



KiK Textilien und Non- Food GmbH ***Code of Conduct***

(Revised version 09th November 2015)

I. Introduction

As an internationally active company, we are respecting human rights and request and support the adherence to applicable laws in protection of labour, workplace safety and environment of all parties involved in the production process. Nobody who is working with or for us shall suffer from mental or bodily harm. We therefore commit ourselves to this Code of Conduct and make it the basic principle for all our business relations. We are convinced that it is our social responsibility to base all our business relationships on human rights and internationally accepted norms of employment.

The requirements and minimum standards as outlined in this code are therefore based on the conventions of the International Labour Organisation (ILO) and the relevant norms of the United Nations.

Although we are aware that our business partners come from cultural and political backgrounds which may vary from our own value systems, we believe in a common set of universal human rights which shall be observed and protected under all circumstances. We strive to contribute to this goal in our daily decisions and overall behaviour. Any violation of this standard which comes to our knowledge will be reacted on within the scope of our influence.

Our general terms and conditions rest upon this code of conduct. It is the basic principle for the working relationship with our suppliers to be passed on accordingly to any sub-suppliers. The supplier must observe and respect these regulations for any person working for the supplier and the companies of his sub-contractors, regardless of the contractual basis of employment. This includes explicitly contract workers.

National legal regulations which are more stringent than this code do apply in all cases. KiK furthermore strives to exceed minimum standards whenever it is possible.

KiK reserves the right to terminate business relations whenever serious breaches of this code or basic human rights, wilful violations of the standard or systematic forgery and/or persistent lack of cooperation are found.



II. Transparency and General Obligations

- We strictly comply with laws of the countries in which we maintain business relationships.
- Trust, cooperation and promptness are the guiding principles of our work.
- Our business decisions are based on objective and measurable criteria.
- We do not accept gifts regardless of their form.
- The results of contract negotiations must be documented.
- Contracts and other formalities must be explained to our business partners.
- Timely planning and evaluation of projects are of particular importance in our work.

III. General obligations of a supplier

We strive to establish and to maintain long-term transparent business relationships with all of our business partners. We expect our business partners to respect our Code of Conduct, adhere to the social standards included within and operate in a fair and honest manner. In detail, we expect our business partners to meet the following requirements:

1. Information

Suppliers must post this code freely accessible in all major workplaces. To the notice of all employees and worker this code must be translated into the common language of the employees. The supplier must train employees and workers on their rights and obligations as defined by this code along with applicable local laws.

2. Communication and Reporting

Suppliers must furthermore communicate the contents of this code to all their direct business partners and subcontractors and pursue the adequate observation of the agreed standards. Suppliers must appoint a contact person to KiK who is responsible for the implementation of the standards of this code. Beyond that, the supplier has to keep appropriate records about the compliance with the national laws along with this code of conduct.

3. Legal Compliance

All business partners of KiK shall comply fully with the national norms, specifically labour, social as well as environmental laws. In addition, all business partners shall comply with the standards of this code.

4. Control

KiK strictly expects that all business partners undertake convincing measures to reach compliance with the requirements described. For the purpose of performance control and swift progress in supplier development, KiK or an KiK authorised 3rd party may at any time and without further notice inspect all KiK business partners' and their subcontractors' sites for monitoring purposes. Suppliers are not allowed to share the results of these control visits / audits with other external parties than authorized by KiK.



5. Corporate Governance/Corruption

Suppliers organize their commercial performance on the basis of proper and responsible conduct within the applicable law and generally accepted ethical values and will implement these in their operational control and compliance structure. The principles of entrepreneurial governance like accountability, responsibility, transparency and integrity will be adhered to in all business relations. Suppliers will implement structural and operational prevention measures to prohibit all forms of corruption, as bribery, fraud, extortion, facilitation payments etc. and any misuse of entrusted commercial authority.

IV. Standard for Employment

1 Working Atmosphere

All employees and workers must be treated with respect and dignity. Any kind of corporal punishment, psychological, sexual or verbal harassment and abuse, and any other form of intimidation are prohibited. Disciplinary measures must not violate national law and internationally recognized human rights. Employees, filing a complaint because of violations against regulations of this code of conduct or against national laws, are not allowed to be exposed to any kind of disciplinary sanctions.

2 Working Hours

Working hours are to be set in accordance with local law. In any case, workers must not work more than 48 hours in a regular working week. Overtime hours have to be worked on a voluntary basis, must not exceed 12 hours per week and has to be compensated. All employees and workers must have at least one day off after 6 consecutive days of work.

3 Compensation

All employees and workers have to receive payment for work finished in regular working hours, which cover at least the legal or the industrial minimum wage level, whichever is higher. Overtime work must be paid at a legal or industrial premium rate. Furthermore, the business partners shall strive for a payment which covers the living costs and which includes an amount at free disposal for the employees and workers in case that legal minimum wages are not sufficient for this. Employees and workers must at least receive social benefits required by law. Deductions from wages as disciplinary sanctions are prohibited. Beyond that, the workers and employees need to be informed about the complete composition of their wages in a form they can understand.

4 Conditions of Employment

Employment must be based on a formal document such as a working contract or letter of appointment. This document must detail the terms and conditions of employment including wages, period of payment, benefits, leave entitlement and period of notice. The requirements of this code of conduct must not be avoided through fictitious training programs, contract work or similar measures.

5 Health and Safety at Work

The workplace and the practice of the work must not harm employees' or workers' health and safety. A safe and clean working environment shall be provided. Occupational health and safety practices shall be promoted, which prevent accidents and injury in the course of work



or as a result of the operation of employer facilities. These safety practices and procedures must be communicated to the employees as well as to the workers; they have to be trained in its effective usage. The same principles apply to all social facilities and accommodation facilities if provided by the employer.

6 Forced Labour

All employees and workers must take up and maintain their occupation with the company based on their own free will. Any form of slave labour or forced labour, bonded or prison labour is forbidden. Employees must not be curtailed in their personal freedom of movement.

7 Child Labour

Child labour is forbidden as defined by ILO and UN conventions and/or by national law. The age of admission to employment shall not be less than the age of completion of compulsory schooling, and, in any case, not less than 15 years (*or 14 where national law permits in accordance with ILO convention 138*).

Any supplier will be held directly responsible if violations to the prohibition of child labour are detected at his own production units or his subcontractors' facilities. Appropriate measures to improve the situation of the individuals must be taken immediately, considering the age, the social background and the education of the child in order to secure the child's wellbeing in future.

Regulations for the protection of young workers must be followed.

8 Discrimination

All employees and workers have to be treated equally. No discrimination is tolerated on the basis of gender, religion, age, race, social background, caste, nationality, ethnic and national origin, membership in workers' organisations, disability, sexual orientation, political affiliation, or any other personal characteristics.

9 Freedom of Association

It is the right of employees and workers to set up or join workers' organisations of their own choice (including unions) for collective bargaining.

When the right to freedom of association and collective bargaining is restricted by national law, employees and workers shall be allowed to form bodies for the representation of their interest and to enter into direct exchange with the employer (parallel means). In addition, the supplier shall enable and provide alternative options for the independent and free association of collective bargaining.

10 Environment

Business partners e.g. suppliers have to implement adequate measures to prevent or minimize the adverse environmental impacts of their production process. Suppliers will adhere to all applicable environmental protection laws or contractual requirements in respect to the production process as well as to the final product. Suppliers are required to develop an environmental management system to operate, improve and document their environmental performance.



V. Cooperation and Development

In addition to these requirements, we expect business partners to be cooperative and to demonstrate a willingness to support our activities to actively contribute to the development of their countries.

We are determined in our expectation. At the same time we are aware of the difficulties regarding the implementation of some of the standard requirements.

Even if a violation has been made, it is necessary to terminate business with the supplier, we offer our support in finding solutions for difficult situations and for the development of the supplier to make re-establishment of business possible.

Furthermore we consider it to be a matter of prudence and fairness to grant reasonable periods for the development of a partner's performance towards compliance with the standard.

VI. Grievance

Any person who receives information on breaches of this standard or active infringement of the rights as set out and affirmed in this standard, shall contact Kik directly and inform us as detailed as possible about violations.

By e-mail:

socialcompliance@kik-textilien.de

By mail:

KiK Textilien- & Non-Food GmbH
Abteilung Corporate Social Responsibility
Siemensstr. 21

59199 Bönen
Deutschland

Supplier name:

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Name of manager:

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(Block letters)

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Signature (manager)

Place, date.....

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Company stamp