



MARKENVERBAND

Corporate Social Responsibility

Model Code of Conduct of Markenverband

Introduction

Markenverband represents nearly 400 brand-oriented companies in the fast-moving and durable consumer goods industries and the service economy with an annual turnover of approximately 550 million euros.

The member companies of Markenverband are aware of their responsibility as corporate citizens and act accordingly.

This CSR Code of Conduct is a model document for a voluntary commitment tailored to suit the needs of individual companies, whose form is in line with the German Federation of Industry's Agreement on the Mutual Recognition of Codes of Conduct. This Code therefore verifiably satisfies the CSR requirements of a large number of industrial sectors. The corresponding UN, ILO and OECD guidelines act as its common basis.

The voluntary commitment in accordance with this CSR Code of Conduct reflects the efforts of Markenverband's members to make their contribution to the promotion of fair and sustainable standards in the areas working and social conditions, environmental commitment and consumer dialogue. As brand-oriented companies in the fast-moving and durable consumer goods industries and the service economy, they hold the conviction that the highest quality of products and services must be accompanied by the highest level of process quality and that consumers have a right to both.

This Code of Conduct therefore forms the basis for Markenverband's members to continuously improve performance in their production and supply facilities worldwide. At the same time, member companies are at liberty to introduce and implement stricter practices than those established by this Code.

The principles enshrined in this Code apply directly to the company as a whole. In addition, companies are expected to promote the application of this Code across their supply chains.

The signatory company alone is responsible for compliance with the principles enshrined in this Code and for taking any measures necessary in accordance with it to continuously improve its own performance.



Code of Conduct - Requirements

Scope

This Code of Conduct applies to all facilities and business units of the signatory company. The signatory company will at the same time require that its suppliers also comply with the principles enshrined in this Code.

Laws and Regulations

The signatory company complies with applicable laws and regulations of the countries in which it operates and requires that its suppliers do likewise.

Communication

Each company which subscribes to this Code is responsible for communicating its requirements to all of its employees and suppliers. Particular attention is to be paid to groups requiring special protection (e.g. children and young people).

Transparency and Consumer Dialogue

The company recognises the right of consumers to important information relating to products and processes which is required to make an informed purchase decision. Where possible, it will identify the relevant information and make such publicly available.

Corporate Citizenship

The company demonstrates its corporate citizenship by making positive contributions to the communities in which it does business.

Forced labour

No forced labour of any kind, including forced labour in prisons and bonded labour may be used.

Integrity and Anti-Corruption

The signatory company's actions are guided by generally accepted ethical values and principles, in particular by integrity, honesty, respect for human dignity, openness and non-discrimination on the grounds of religion, ideology, gender or ethnicity. The signatory company rejects any form of corruption or bribery as defined by the relevant UN Convention (adopted in 2005). It promotes transparency, acting with integrity and responsible corporate management and control.



Child Labour

No child labour is used. Unless local legislation stipulates a higher age limit, no person who is still of school age or younger than 15 will be employed (subject to the exceptions stipulated in ILO Convention 138). Employees under the age of 18 may not perform any hazardous work and may be exempted from night work in consideration of their educational needs.

Harassment

Employees will not be subjected to any corporal punishment or any other form of physical, sexual, physiological or verbal harassment or abuse.

Compensation and Benefits

Compensation, including wages, overtime and benefits must be equal to or exceed the levels stipulated by applicable laws and regulations. Compensation for full-time employment must be sufficient to meet the employee's fundamental needs.

Working Hours

Unless national regulations stipulate a lower maximum number of working hours, and except in exceptional business circumstances, employees will not be required on a regular basis to work a standard working week in excess of 48 hours per week or total weekly working hours in excess of 60 hours (including overtime). Employees are to be given the equivalent of at least one day off in every 7-day period.

Non-Discrimination

With respect to all employment decisions, including but not limited to hiring and promotion, compensation, benefits, training, redundancies and terminations, all employees will be treated strictly in accordance with their abilities and qualifications.



Health and Safety at Work

To prevent accidents and injuries, employers will provide a safe and healthy working environment and, if necessary, safe and healthy residential facilities, which at a minimum comply with applicable statutory requirements.

Freedom of Association and Collective Bargaining

Employers recognise and respect the statutory right of employees to freedom of association and collective bargaining.

Environment

The company implements and continuously improves environmentally friendly practices in all facilities in which it operates. It meets the environmental protection requirements and standards applicable to its respective facilities and uses natural resources responsibly.

Guidance on the Provisions of this Code

The section is designed to provide subscribers to the Code with examples of practices which are **not** in line with its requirements. The list provided under "Health and Safety at Work" specifies practices to which a company **should** adhere. This list is not exhaustive and is only intended to provide guidance.

Forced Labour

- Prison labour
- Workers tied to their employer as a condition of repaying a debt to the employer or a third party.
- Workers denied the possibility to terminate their employment freely (after giving statutory or reasonable notice).
- Excessive restrictions on freedom of movement
- Workers required to lodge security (e.g., identification papers, work permits, money etc.) with their employer, effectively tying them to the workplace.



Child Labour

- Workers who have not yet reached the statutory minimum age or the minimum age specified in this Code (ILO Convention No. 138).
- Inadequate age verification or documentation procedures
- Employer does not have any provisions or rules in place (with respect to working conditions and working hours) for employees under the age of 18 or does not observe application provisions and rules.
- Children have access to production areas

Harassment

- Verbal or psychological harassment or abuse
- Employer practices corporal punishment

Compensation and Benefits

- Employees are not compensation in accordance with local legislation
- Employees do not receive all obligatory statutory benefits
- Employees to not receive pay slips
- Pay slips do not contain sufficient information
- Compensation is not calculated on the basis of work done

Working Hours

- Working hours exceed maximum working hours permitted by local legislation
- Working hours exceed maximum working hours permitted by this Code
- Employees are not provided with the equivalent of one day off in every 7-day period
- No or inadequate time recording systems in place



Non-Discrimination

- Employees and job applicants are subjected to discriminatory practices

Health and Safety at Work

In this area, the company should have appropriate procedures in place and provide appropriate equipment:

- Health and safety organisation
- First aid
- Fire safety
- Building evacuation
- Personal protective equipment
- Machine guarding
- Hazardous chemicals or substances
- Hygiene
- Ventilation, temperature, humidity and noise
- Housekeeping and cleanliness

Freedom of Association and Collective Bargaining

- Employer infringes employees' guaranteed statutory right to form or join employee organisations
- Discrimination of members or employee organisations/unions

Environment

- Company conduct is not in compliance with Markenverband's Environmental Sustainability Charter