



## Preamble

FOND OF GmbH (hereinafter “FOND OF”) declares that we are engaged in ensuring human rights and fair labour conditions along our supply chain and promote active environmental protection. That is the reason why we demand our partners to follow this code of conduct and to monitor their subcontractors to act accordingly.

Our code of conduct is oriented on internationally recognised principles for the protection of human and labour rights as set out in the United Nations Universal Declaration of Human Rights, the ILO (International Labour Organisation) Core Labour Standards, the United Nations Sustainable Development goals, the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises. Furthermore, the code draws on relevant international agreements on protection of the environment.

By demanding the compliance with this code of conduct, we support the objective of implementing human rights as well as labour, social and ecological standards in economic value creation processes. By orienting our corporate behaviour on the principles formulated in these international agreements, we want to make a contribution in this respect. We do so in the knowledge that this is a long-haul process for whose success constructive and pragmatic cooperation between state institutions, stakeholders in society and companies is essential.

### 1. Fundamental understanding of socially responsible business management

#### *i. Legal compliance*

We comply with the laws of all countries in which we do business. We take care to comply with the principles of the present code of conduct in our own actions – in particular in countries with a weak governance structure – and also encourage our business partners to do likewise.

Where current national provisions are in contradiction with the content of this code of conduct or the domestic context makes it impossible to meet the responsibility for respecting human rights without restriction, we should nevertheless find ways of complying with the principles on internationally recognised human rights and the content of the present code of conduct.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

ii. *Contribution to society*

We regard ourselves as part of the societies in which we do business. Through our business activities, we contribute to well-being, advancement and sustainable development in these societies. We take into consideration indirect and direct effects of our business activities on society and environment, and endeavour to bring them into an appropriate balance of economic, social and ecological interests. We respect and accept the different legal, societal, cultural and social backgrounds of the countries into which our value chain extends, and recognise their structures, customs and traditions. Insofar as the latter are in conflict with the principles set out here, we will enter into dialogue with our business partners and strive for understanding and acceptance.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

iii. *Ethical business conduct and integrity*

We engage in legal business practices taking account of fair competition, intellectual property rights of third parties as well as antitrust and competition rules. We reject all forms of corruption and bribery, and promote in an appropriate manner principles of responsible business management such as transparency, accountability, responsibility, openness and integrity. Business partners should be treated fairly. Contracts should be complied with insofar as the framework conditions do not change fundamentally. Generally, ethical values and principles should be respected; this applies in particular for human dignity and internationally recognised human rights.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

**2. Labour standards**

FOND OF endorse the labour standards of the ILO and takes them as a basis for the following questionnaire. The ILO is an international tri-partite organisation linked to the United Nations, dealing with labour issues on the international level. In this questionnaire you will be asked whether your company endorses the labour standards. Even if you feel that it is not feasible for your company to immediately comply with these standards, or that this is not possible under the current conditions in your country, you should indicate whether your company endorses the Labour Standards in principle.

The questionnaire asks whether your company complies with these labour standards. Please make a realistic assessment. Non-compliance is never a reason to end the business relationship, as long as your company is prepared to discuss and seek agreement on corrective actions where necessary.

i. *Employment is freely chosen*

There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105).

Comment: today, forced or bonded labour, if it occurs, mostly appears as economic bondage: employees are not free to leave their jobs, for example, because they have insurmountable debts with the company or a labour contractor.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no



ii. *There is no discrimination in employment*

In recruitment, wage policy, admittance to training programmes, employee promotion policy, policies on employment termination, retirement, and any other aspect of employment, relationships shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps (ILO Conventions 100 and 111).

Comment: discrimination often springs from the broader society, and cannot always be solved in one particular factory. However, factories can always take steps to decrease discrimination.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company have a (written) policy for recruitment and promotion?	<input type="checkbox"/> yes	<input type="checkbox"/> no

iii. *No exploitation of child labour*

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years, or 14 years in exceptional cases as specified in article 2.4 of the Minimum Age Convention (ILO Convention 138). There shall 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. [...] Children [in the age range 15-18] shall 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." (ILO Convention 182).

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

iv. *Freedom of association and the right to collective bargaining*

The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Conventions 87 and 98). The Company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Are labour conditions collectively negotiated?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Is there a collective bargaining agreement that applies to your factory?	<input type="checkbox"/> yes	<input type="checkbox"/> no

v. *Payment of a living wage*

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay periods.

Comment: Where a collective bargaining agreement exists, negotiated between employers and trade unions, either in the factory or in the sector and/or region, the agreed wages will, as a first approach, be regarded as an acceptable



"living wage" level. Where collective bargaining is not in place gradual wage increases - if required - must be set in consultation with competent and relevant local authorities, unions and business associations.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Are wages at least at the level of the official minimum wage and collective agreements in the industrial sector and region?	<input type="checkbox"/> yes	<input type="checkbox"/> no

*vi. No excessive working hours*

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate (ILO Convention 1).

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

*vii. Decent working conditions*

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and ensure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer are strictly prohibited.

Comment: Regarding occupational health and safety, national laws and regulations apply, and companies are expected to follow best practices in the national garment industry. Special attention will be paid to the following issues: first aid provisions, fire protection and emergency exits, light, fresh air, dust removal, toilet facilities, drinking water, safety of machines and equipment, the use of hazardous materials, protective equipment for employees, working space, canteens, housing facilities for employees (if any), and sexual and other harassment of employees.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

*viii. Legally-binding employment relationship*

Working relationships shall be legally binding, and all obligations to employees under labour or social security laws and regulations shall be respected.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

**3. Environmental protection**

The signing company complies with applicable laws, provisions and administrative practices regarding the protection of people and the environment in the countries where they are active. Generally speaking, they should exercise their business activity in such a way that they make a contribution to the general objective of sustainable development. To this end, they should put in place a system tailored to their organisation which enables them to monitor their operational activities for harmful environmental impacts and to take all necessary and appropriate measures with a



view to reducing strain on people and the environment, preventing environmental damage and taking remedial action within the framework of their possibilities, taking applicable regional laws and provisions into account.

Companies seek a constant and long-term improvement in their environmental performance by promoting the introduction of appropriate technologies and production processes which enable an efficient use of natural resources and energy as well as a minimisation of emissions. Proper management of waste as well as possible reuse in the framework of the recycling economy are important insofar as this is possible under local circumstances.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

**4. Consumer interests**

We take appropriate measures to safeguard the quality of the products we offer. We ensure that our products comply with all statutory rules with regard to health and safety, and are harmless and safe in health terms for their intended use. We also take consumer interests into account by applying fair business, marketing and advertising practices and promoting consumer education.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

**5. Animal and species protection**

In our business actions, we respect the principles of animal protection. Animal husbandry and use should be organised to meet the needs of specific species. We adhere to the Washington Convention on protection of endangered species of fauna and flora (CITES) and we orient our business actions accordingly.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no

**6. Communication**

We communicate the content of the code of conduct vis-à-vis to workers, contractual partners and, as and when appropriate, third parties through training programs, official announcements or similar. It should be comprehensible for contractual partners that compliance with the code of conduct is in principle ensured. We make especially sure that all employees of the signing company will be informed about paragraph 2 and 9 by presenting it in local language at a good fluctuated place.

However, communication of operational and business secrets or competition-sensitive or other information deemed worthy of protection for legal reasons are excluded from this requirement.

Does your company endorse this labour standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no
Does your company comply with this standard?	<input type="checkbox"/> yes	<input type="checkbox"/> no



## **7. Implementation and enforcement**

FOND OF respect the present code of conduct in our own actions. We request our business partners to apply the code of conduct accordingly. We support our business partners in organising their own supply chains in such a way that human and labour rights are respected and working conditions are continuously improved.

With a view to good Corporate Governance, we enshrine the principles of responsible business management set out in the code of conduct in our strategic and operational management systems.

The signing company is obliged to grant FOND OF's employees or third parties appointed by FOND OF access to the company at any time in order to monitor the level of compliance with the standards no matter if announced or unannounced. The above-mentioned parties must be provided with the necessary truthful information, documents and resources on time. Repeated attempts to defraud in terms of providing auditors with faked or manipulated documents or pressure on the workforce to provide auditors with false information can lead to immediate termination of the business relationship.

In addition, the signing company is obliged to check compliance with these standards in its other production sites and sub-contractors, and must be able to provide evidence about the respective results. The signing company is also obliged to assist these sites in implementing the standards if deviations exist. The correct performance of these monitoring activities will be monitored randomly by FOND OF.

## **8. Communication of missing compliance; remedial actions; sanctions**

In case it is not possible to comply with this code of conduct, all business partners involved will be informed in written form. Based on trust and partnership, the issue will be addressed and a satisfying solution will be found.

FOND OF is entitled to monitor compliance with the principles set forth in this code of conduct. Insofar as instances of non-compliance are unearthed, business partners are immediately obligated to take remedial action, with FOND OF providing support and allowing sufficient time for such actions.

FOND OF's general right to terminate the business relationship with business partners is not compromised thereby, regardless of whether a direct business partner or other suppliers working on its behalf violated the principles set forth in this code of conduct.

## **9. Procedure for complaints**

Complaints or information about violations of this code of conduct may be reported to FOND OF (see below for contacts) at any time - and even anonymously.

Individuals filing a complaint are asked only to report information they believe to be true.

All Business Partners guarantee that individuals filing complaints will not be subject to reprisals or disciplinary action of any kind.

## **10. Transparency**

For a good cooperation, FOND OF expects from suppliers to keep complete records of working conditions, such as wage and time records, information on health and safety and their environmental practices. The falsification of records or misrepresentations of conditions or practices in the supply chain cannot be supported.



**10. General contact:**

Division: Corporate Responsibility

Adress: „private/ confidential“  
Manager Corporate Responsibility  
FOND OF GmbH  
Vitalisstraße 67  
50827 Cologne  
Germany

Email: cr@fondof.de

Phone: +49 221 539 705 – 100

**11. Compliance declaration**

\_\_\_\_\_ (Name of Supplier) has read and understood this document

And is compliant with all paragraphs of this code of conduct.

YES

NO

Name, Surname: \_\_\_\_\_

Position: \_\_\_\_\_

\_\_\_\_\_   
Place

\_\_\_\_\_   
Date

\_\_\_\_\_   
Signature/ Company stamp

