



**GEBRA Nonfood Handelsgesellschaft mbH & Co. KG**

**Supplier Code of Conduct January 2015**

## **The Scope of GEBRA's Code of Conduct**

For Gebra Nonfood Handelsgesellschaft mbH & Co KG, it is important to take responsibility. In order to clarify our expectations concerning this matter to our suppliers, we have established this Code of Conduct.

The GEBRA Code of Conduct is the mandatory basis for all our national and international business relationships with suppliers, their subcontractors and business partners. Throughout the Code of Conduct, the terms "supplier" and "factory" are used, standing as universal terms for our suppliers, subcontractors and business partners and their premises. Furthermore, the term "GEBRA" is used for Gebra Nonfood Handelsgesellschaft mbH & Co KG.

GEBRA expects suppliers to make improvements when the Code of Conduct standards are not met and implement sustainable management systems to ensure ongoing compliance. It is our supplier's responsibility to involve all of their business partners so they follow this Code of Conduct.

It is our intention to work with suppliers that share our values. By signing this Code of Conduct, the supplier allows us, GEBRA and all corresponding business partners, to perform regular visits to verify that working conditions meet our requirements.

### **1. Compliance with legislation**

Our general rule is that our suppliers shall comply with relevant national laws in the country in which they are operating. Should any of the following requirements conflict with national legislation in any country, the law in that country takes precedence over this Code of Conduct. In such cases, GEBRA shall be informed immediately in order to decide how to proceed further.

Some sections of this Code of Conduct may be more stringent than some national laws. It is important to understand that we always expect our suppliers to apply the highest standards.

## **2. Employment is freely chosen**

2.1 There are usually 3 forms of forced labor:

-Prison labor refers to the work performed by prisoners that is part of their sentence and usually not compensated.

-Indentured labor refers to the work performed by a worker contractually bound to an employer for a certain period of time.

-Bonded labor refers to an illegal practice in which employers give high-interest loans to workers who then have to work at low wages to pay off their debt.

GEBRA does not tolerate the use of any form of forced labor.

2.2 Employees are not required to lodge any type of “deposits” as a condition of employment. The employee’s right to leave the workplace shall not be restricted.

## **3. Freedom of association and the right to collective bargaining are respected**

3.1 So employees can voice their comments/concerns, suppliers should encourage open communication between workers and management, while respecting the right of employees to associate, organize and bargain collectively.

3.2 Suppliers shall not threaten, penalize, restrict or interfere with employees’ lawful efforts to join associations.

3.3 Workers' representatives are not discriminated against and should be able to carry out their representative functions in the workplace.

3.4 In places where the right of freedom of association and collective bargaining are restricted by law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

#### **4. Working conditions shall be healthy and safe**

- 4.1 Suppliers shall provide a safe and hygienic working environment to prevent accidents and injury to health arising out of, linked with, or occurring during the course of work or as a result of operating suppliers' facilities.
- 4.2 Suppliers shall also ensure that these same standards apply to any dormitory or canteen facilities.
- 4.3 As a minimum, building, including structural, fire and electrical safety standards shall comply with local laws and regulations. In addition to them, all suppliers located in Bangladesh need to follow the Accord requirements.
- 4.4 Access to clean and fully equipped toilet facilities and to potable (safe drinking) water, and, if appropriate, sanitary facilities for food storage, shall be provided.
- 4.5 Employees shall receive regular and recorded health and safety training, to be repeated for new or reassigned workers. All employees should be aware of the safety arrangements in the factory, such as where to find emergency exits, fire extinguishers, first aid equipment, etc.
- 4.6 Suppliers shall assign responsibility for health and safety to a senior management representative.

#### **5. Child labor is not tolerated**

- 5.1 Suppliers shall not engage in or support the use of child labor as defined in ILO Convention C138 and/or C182.
- 5.2 Factories shall only employ workers who meet the applicable minimum legal age requirement or are at least 15 years of age, whichever is greater. This specified age shall not be less than the age of completion of compulsory schooling.

- 5.3 All official documentation stating each worker's age shall be available for review. In those countries where official documents are not available to confirm the exact date of birth, factories shall confirm worker's ages using appropriate and reliable assessment methods.
- 5.4 Young workers under 18 shall not be employed at night or in hazardous conditions.
- 5.5 Suppliers shall develop or participate in, and contribute to, policies and programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child.

## **6. Appropriate wages and benefits shall be provided to all workers**

- 6.1 Every employee has the right to receive an income that meets his or her basic needs. The minimum wage required by local governments should be the minimum requirement, but not a recommended level.
- 6.2 Suppliers shall provide employees with all legally mandated benefits including annual leave and holidays as stipulated by law.
- 6.3 All employees shall be paid regularly and on time. In addition to their compensation for regular working hours, employees shall be compensated for overtime at a premium rate. Piece-rate workers shall not be exempt from the right to receive overtime compensation.
- 6.4 All workers shall be provided with written and understandable information about their employment conditions, including wages and benefits, and payment periods, before they enter employment.
- 6.5 Neither wage deductions as a disciplinary measure nor any any deductions from wages not provided for by national law shall be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded.

## **7. Working hours are not excessive**

- 7.1 Working hours, as well as regular days off, shall comply with national laws and not exceed the legal maximum according to industry standards, whichever affords greater protection.
- 7.2 While it is understood that overtime is required from time to time, overtime shall be voluntary and based on mutual agreement with workers. In any event, overtime shall not exceed 12 hours per week and shall not be demanded on a regular basis.
- 7.3 Suppliers shall record all employees' working hours completely and accurately, and time records for all workers shall be available for review.

## **8. No discrimination is practiced**

- 8.1 Factories should only employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs.
- 8.2 No person shall be subject to any employment discrimination, including hiring, salary, benefits, access to training, advancement, discipline, termination or retirement on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social or ethnic origin, maternity or marital status.
- 8.3 All employees shall receive equal remuneration for work of equal value, equal evaluation of the quality of their work and equal opportunities to fill all open positions.
- 8.4 Factories shall provide appropriate services and accommodation to female workers in connection with pregnancy, child birth and nursing. Employees taking parental leave shall be entitled to return to their employment under the same terms and conditions that applied to them prior to taking leave.

## **9. No harassment or abuse is allowed**

- 9.1 Employees shall be treated with respect and dignity.
- 9.2 Factories shall not engage in or permit physical acts to punish or coerce workers, nor should they engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.

## **10. Environment**

- 10.1 Suppliers and their business partners shall comply with environmental rules, regulations and standards applicable to the workplace, manufactured products and manufacturing methods, and shall observe environmentally-conscious practices in the locations where they operate and in the materials they use. Suppliers and their business partners are also expected to treat the land they use for whatever purpose in a respectful way that does no long-term damage to it and to be respectful of the diversity of the plant and animal life with which they share it.
- 10.2 Our environmental and social criteria are equally important. Therefore, environmental criteria shall be assessed in the same way as the social standards.
- 10.3 The supplier should have a written environmental policy, signed by the managing director.
- 10.4 The supplier shall have an overview and copies of applicable local and national environmental laws and regulations and other (client) requirements pertaining to the environment.
- 10.5 The supplier should have a basic management control in place to periodically review and prioritize his environmental aspects and performance, and set targets for reducing its top priority environmental aspects.

- 10.6 The supplier shall train workers (including temporary employees and executives) on relevant environmental matters at least on an annual basis.
- 10.7 Each supplier is required to follow the chemical restrictions of the target countries for each order placed by GEBRA. This includes the GEBRA MRSL (Manufacturing Restricted Substances List for Textiles and Shoes) as well as the European REACH restrictions, US-CalProp 65 and others as applicable. When the supplier has a choice between two chemicals that serve the same purpose, he should choose that one that is less harmful to the environment. The supplier shall keep records of the amount and type of hazardous substances used on site by having an MSDS available.
- 10.8 Hazardous substances shall be clearly marked and stored on second containers and, where possible, handled only above an impermeable floor. The supplier shall have a list of all above ground and underground storage tanks. Tanks should be inspected and maintained on a regular basis to avoid leakage. Hazardous waste has to be monitored and minimized. It has to be undertaken in a safe way.
- 10.9 Employees shall receive appropriate training, at least annually, in handling chemicals in case of normal activities and in case of calamities, including use of personal protection equipment.
- 10.10 Suppliers are required to follow detox guidelines and ensure that the quality of the discharged water meets detox parameters or, at minimum, those stipulated in local and national regulations and/or in the water discharge permit. To achieve this, the quality of the discharged water shall be monitored through periodic testing. Testing frequency shall, at a minimum, meet legal requirements.

## **11. Code and system implementation**

- 11.1 Suppliers are expected to implement and maintain the necessary systems in order to ensure compliance with this code. Suppliers should appoint one management contact per factory responsible for implementing this Code of Conduct and communicating the Code and its implications to all factory

employees. Suppliers should, where reasonably practicable, extend the Code principles through their own supply chain. This implementation system is a necessary and integral part of this GEBRA Supplier Code of Conduct. The implementation system at the supplier and subcontractor level should include the commitment to this GEBRA Supplier Code of Conduct, a management system, an internal monitoring system, worker training, and an education and worker-complaint mechanism.

- 11.2 Suppliers shall maintain on file all documentation needed to demonstrate compliance with this Code of Conduct and required social and environmental laws. Suppliers shall agree to make these documents available to GEBRA, its authorized agencies or designated auditors and submit to assessments and audits with or without prior notice.
- 11.3 Suppliers shall not assign any work to parties other than those contracted by GEBRA.
- 11.4 As a condition of doing business with GEBRA, each and every factory involved in the manufacturing of GEBRA products shall comply with the GEBRA Supplier Code of Conduct. In order to verify this, suppliers shall permit, at any time, assessments and audits of all the factories involved in the manufacturing of GEBRA products by GEBRA employees, their authorized agencies and/or accredited auditors. As part of the monitoring process, accredited auditors shall be allowed to conduct interviews with workers on a confidential basis and inspect premises.
- 11.5 Should we find that a supplier does not comply with our Code of Conduct, we will ask him to take corrective action within an agreed-upon time frame. Should serious non-compliances not get corrected by the supplier immediately, GEBRA reserves the right to take appropriate measures, including the possibility of termination of contract.
- 11.6 A copy of this GEBRA Supplier Code of Conduct, translated into all the native languages of the employees, shall be notified and displayed in a prominent place accessible to all employees inside each facility where GEBRA products are being manufactured.