

Supplier Code of Conduct



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Supplier Code of Conduct

AWG Allgemeine Warenvertriebs-GmbH

Table of contents

1. Introduction.....	4
2. Due diligence in the supply and value chain	4
2.1 Our social responsibility.....	4
2.2 Commitment to human and environmental rights.....	4
2.3 Compliance with laws and international regulations.....	5
2.4 Zero-tolerance policy	5
3. Human rights obligations.....	5
3.1 No forced labour	5
3.2 No discrimination in the workplace.....	5
3.3 No exploitation of child labour	6
3.4 Freedom of association and collective bargaining.....	6
3.5 Living wages.....	6
3.6 Working hours.....	6
3.7 Safe and healthy work environment	7
3.8 Legally binding employment relationship and precarious employment	7
3.9 Harmful changes, contamination and consumption	7
3.10 Unlawful eviction	7
3.11 Private and public security forces.....	8
3.12 Omission in breach of duty	8
4. Environmental obligations.....	8
4.1 General	8
4.2 Mercury	8
4.3 Chemicals.....	8
4.4 Waste.....	8
5. Compliance	9
5.1 Ensuring lawful conduct.....	9
5.2 Corruption	9
5.3 Money laundering.....	9
5.4 Fraud.....	9
5.5 Complaints procedure.....	9
6. Subcontractors	10
7. Monitoring and documentation	10
8. Publication.....	10

1. Introduction

AWG Allgemeine Warenvertriebs-GmbH (hereinafter: "AWG") acknowledges the necessity to comply with their due diligence obligations and is fully and expressly committed to respect human and environmental rights. For us, compliance with these rights is an integral part of a trusting and long-term relationship with our contractual partners. In line with our moral values, we expect the same commitment from our business partners (suppliers, producers, service providers and any other business partners).

2. Due diligence in the supply and value chain

2.1 *Our social responsibility*

As an internationally operating company, we acknowledge our responsibility to always carry out the production and manufacturing process as well as any other service provided in compliance with human and environmental rights throughout the entire supply chains. Taking social responsibility for our business activities is one of the most important pillars of our corporate policy. We are long-standing members of many organisations, including:

- Fair Wear Foundation
- International Accord for Health and Safety in the Textile and Garment Industry
- Better Cotton Initiative
- Bündnis für nachhaltige Textilien
- Zero Discharge of Hazardous Chemicals (ZDHC)

2.2 *Commitment to human and environmental rights*

Our Supplier Code of Conduct is based on the international conventions and standards listed below as well as AWG's internal guidelines. Therefore, we commit ourselves and our business partners to comply with the following standards:

- United Nations Universal Declaration of Human Right (UDHR)
- Core Labour Standards of the International Labour Organisation (ILO)
- United Nations Convention on the Rights of the Child (UN-CRC),
- United Nations Convention on the Rights of Women (UN-CEDAW),
- Guidelines of the Organisation for Economic Cooperation and Development (OECD),
- Minamata Convention
- POPs Convention

2.3 Compliance with laws and international regulations

AWG expects its business partners, regardless of whether they are direct or indirect suppliers of goods or services, to comply with the international conventions, guidelines and all applicable statutory provisions provided herein.

If different statutory provisions or other rules apply in individual countries in which the business partner operates, the stricter requirements must be respected. AWG also expects its business partners to comply with all applicable compliance laws and regulations, in particular anti-corruption, money laundering, fraud and general regulations on prohibited business practices.

2.4 Zero-tolerance policy

We observe a zero-tolerance policy. Violations of laws and international regulations as well as human and environmental rights can lead to the cancellation of the contractual relationship and the termination of the cooperation, in particular in the event of violations of the above human and environmental rights.

3. Human rights obligations

3.1 No forced labour

Business partners must not use or tolerate any form of forced labour, such as serfdom, slavery or work similar to slavery, or involuntary activities that potentially or actually constitute forced labour as defined in the core convention of the International Labour Organization (ILO). These include, but are not limited to, restrictions on freedom of movement, withholding identity documents or wages. Business partners run the risk of being accused of complicity with these practices if they benefit from or tolerate such forms of labour by their business partners. Business partners must allow their employees to leave their position and voluntarily terminate their employment, provided that they notify their employer with due notice. They must ensure that employees are not subject to inhuman or degrading treatment, corporal punishment, mental or physical coercion or abuse of any kind.

3.2 No discrimination in the workplace

Recruitment, remuneration, access to training and further education, employee policies for promotions, dismissals, retirement as well as any form of employment relationship must be based on the principle of equality. Business partners must not discriminate against employees on grounds of ethnic origin, gender, religion or belief, disability, age, trade union membership or sexual identity. Discrimination must be prevented or eliminated. In particular, business partners must not harass, discipline, humiliate or disrespect employees for any of the above reasons.

3.3 No exploitation by child labour

Child labour in any form, whether direct or indirect (e.g. through the use of subcontractors or day labourers), is prohibited. The minimum age of employees must not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years. There must be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children. Business partners must establish appropriate and verifiable age verification mechanisms as part of the recruitment process. Young people between the ages of 15 and 18 may not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.

Business partners must ensure that their working hours are not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received.

Business partners must establish necessary mechanisms to prevent, identify and mitigate harm to young employees, with a particular focus on young employees' access to effective complaints procedures. It is crucial that young people are adequately protected and have the opportunity to express themselves freely when their rights are violated.

3.4 Freedom of association and collective bargaining

Business partners respect the rights of employees to assemble, organize and bargain collectively in a lawful and peaceful manner. Employees have the right to negotiate as a group with their employer. Business partners may not punish employees who express their opinions and wishes. If the right to freedom of association and collective bargaining is restricted by law, business partners may not impede other forms of collective bargaining and employees' organisations. Employees' representatives must not be discriminated against and must be granted access to all workplaces where such access is necessary to enable them to carry out their duties.

3.5 Living wages

Wages must at least correspond to the customary statutory or industry minimum and must always be sufficient to satisfy the basic needs of employees and their families and provide them with a certain amount of freely disposable income (ILO Conventions 26 and 131). Business partners must pay the wages on time, regularly and without deduction using legal tender. The level of wages should correspond to the skills and level of training of employees and relate to regular working hours. Deductions from wages as a disciplinary measure are not permitted, and neither are deductions not provided for by applicable law. All business partners must adequately and clearly inform the employees of the wage components, including the wage rate and the period for which the wage is paid.

3.6 Working hours

Working hours must comply with the applicable statutory provisions and industry standards. Business partners may not require employees to regularly work more than 48 hours per week.

Business partners must grant employees at least one day off within a period of seven days. Overtime must be voluntary, must not exceed 12 hours per week and must not be requested on a regular basis. An overtime allowance must be paid in addition to the wage for any overtime worked.

3.7 *Safe and Healthy Work Environment*

Each business partner is responsible for ensuring a safe and hygienic working environment that meets the relevant standards. This includes the promotion of occupational health and safety strategies based on the current state of knowledge regarding specific hazards. The business partner must ensure that employees receive adequate medical care and that facilities such as drinking water sources and sanitary facilities are freely accessible. In addition, appropriate fire safety precautions, adequate lighting and ventilation are required. In the event of imminent danger, employees must have the right to leave the premises without prior consent. The protection of employees' accommodation is also of great importance, including protection against foreseeable emergencies. Physical or verbal abuse and harassment of any kind is strictly prohibited.

3.8 *Legally binding employment relationship and precarious employment*

Business partners must ensure that their employees work in an environment free from any uncertainty, or social or economic risk. The activities must be based on a recognised and documented employment relationship that complies with national legislation. Before starting employment, employees must be clearly informed about their rights, obligations and working conditions.

Business partners may not create employment that deliberately circumvents the legal purpose. Training programmes must not be used as a pretext for circumventing labour laws, and temporary employments must be avoided if they jeopardise employees' rights. Younger employees must have the opportunity to participate in education and training programs, and the use of subcontractors must not serve to undermine employees' rights.

3.9 *Harmful changes, contamination and consumption*

It is the duty of each business partner to avoid harmful soil change or harmful noise emission. Likewise, they must ensure that no water or air pollution is caused, and excessive water consumption is avoided.

3.10 *Unlawful eviction*

Unlawful eviction due to acquisition, development or other use of land, forests or waters is strictly prohibited.

3.11 Private and public security forces

Business partners may only use private or public security forces in exceptional cases if this is necessary for the security of operations. In such cases, the security forces must respect human rights, and the business partner is obliged to ensure that these forces do not commit human rights violations. Before using public security forces, they must be checked for human rights violations, and appropriate training and monitoring mechanisms must be implemented.

3.12 Omission in breach of duty

The business partners must omit measures that could constitute a human rights violation. This includes both acts and omissions that could lead to human rights violations.

The business relationship between AWG and their suppliers is based on compliance with these guidelines and standards.

4. Environmental obligations

4.1 General

Each business partner must ensure that all environmental regulations applicable in the country in which the business activity takes place are complied with. This includes the availability of all necessary environmental approvals and licenses for the cooperation. Furthermore, each business partner undertakes to continuously reduce emissions and negative environmental impacts both in the production process and in the supply chains.

4.2 Mercury

In the course of their business activities, each business partner is required to comply with the prohibition of the manufacture of mercury-added products, the use of mercury and mercury compounds in manufacturing processes and the treatment of mercury waste in accordance with the relevant international conventions.

4.3 Chemicals

Business partners must ensure that their services comply with the prohibition of the production and use of certain chemicals in accordance with the relevant international conventions.

4.4 Waste

In all activities involving the handling, collection, storage or disposal of waste containing persistent organic pollutants, the business partners must comply with the provisions of the relevant international conventions.

5. Compliance

5.1 Ensuring lawful conduct

Each business partner is obliged to take appropriate measures to ensure compliance with statutory provisions, international conventions and guidelines. This may include the implementation of a code of conduct, or training and awareness-raising measures.

5.2 Corruption

During the business relationship, each business partner is prohibited from taking action that could illegally influence the decision-making of AWG or third parties. Corruption includes, but is not limited to, bribery, corruption, acceptance of an advantage and granting of an advantage.

5.3 Money laundering

The business partners must ensure that they are not involved in money laundering activities and that they are not subject to sanctions. Any knowledge of money laundering activities must be reported to AWG without delay.

5.4 Fraud

The business partners are prohibited from engaging in fraudulent activities aimed at obtaining a pecuniary advantage by deception. Any knowledge of fraudulent activities must be reported to AWG without delay.

5.5 Complaints procedure

AWG established a complaints procedure that enables employees, business partners and other stakeholders to report violations of human rights, environmental rights or the Code of Conduct. This can be done anonymously, and all reports will be kept confidential. Any employee, business partner, or temporary agency worker from their supply and value chains, as well as any customer and other third party, may report violations of human rights, environmental rights or this Code of Conduct at any time

by email to: Compliance@awg-mode.de

by mail to: AWG Allgemeine Warenvertriebs-GmbH
Immanuel-Maier-Straße 2,
D-73257 Köngen

online: <https://www.awg-mode.de/Unternehmen/Lieferkettensorgfaltspflichten/>
<https://awg-mode.crefosupply.de/>

6. Subcontractors

Business partners may only commission subcontractors in consultation with AWG if they have also signed the Code of Conduct and AWG has approved the commissioning of the respective subcontractor. Compliance with the Code of Conduct by subcontractors is thus an integral part of the business relationship.


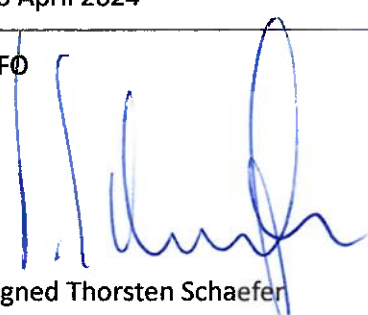
7. Monitoring and documentation

Each business partner agrees that AWG and third parties authorised by them may verify compliance with the Code of Conduct. This includes, but is not limited to, unannounced inspections of production conditions and employee accommodation, as well as inspection of relevant records and books. All required documents must be kept on site to prove compliance with the Code of Conduct.

8. Publication

Business partners undertake to ensure that the provisions of the Code of Conduct are communicated to the employees. This can be done by posting the relevant documents or by other means of communication. The documents must be accessible to employees at all times.

We, [company name and address], hereby confirm that we have fully understood the AWG Supplier Code of Conduct. We warrant that both we and our subcontractors, direct and indirect suppliers and service providers as well as factories and their subcontractors comply with this Supplier Code of Conduct and implement appropriate measures.

Supersedes the version of :	First version
Effective as of:	30 April 2024
CEO  signed Michael Hövelmann	CFO  Signed Thorsten Schaefer