contracting arrangements, false apprenticeship schemes, or comparable measures.

### **3. Principles for Social Compliance**

#### **3.1 Child Labour / Young Workers**

Child labour is not tolerated by IBENA Textilwerke GmbH.

The employment age shall not be less than the age of completion of compulsory schooling and shall by no means be lower than 15 years. ILO exceptions granted to developing countries apply.

Working conditions resembling slavery or harmful to the health of the young workers are forbidden. National regulations for the protection of young employees shall be fulfilled.

The protection of young employees and prevention of child labour shall not be circumvented by false apprenticeship schemes. False apprenticeships describe any form of employment of young persons which does not aim at the procurement of knowledge and skills.

In case children are found to be working in situations which fit the definition of child labour above, corrective measures must be taken immediately and documented by the business partner. Furthermore, the business partner shall provide adequate support to enable such children to attend and remain in school until no longer a child.

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

#### **3.2 Forced Labour**

Forced, bonded or slave labour is not tolerated by IBENA Textilwerke GmbH. Employment shall be freely chosen and employment relationships shall be established on the basis of employment forms recognised through national law and practice. The IBENA Textilwerke GmbH prohibits in particular the use of prison labour.

Employers shall refrain from taking "deposits" from their employees or from withholding their identity papers. Any direct or indirect measures preventing workers from leaving the employer or the production plant are equally prohibited. Employees are free to leave the job after reasonable notice as stipulated in the contract and/or national legislation.

ILO Conventions 29 and 105 apply.

#### **3.3 Discrimination**

Every employee holds the right to equal treatment and equal opportunities. Employers shall ensure that no employee or job applicant is discriminated against on the basis of gender, age, religion, race, caste, social background, ideology, disability, ethnic and national origin, nationality, membership in workers' organisations including unions, political affiliation, sexual orientation, or any other personal characteristics. Discrimination by business partners including customers is not tolerated. Business partners should comply with national

regulations.

ILO Conventions 100, 111, 143, 158 and 159 apply.

### **3.4 Disciplinary Measures**

All employees hold the right to be treated with respect and dignity. Any kind of corporal, psychological, sexual or verbal punishment, harassment, abuse, or any other form of intimidation is prohibited.

Disciplinary measures must be in line with national law and internationally recognized human rights.

### **3.5 Freedom of Association and Collective Bargaining**

The right of employees to form or join workers' organisations of their own choice and to bargain collectively shall be respected. In those situations in which the rights to freedom of association and collective bargaining are restricted by law, parallel means of independent and free association and bargaining shall be allowed. Workers' representatives shall be protected against discrimination and shall be provided free access to the workplaces, to ensure that they can exercise their rights in a lawful and peaceful way.

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

### **3.6 Working Hours**

Hours of work shall comply with applicable laws and industry standards or relevant ILO Conventions, whichever standard is more stringent. The maximum allowable working time in a week shall not on a regular basis exceed 48 hours and the maximum allowable overtime shall not exceed 12 hours per week. Overtime shall be voluntary and employees shall be granted at least one day off after 6 consecutive working days. Overtime shall always be compensated at a premium rate.

ILO Conventions 1 and 14 apply.

### **3.7 Working Contracts**

Employees shall be provided with written working contracts. The content of such a contract shall at a minimum indicate: Name of the employee, date and place of birth, home address, function, starting date of contract, hours of work, remuneration and compensation, probation period (if applicable), leave entitlements, details for termination of the working relationship (both by employee and employer), signature or thumb print of employee and employer, date of signature. In case of illiteracy, the content of the contract shall be

additionally communicated verbally.

In the case of contracted work, the business partner has to secure that before mentioned requirements are observed by the contractor.

### **3.8 Compensation**

Wages paid for a standard working week shall meet at least legal or industry minimum standards, whichever of the two is higher.

Employees shall receive all benefits mandated under national law, such as insurance contributions, premium payment of overtime hours and paid holidays.

In situations in which the legal minimum wage does not cover living expenses and provide some additional disposable income, business partners shall strive to provide employees with adequate compensation to meet these needs.

Illegal and unauthorized deductions or deductions as disciplinary measures from wages are forbidden.

Employees shall receive full information on their compensation in a form they can understand verbally and in writing clearly and regularly. Remuneration shall be provided in accordance with local common practice.

ILO Conventions 26 and 131 apply.

### **3.9 Working Conditions and Health & Safety**

Employers shall ensure the provision of a safe and hygienic working environment.

Occupational health and safety regulations and procedures must be established and communicated to the employees in order to prevent accidents and injury in the course of work or as a result of the operation of employer facilities. All applicable national regulations regarding working conditions shall be complied with. The same principles apply to all social facilities and employee accommodation facilities if provided by the employer.

In particular young workers shall not be exposed to hazardous, unsafe or unhealthy situations.

ILO convention 155 and ILO recommendation 164 and 190 apply.

### **3.10 Management Systems**

In order to meet all requirements as set forth in this Code and in national laws, business partners shall establish a set of management functions. This includes clear responsibilities, procedures and appropriate documentation to demonstrate compliance with this Code and national laws. The management is responsible for continuous improvement.

Business partners shall establish and maintain appropriate procedures to select subcontractors based on their ability to meet the requirements of this standard, to monitor their social performance and to maintain reasonable evidence that there is an improvement process taking place.

#### **4. Environmental Conduct**

Environmental considerations are an integral part of the business practices of IBENA Textilwerke GmbH. Business partners shall share the IBENA Textilwerke GmbH's precautionary approach to environmental challenges and adhere to the local and national laws regarding the protection and the preservation of the environment. All business practices and procedures must meet or exceed minimum legal requirements on environmental protection..

#### **5. Bribery and Corruption**

The IBENA Textilwerke GmbH does not tolerate any form of corruption and bribery, be it by direct or indirect means, in monetary form, through gifts or other unfair advantages. Therefore the business partner shall provide and follow an anti-bribery / anti-corruption policy for its business activities. The policy must be in line with national regulations.

Business companies and employees shall refrain from behaviour of any kind encouraging personal dependency, bondage or manipulation.

Employees are prohibited from misusing their position to grant unjustified advantages of personal or commercial nature. They shall not impart improper gifts to business partners and shall refrain altogether from giving presents to public officials or other civil servants. They are allowed to accept gifts of low value only, if no manipulation or possible manipulation of the beneficiary arises.

#### **6. Information / Communications**

This code must be freely accessible and understandable to all employees. Employees shall receive training on their rights and obligations as defined by this Code and on applicable local laws.

The IBENA Textilwerke GmbH and its business partners communicate the contents of this Code to all their contractors and ensure that the stipulated standards are effectively observed.

The IBENA Textilwerke GmbH will inform the public on social conduct issues and developments on an ongoing basis using the IBENA Textilwerke GmbH Sustainability Report (available online and in print) as well as the website [www.ibena.de](http://www.ibena.de)

#### **7. Implementation and Monitoring**

The IBENA Textilwerke GmbH commits itself to observe and ensure the implementation of the content of this code within the own organisation as well as on the level of their direct business partners. For this purpose the IBENA Textilwerke GmbH or an authorised 3<sup>rd</sup> party may at any time and without further notice inspect all its business partners' and their subcontractors' sites for monitoring purposes.

The IBENA Textilwerke GmbH is free in the assignment of inspectors. Inspectors must identify themselves as being authorized by IBENA Textilwerke GmbH upon entering the compound. Prevention from entering despite a clear mandate amounts to a positively established violation.

## **8. Sanctions and Remedial Actions**

The IBENA Textilwerke GmbH commits itself to take action upon inspection findings which reveal the violation of any of the stipulations set forth in this code.

Business partners and their subcontractors are obliged to correct any deviations found during inspections and continuously work on the improvement of social standards. Appropriate time for remediation will be given as well as support and advice provided.

The IBENA Textilwerke GmbH shall terminate business relations without further notice in cases where rights violations prevail under the condition that the violation has been communicated to the business partner, that a reminder has followed within a reasonable period of time and under the condition that the business partner has not brought forward justified reasons for a delay of implementation in conjunction with the sincere intention of attending to the matter as soon as possible.

The IBENA Textilwerke GmbH reserves the right to forward information on working right violations in an objective manner to 3<sup>rd</sup> parties. Compensation claims of the business partner that might arise as a consequence are void by law.

## **9. Vulnerable groups and risk areas, risk analysis**

With regard to our continuous improvement process, our risk analyzes for respecting and implementing human rights are based in particular on the OECD guidelines for multinational companies. Accordingly, in addition to identifying potential country-specific risks - such as child labor, forced labor, occupational safety, discrimination, minimum wages, we also take into account vulnerable groups such as women, ethnic and religious minorities. Our clearly defined goal is the constant reduction and ultimate avoidance of negative effects on people and the environment.

## 10. Grievances and Complaints

Employees and also the involved participants in the supply chain have the right to communicate any breaches of the standards set forth in this Code to IBENA Textilwerke GmbH and any other independent third party. Employers shall abstain from and ensure abstention from any form of disciplinary measure or reprisal towards any individual or group coming forward with a complaint.

Employees and also the involved participants in the supply chain who feel aggrieved or deprived of any of their human rights and the rights established by this Code may contact IBENA Textilwerke GmbH compliance staff at any time .

Email: [beschwerdemanagement@ibena.de](mailto:beschwerdemanagement@ibena.de)

Address: IBENA Textilwerke GmbH, Industriestrasse 7 – 13, D-46395 Bocholt

URL: [www.ibena.de](http://www.ibena.de)

We, the undersigned hereby confirm, that we have received and taken due note of the Code of Conduct / and company policy of IBENA Textilwerke GmbH and that we will observe and conform to this Code of Conduct in its entirety without amendment.

Date: ..... Name of Business partner: .....

Name: ..... Address: .....

Signature: ..... Business partner Stamp/Seal

This document must be signed by a duly authorised representative of the business partner and returned to IBENA Textilwerke GmbH.