Code of Conduct for Suppliers

In this Code of Conduct for Suppliers, Beiersdorf defines the requirements which are to be met by all suppliers. It is expected that these requirements shall also be met by the subcontractors. This Code of Conduct represents the foundation for all cooperation.

The cooperation between Beiersdorf and its suppliers is based on a culture of trust, mutual respect, openness, a fair balance of reciprocal interests and equal opportunities. Both parties understand that safeguarding the social and environmental standards described is the foundation for mutual, lasting and successful cooperation.

The UN's Universal Declaration of Human Rights, the conventions of the International Labour Organisation (ILO) as well as country-specific statutes and official requirements are to be respected and serve to reinforce and interpret the following principles.

Violation of this Code of Conduct may provide Beiersdorf with a reason to terminate the business relationship, including any subordinate delivery agreements.

1 Corruption

Any form of or attempt at corruption including blackmail and bribery as well as other illegal practices shall not be tolerated within the business relationships.

Suppliers shall neither directly nor indirectly offer, promise, guarantee or demand bribes or other unjustified enrichments in order to obtain or retain an order or other unfair advantage. Equally, no bribes or other unjustified enrichments may be demanded or expected from suppliers.

The OECD guidelines for multinational enterprises

2 Exclusion of forced labour and disciplinary measures

The service of an employee must be given willingly. In particular, any form of forced labour (e.g. by withholding identification papers) is prohibited.

The use of physical punishments as well as of mental or physical duress and verbal abuse is prohibited.

ILO Convention 29 (C29 Forced Labour Convention, 1930)

ILO Convention 105 (C105 Abolition of Forced Labour Convention, 1957)

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3 Prohibition of child labour

The exploitation of children under the age of 15 and their employment (child labour) is prohibited. Should the national statutes impose a higher age, this shall apply. The rights of young employees are to be protected. If children are encountered at work, the supplier shall document the steps it takes to provide relief for the children which enables them to attend school.

<u>ILO Convention 79</u> (C79 Night Work of Young Persons (Non-Industrial Occupations) Convention, 1946)

<u>ILO Convention 138</u> (C138 Minimum Age Convention, 1973)

ILO Convention 142 (C142 Human Resources Development Convention, 1975)

ILO Convention 182 (C182 Worst Forms of Child Labour Convention, 1999)

4 Occupational health and safety

The employer must guarantee health and safety in the workplace. Rules and procedures to ensure health and safety must be introduced and communicated to the employees, in order to prevent accidents and injuries during work. All applicable provisions relating to occupational health and safety must be complied with.

Systems are to be instituted to determine and prevent, or to react to, potential risks to the health and safety of the employees.

ILO Convention 155 (C155 Occupational Safety and Health Convention, 1981)

ILO Recommendation 164 (R164 Occupational Safety and Health Recommendation, 1981)

ILO Recommendation 190 (R190 Worst Forms of Child Labour Recommendation, 1999)

5 Employee rights

a. Working hours

Working hours shall correspond with the current, national statutes and industry standards; in each case, the strictest regulation shall apply. The hours worked per week may not regularly exceed 48 hours. Overtime must be worked on a voluntary basis and may not amount to more than 12 hours per week. Every employee shall have the right to at least one free day after six successive work days.

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ILO Convention 1 (C1 Hours of Work (Industry) Convention, 1919)

ILO Convention 14 (C14 Weekly Rest (Industry) Convention, 1921)

b. Remuneration

The remuneration for regular work hours and overtime must correspond to the statutory minimum or industrial standards, depending which of the two is higher. The remuneration for overtime shall be in accordance with statutory specifications or industrial standards. The statutory minimum wages must be adhered to. Insofar as these are not sufficient to cover living expenses, the business partner shall be obliged to pay remuneration which covers the basic requirements. Unauthorised deductions in remuneration as well as deductions in remuneration as a disciplinary measure are forbidden. The employees must receive all services specified in law. The business partner shall ensure that the employees receive clear, detailed and regular information in writing regarding the composition of their remuneration. The remuneration must be paid in accordance with all applicable statutes as well as in a means suitable for the employees.

ILO Convention 26 (C26 Minimum Wage-Fixing Machinery Convention, 1928)

ILO Convention 131 (C131 Minimum Wage Fixing Convention, 1970)

6 Freedom of association and the right to collective negotiations

The right of the employees to establish organisations of their choice, to join them and to conduct collective negotiations must be respected. In situations where the rights to freedom of association and collective negotiations are limited by law, other opportunities must be granted for the independent and free union of the employees for collective negotiation. Employee representatives are to be protected against discrimination. They are to be granted free access to the workplaces of their colleagues, in order to ensure that they are able to utilise their rights in a legal and peaceful form.

<u>ILO Convention 87</u> (C87 Freedom of Association and Protection of the Right to Organise Convention, 1948)

ILO Convention 98 (C98 Right to Organise and Collective Bargaining Convention, 1949)

ILO Convention 135 (C135 Workers' Representatives Convention, 1971)

ILO Convention 154 (C154 Collective Bargaining Convention, 1981)

7 Discrimination

All employees shall have the right to equal treatment and the same opportunities. Any discrimination on the grounds of gender, age, religion, philosophy, race, caste, social background, disability, ethnic

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and national origin, nationality, membership of employee organisations including unions, political ethos, sexual identity or due to any other personal characteristics, for example with regards to employment, wages, access to further training, promotion, ending of the employment relationship or retirement, shall be prohibited.

ILO Convention 110 (C110 Plantations Convention, 1958)

ILO Convention 111 (C111 Discrimination (Employment and Occupation) Convention, 1958)

<u>ILO Convention 159</u> (C159 Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983)

8 Environmental protection

Responsibility for the protection of human life and the environment is to be ensured by means of preventative actions and the application of environmentally friendly measures. Environmental awareness is to be promoted. Procedures and standards for resource management, reduced emissions and waste management must correspond to or exceed the statutory minimums and are to be continually improved.

Specification: Existence of an environmental management system, e.g. in accordance with <u>ISO 14001</u>

9 Management approach

The social standards defined in this Code of Conduct are to be accepted by the management of the supplier and integrated into company policy. Employees are to be informed of the content of this Code and/or any relevant law affecting them in a manner which is accessible to them. Obligations arising from this Code or from national and international statutes may not be circumvented through the use of contract work, false education programmes or other comparable measures.

Suppliers shall keep adequate records to substantiate compliance with this Code and national/international statutes. The suppliers shall agree that Beiersdorf may verify compliance with this Code using measures deemed appropriate by Beiersdorf. Such measures may also include announced and unannounced inspections of the suppliers' premises by persons appointed by Beiersdorf.