

# Code of Conduct

This WORTMANN Group Code of Conduct includes the amfori BSCI Code of Conduct, version 1/2020.

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# Preamble

We, the WORTMANN Group, are intensively concerned with our responsibility and the sustainability of our business activities. We endeavor to minimize negative effects further and further and it is our endeavor to constantly improve the conditions of all parties involved along our production chain. We are aware of our responsibility towards environmental compatibility and social acceptance. In order to explain our position to our business partners and all companies along our supply chain, to our staff and to other parties, we have drawn up this WORTMANN Group Code of Conduct (Version 2019). This Code of Conduct is a non-negotiable requirement that all WORTMANN Group business partners and companies along our supply chain must comply without exception.

As a member of the amfori Business Social Compliance Initiative (amfori BSCI) we follow with this Code of Conduct the latest principles of amfori BSCI, which are based upon international agreements such as the Universal Declaration of Human Rights, the guidelines on Children´s Rights and Business Principles, the UN Guiding Principles, the UN Global Compact and the conventions and recommendations of the International Labour Organisation (ILO). We

intend to introduce and further develop these principles in close cooperation with our business partners and all parties along the supply chain. Therefore, it is essential to follow these international agreements. In case of non-fulfilment, we will not simply terminate the business relationships, but with a view to the improvements of the working conditions along the supply chain, we will try to work out a solution together.

Our main aspiration is that all WORTMANN Group business partners, also sub-contractors and companies along the supply chain must follow the principles laid down in this Code of Conduct in everything they do. If one of our principles is less than a country or region law, than the higher standard will apply. In such case, the business partners must notify the WORTMANN Group immediately.

A handwritten signature in black ink, appearing to read 'Jens Beining', is positioned above the name and title.

**JENS BEINING**

CEO WORTMANN Group Schuh-Holding KG

A "WORTMANN Group business partner" is a contractual partner who is responsible for a product, process or service and who, because of its position in the supply chain, can ensure that the social standards are met. This definition can apply to man-uufacturers, distributors, importers, assemblers, service providers etc.

A "sub-contractor" is an economic entity along the supply chain that, either directly or indirectly, provides the supplier with goods and/or services that the supplier uses in and/or for the production of the goods or provision of the services and that are essential in that context.

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## 1. Workers Involvement and Protection

Business enterprises should establish good management practices that involve workers and their representatives in sound information exchange on workplace issues, and allow for appropriate measures for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct. Business enterprises should take specific steps to make workers aware of their rights and responsibilities.

In addition, business enterprises are required to build sufficient competence among employers, managers, workers and workers representatives in order to embed these practices in the business operation successfully. Continuous education and training at each level of work is essential, particularly with regard to Occupational Health and Safety.

Business enterprises should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Even where judicial systems are effective and well-resourced, grievance mechanisms may offer particular advantages such as speed of access and remediation, reduced costs and transnational reach.

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## 2. 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.

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## 3. 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.

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## 4. 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.

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## 5. 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 amfori BSCI recognizes 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.

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## 6. 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 the health and safety of workers. They shall take effective measures to prevent workers from 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 these are provided by the employer as well as to protect against any foreseeable emergency. Business partners shall respect the workers' right to exit the premises 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.

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## 7. 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.

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## 8. 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) labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

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## 9. 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 and 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 inhumane 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.

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## 10. 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.

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## 11. 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 of any improper monetary or other incentive.

Business partners are expected to keep accurate information regarding their activities, structure and perfor-

mance, 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.

# Epilogue

To check compliance with the WORTMANN Group Code of Conduct, the WORTMANN Group will also use independent auditors for social and environmental audits on behalf of the WORTMANN Group. The various WORTMANN Group business partners will be subject to different implementation conditions, which depend upon their role in the supply chain.

We, the WORTMANN Group, reserve the right to monitor compliance with this Code of Conduct by systematic, unannounced inspections. These inspections will be conducted by members of the WORTMANN Group or independent auditors, pursuant to the Business Social Compliance Initiative (BSCI) guidelines.

The WORTMANN Group Code of Conduct sets forth the principles which the WORTMANN Group business partners and sub-contractors along the supply chain are expected to fulfil.

We know that some of these expectations cannot always be met right away by everyone. For the WORTMANN Group, it is important that in case of non-compliance, the WORTMANN Group business partners and sub-contractors along the supply chain take all the necessary steps to improve the situation and observe these principles in due course. How long this is allowed to take will depend upon the type of corrective action and the degree of risk, and must be agreed with the WORTMANN Group.

If there are repeated breaches of this Code of Conduct without the WORTMANN Group business partners or sub-contractors along the supply chain taking corrective action, we would feel obliged to terminate the cooperation.

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Place/Date

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Supplier's legally binding signature