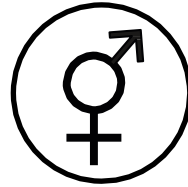


Principles of the Code of Conduct



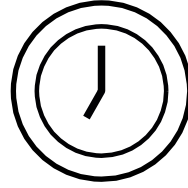
The rights of freedom of association and collective bargaining



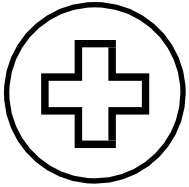
No discrimination



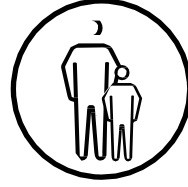
Fair remuneration



Decent working hours



Occupational health and safety



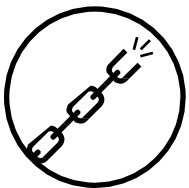
No child labour



Special protection for young workers



No precarious employment



No bonded labour



Protection of the environment



Ethical business behaviour

I. Introduction

This Code of Conduct is applicable to all suppliers of CWS Group, their subcontractors and other business partners and ensures that working conditions in the supply chain are safe, that workers are treated with respect and dignity, and that our supply processes are environmentally sustainable.

The CWS Group understands Corporate Responsibility as an integral part of its business model. We are committed to the environment, to people and society in every part of the CWS world, including our supply chain.

In line with the CWS values People, Integrity, Sustainability, Quality, Passion for Service and Drive for Results, our principles for responsible sourcing are to:

- 1. Provide a safe, healthy and fair workplace**
- 2. Offer sustainable services by handling natural resources with care and improving our environmental profile even more to minimise the impact on the environment**
- 3. Conduct our business with responsibility, integrity and respect, maintaining high ethical standards**

II. Preamble

This code of conduct is a set of principles and values that reflect the beliefs of the CWS Group and the expectations we have towards our business partners.

The Code of Conduct is based on international standards, such as the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Corporations, the International Labour Organization (ILO) Core Labor Standards, and the Ten Universal Principles of the UN Global Compact.

The CWS Group Code of Conduct serves to ensure compliance with the corporate duty of care in the supply chain. Business partners who adopt the Code of Conduct are obliged to comply with the principles set out in this document and to fulfil their responsibility to respect human rights within their sphere of influence.

Business partners are obliged to report any suspicion of a violation of the Code of Conduct. The notification shall be made with due regard for the legitimate interests of the supplier or its subcontractor and with due regard for the rights of its employees, in particular data protection and the protection of business secrets. Furthermore, business partners undertake to pass on this information to their employees.

The report can be made via our HelpLine at: www.speakupfeedback.eu/web/cwsexternal.

III. Our values

By endorsing the CWS Group's Code of Conduct and communicating it to their supply chain, of the CWS Group's business partners are guided by the following values:

- **Continuous improvement:**

The CWS Group's business partners undertake to implement the Code of Conduct in a step-by-step development approach. The CWS Group expects its business partners to ensure the continuous improvement of working conditions within their organisations.

- **Cooperation:**

By working together and taking a common approach, the CWS Group's business partners will have a greater impact on, and better chance of improving working conditions in their supply chains. The value of cooperation is equally important in the relationship with the business partners in the supply chain, particularly those that need support in order to improve. Likewise, the spirit of cooperation is also critical in the relationship between business and affected stakeholders at different levels.

- **Empowerment:**

A central goal of the CWS Group is to empower its business partners and their suppliers. This applies in particular to the suppliers to be monitored, so that they expand their supply chains while respecting human and labour rights and provide the business units in the supply chain with the tools they need to sustainably improve working conditions. The development of internal management systems plays a crucial role in embedding the CWS Group's principles within the corporate culture.

IV. Implementation

The principles set out in this CoC represent the aspirational goals and minimum expectations that the CWS Group has with regard to its supply chains' social conduct.

- **Code Observance**

Obeying domestic laws is the first obligation of business enterprises. In countries where domestic laws and regulations are in conflict with, or set a different standard of protection than the Code of Conduct, business enterprises should seek ways to abide by the principles that provide the highest protection to the workers and environment.

- **Supply Chain Management and Cascade Effect**

The CWS Group reaffirms its efforts to influence social change in its supply chains through its purchasing activities. It shapes its relationships with all business partners in a responsible manner and expects the same in return. This requires a collaborative approach in which each business (a) engages its respective business partners; (b) takes all reasonable and appropriate actions within its sphere of influence that are necessary to implement the Due Diligence Act in the supply chain; and (c) shares information to identify in a timely manner any challenges that require mitigation.

The CWS Group and its business partners and their business partners strive to further detail the root causes of any such adverse impact in human rights, particularly when sourcing from high-risk regions or sectors. So as to embed this responsibility, business enterprises should act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights impacts that may be detected in the supply chain.

Terminating a business relationship or an individual contract with a business partner because he struggles to implement the Code of Conduct is considered a last resort. However, it may be necessary to terminate a business relationship or individual contract if the business partner fails to act in a manner consistent with the principles set out in the Code of Conduct, and/or when the business partner is unwilling to undertake the measures needed to fulfill any of the obligations set out in and/or inherent to the Code of Conduct.

V. Principles

The CWS Group expects all their business partners to observe the Code of Conduct. Furthermore, any business partners that are monitored against the principles below are to show evidence that they take (a) all necessary measures to ensure their own observance of the Code of Conduct and (b) reasonable measures to ensure that all of their business partners involved in the production process(es) observe the Code of Conduct.

- **The rights of Freedom of Association and Collective Bargaining Business partners shall:**

(a) respect the right of workers to form unions in a free and democratic way; (b) not discriminate against workers because of trade union membership and (c) respect workers' right to bargain collectively.

Business partners shall not prevent workers' representatives from having access to workers in the workplace or from interacting with them.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, business partners shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

- **No Discrimination**

Business partners shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

- **Fair remuneration**

Business partners observe this principle when they respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted, without prejudice to the specific expectations set out hereunder.

Business partners shall comply, as a minimum, with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages is to reflect the skills and education of workers and shall refer to regular working hours.

Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

- **Decent Working Hours**

Business partners observe this principle when they ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. However, the BSCI recognises the exceptions specified by the ILO.

Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO.

In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

The use of overtime is meant to be exceptional, voluntary, paid at a premium rate of not less than one and one-quarter times the regular rate and shall not represent a significantly higher likelihood of occupational hazards. Furthermore, business partners shall grant their workers with the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

- **Occupational Health and Safety**

Business partners observe this principle when they respect the right to healthy working and living conditions of workers and local communities, without prejudice to the specific expectations set out hereunder. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.

Business partners shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced.

The active co-operation between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment. This may be achieved through the establishment of Occupational Health and Safety Committees.

Business partners shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to health and safety of workers. They shall take effective measures to prevent workers having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace.

Business partners will seek improving workers protection in case of accident including through compulsory insurance schemes.

Business partners shall take all appropriate measures within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including residential facilities to workers when they are provided by the employer as well as to protect against any foreseeable emergency. Business partners shall respect the workers' right to remove themselves from imminent danger without seeking permission.

Business partners shall ensure adequate occupational medical assistance and related facilities.

Business partners shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. Furthermore, business partners shall always provide effective Personal Protective Equipment (PPE) to all workers free of charge.

- **No Child Labour**

Business partners observe this principle when they do not employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognised by the ILO apply.

Business partners must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker.

This principle aims to protect children from any form of exploitation. Special care is to be taken on the occasion of the dismissal of children, as they can move into more hazardous employment, such as prostitution or drug trafficking. In removing children from the workplace, business partners should identify in a proactive manner, measures to ensure the protection of affected children. When appropriate, they shall pursue the possibility to provide decent work for adult household members of the affected children's family.

- **Special protection for young workers**

Business partners observe this principle when they ensure that young persons do not work at night and that they are protected against conditions of work which are prejudicial to their health, safety, morals and development, without prejudice to the specific expectations set out in this principle.

Where young workers are employed, business

partners should ensure that (a) the kind of work is not likely to be harmful to their health or development; (b) their working hours do not prejudice their attendance at school, their participation in vocational orientation approved by the competent authority or their capacity to benefit from training or instruction programs.

Business partners shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers; with special attention to the access young workers shall have to effective grievance mechanisms and to Occupational Health and Safety trainings schemes and programmes.

- **No Precarious Employment**

Business partners observe this principle when, without prejudice to the specific expectations set out in this chapter, (a) they ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers; (b) work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection.

Before entering into employment, business partners are to provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Business partners should aim at providing decent working conditions that also support workers, both women and men, in their roles as parents or caregivers, especially with regard to migrant and seasonal workers whose children may be left in the migrants' home towns.

Business partners shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes - but is not limited to - (a) apprenticeship schemes where there is no intent

to impart skills or provide regular employment, (b) seasonality or contingency work when used to undermine workers' protection, and (c) labouronly contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

- **No bonded labour**

Business partners shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour.

Business partners will risk allegations of complicity if they benefit from the use of such forms of labour by their business partners.

Business partners shall act with special diligence when engaging and recruiting migrant workers both directly or indirectly.

Business partners shall allow their workers the right to leave work and freely terminate their employment provided that workers give reasonable notice to the employer.

Business partners shall ensure that workers are not subject to inhuman or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

All disciplinary procedures must be established in writing, and are to be explained verbally to workers in clear and understandable terms.

- **Protection of the Environment**

Business partners observe this principle when they take the necessary measures to avoid environmental degradation, without prejudice to the specific expectations set out in this chapter.

Business partners should assess significant environmental impact of operations, and establish effective policies and procedures that reflect their environmental responsibility. They will see to implement adequate measures to prevent or minimise adverse effects on the

community, natural resources and the overall environment.

- **Ethical Business behaviour**

Business partners observe this principle when, and without prejudice to the goals and expectations set out in this chapter, they are not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery – including but not limited to – the promising, offering, giving or accepting any improper monetary or other incentives.

Business partners are expected to keep accurate information regarding their activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices.

Business partners should neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain.

Furthermore, they should collect, use and otherwise process personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care. The collection, use and other processing of personal information is to comply with privacy and information security laws and regulatory requirements.

In addition to the quoted principles of the Code of Conduct in § V the CWS Group is DIN ISO 14001 certified and commits to high environmental standards. We therefore want to work with our suppliers to set and respect responsible sourcing policies (§ VI).

VI. Additional environmental requirements

Our commitment to the environment is a long term priority. That's why we expect our Business partners to maintain effective policies, processes and procedures to manage their environmental impact.

- **Comply with all applicable laws and regulations and take necessary preparations for future developments**

Business partners must obtain, maintain and keep current all required environmental permits and registrations and follow the requirements of such permits.

Furthermore, we encourage our business partners to strive for continuous improvement in the following areas:

- **Hazardous substances**

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or re-use and disposal.

- **Water and Wastewater treatment**

Water is a scarce resource in many parts of the world and should be used as efficiently as possible. We therefore encourage our business partners to save resources wherever possible and monitor actively their use of water. If possible, water should be re-used or recycled in production. All outgoing wastewater must meet the requirements in local legislation.

- **Waste management**

Endeavor to reduce the waste generated from all areas in production and administration. Any waste must be taken care of in a responsible manner and in accordance with local law.

- **Use of raw materials**

The CWS Group strives to reduce the amount of natural resources and raw materials used within its own operations as well as the entire supply chain. We therefore encourage a careful use of resources and expect our Business partners to reduce the use of natural resources and make use of recycled materials wherever possible.

Furthermore, a regular review of all relevant processes and improvements needs to be en-

sured and documented in writing.

- **Use of Energy**

The CWS Group wants to minimise its contribution to climate change and obtain insight in the greenhouse gas emissions in its supply chain. We therefore expect our Business partners to save and monitor the entire energy consumption within their processes. Combustion generated from operations are to be characterised, monitored, controlled and treated as required prior to discharge.

- **Environmental trainings**

Continuous improvement of our environmental performance is important to us. People are key to this process. We therefore encourage our Business partners to provide relevant trainings and information about environmental concerns to all employees.

- **Ethics**

The supplier shall ensure that corruption, in whatever form, does not take place, including coercion or bribery or less serious influence peddling. All materials and services must comply with national and international laws and agreements.

Therefore, the CWS Group encourages all suppliers to adopt and enforce corporate policies that require compliance with ethical business practices based on these principles.

Date

Name of company

Signature, Company Stamp/Seal

Name

Address

This document must be signed by a duly authorised representative of the company and returned to the CWS Group.