



DEICHMANN

Code of Conduct

A group of companies Deichmann

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I. Introduction

We, the Deichmann-Group are committed to continue the responsibilities in the field of social and environmental compliance for all our actions worldwide. We have a responsibility toward the millions of people buying our products or taking part in their production and distribution.

In order to make our position clear to our suppliers, our own staff, as well as to any other parties, we have set up this Deichmann Code of Conduct. It is a non-negotiable requirement from our side that all our suppliers, and their subcontractors, without exception, should follow this Code. Most of the requirements of this Code of Conduct follow the official ILO Conventions and Recommendations, or similar international instruments.

The intention of the Deichmann Code of Conduct is to establish and develop its social and environmental standards with suppliers and subcontractors, and not simply to terminate the business relationship in the case of a non-compliance.

Our general rule is that our suppliers must, in all of their activities, follow this Deichmann Code of Conduct. Should any of the following standards of the Deichmann-Group be less demanding than the National Law of any country or territory, the National Law and therefore the higher standard should always be followed. In such a case, the suppliers must always inform the Deichmann-Group immediately upon receiving this Code.

Rules or provisions already existing apart from the National Law, and demanding higher standards, will remain unaffected and must be observed.

„Supplier“ is the contractual partner that is responsible for the product, process or service and is able to ensure that social accountability is exercised. This definition may apply to manufacturers, distributors, importers, assemblers, service organisations, etc.

„Subcontractor“ is a business entity in the supply chain which directly or indirectly, provides the supplier with goods and/or services integral to, and utilized in/for the production of the supplier's goods and/or services.



Björn Gulden
Managing Director
Deichmann-Group

II. Code of Conduct

1. Child Labour

Defined as any work by a person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, the lower age will apply.

A young worker is any worker over the age of a child as defined above and under the age of 18.

1.1. The supplier shall not engage in or support the use of child labour as defined above.

1.2. The supplier shall establish, document, maintain, and effectively communicate to personnel and other interested parties policies and procedures for remedial support of children (all necessary support and actions to ensure the safety, health, education and development of children who have been subjected to child labour, as defined above, and are dismissed) found to be working in situations which fit the definition of child labour above, and shall provide adequate support to enable such children to attend and remain in school until no longer a child as defined above.

1.3. The supplier shall establish, document, maintain, and effectively communicate to personnel and other interested parties policies and procedures for promotion of education for children covered under ILO Recommendation 146 and young workers who are subject to local compulsory education laws or are attending school, including means to ensure that no such child or young worker is employed during school hours and that combined hours of daily transportation (to and from work and school), school, and work time does not exceed 10 hours a day.

1.4. The supplier shall not expose young workers to situations in or outside of the workplace that are hazardous, unsafe or unhealthy.

2. Forced Labour

All work or service that is extracted from any person under the menace of any penalty for which said person has not offered himself / herself voluntarily. The supplier shall not engage in or support the use of forced, including bonded and prison labour, nor shall personnel be required to lodge 'deposits' or identity papers upon commencing employment with the supplier.

3. Disciplinary Practices

The supplier shall not engage in or support the use of physical, sexual, psychological or verbal harassment or abuse. Every employee shall be treated with respect and dignity.

4. Discrimination

4.1. The supplier shall not engage in or support discrimination, especially not in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, membership of associations or political affiliation.

4.2. The supplier shall not interfere with the exercise of the rights of personnel to observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, membership of associations, or political affiliation.

4.3. The supplier shall not allow behaviour, including gestures, language or physical contact, that is sexually coercive, threatening, abusive, or exploitative.

4.4. Female employees must be accorded the agreed maternity leave before and after the birth. Employees may not be dismissed on account of pregnancy. Pregnant employees may not be employed in workplaces which could have a negative effect on their health.

5. Compensation

5.1. Employees are entitled to a written contract of employment, with at least the following point governed: time that work starts, working hours, remuneration, vacation entitlement, security against dismissal, maternity protection.

5.2. The supplier shall ensure that wages paid for a standard working week shall at least meet legal standards and shall always be sufficient to meet the basic needs of personnel and provide some discretionary income.

5.3. The supplier shall ensure that deductions from wages are not made for disciplinary purposes, and shall ensure that wage and benefits composition are detailed clearly and regularly for workers. The supplier shall also ensure that wages and benefits are rendered in full compliance with all applicable laws and that compensation is rendered either in cash or cheque form, in a manner convenient to workers.

5.4. The supplier shall ensure that labour only contracting arrangements and false apprenticeship schemes are not undertaken in an effort to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.

6. Hours of Work

6.1. The supplier shall comply with applicable laws and industry standards on working hours. In any event, personnel 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 seven day period.

6.2. If overtime work (more than 48 hours per week) is needed by the supplier, the supplier shall ensure that it is always remunerated at a premium rate. Overtime work shall always be voluntarily accepted by the employee.

7. Freedom of Association & Right to Collective Bargaining

7.1. The supplier shall respect the right of all personnel to form and join employee associations of their choice and to bargain collectively.

7.2. The supplier 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 such personnel.

7.3. The supplier shall ensure that representatives of such personnel are not the subject of discrimination and that such representatives have access to their members in the workplace.

8. Health and Safety

8.1. The supplier, bearing in mind the prevailing knowledge of the industry and of any specific hazards, shall provide a safe, clean, and healthy working environment and shall take adequate steps to prevent accidents and injury to health, arising out of or associated with the course of work, by minimizing the cause(s) of hazards inherent in the working environment.

8.2. The supplier shall appoint a senior management representative responsible for the health and safety of all personnel, and accountable for the implementation of the health and safety elements of this standard.

8.3. The supplier shall ensure that all personnel receive regular and recorded health and safety training, and that such training is repeated for new and reassigned personnel.

8.4. The supplier shall provide, for use by all personnel, clean bathrooms, access to drinkable clean water, and, if appropriate, sanitary facilities for food storage.

8.5. The supplier shall ensure that dormitory facilities, if provided for personnel, are clean, safe, and meet the basic needs of the personnel.

9. Environmental Protection

9.1. The supplier must comply with all applicable environmental laws and regulations in the country of operation.

9.2. The supplier shall conduct its business in a manner that utilises natural resources as efficiently as possible.

9.3. Hazardous substances should be limited wherever possible. They may only be used if handled correctly and if the environment does not suffer through their use.

9.4. The environmentally compatible disposal of waste and containers must be guaranteed and proven upon request. All the waste that occurs during production must be disposed of in the correct manner.

10. Management Systems

10.1. The supplier shall take positive actions to implement the requirements of this standard, to incorporate the standard into all of its operations, and to make the standard an integral part of its overall philosophy and general policy.

10.2. The supplier shall assign responsibility for all matters pertaining to this Code of Conduct to a manager within its organisation.

10.3. Top management of the supplier shall periodically review the operation of the requirements of this standard.

10.4. The supplier accepts responsibility for observing the requirements of this standard with respect to all employees and workers that it supervises and agrees to

- assign responsibility for implementing this standard at each place that it owns or controls to an employee;
- ensure that all employees and workers are aware of the standard by communicating its contents in a language understood by them. Code of Conduct training is to be conducted on a regular basis;
- refrain from disciplining, dismissing or otherwise discriminating against any employee for providing information concerning observance of this standard.

10.5. The supplier shall maintain appropriate records to demonstrate conformance to the requirements of this standard, and shall be able to provide reasonable information and access to parties approved by the Deichmann-Group seeking to verify conformance.

10.6. The supplier will make observance of this Code of Conduct a condition of all agreements that it enters into with subcontractors. These agreements shall oblige these subcontractors to conform to all requirements of this standard (including this clause) and participate in the supplier's monitoring activities as requested.

III. Auditing and Monitoring

To evaluate the compliance of this Code of Conduct, we will make use of independent auditors to conduct social and environmental audit services on behalf of the Deichmann-Group.

We have the right to monitor the compliance of this Code of Conduct by systematic, unannounced inspections, conducted by members of the Deichmann-Group or independent auditors.

IV. Corrective Action and Non-Compliance

The Deichmann Code of Conduct sets the standards that our partners are expected to meet in operating their manufacturing sites. We are aware that some of these relatively high expectations can not be met at once. In the case of a non-compliance it is important for the Deichmann-Group that the supplier takes all necessary corrective actions to improve the situation and meet the

requirements within a reasonable period of time. This time allowance is dependent on the nature of the corrective action. If repeated violations are established without any effort by the supplier to take appropriate corrective actions, it is our duty to terminate the cooperation with this supplier.

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