

# Hello, We're FOND OF

## Preamble

We, F. O. BAGS GmbH, hereby declares that we are engaged in ensuring human rights, fair labour conditions along our supply chain and active environmental protection. That is the reason why we demand our partners to follow this Code of Conduct and to take care that also their subcontractors will do so.

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 Core Labour Standards, 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 can 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.

### ii. Contribution to society

We regard ourselves as part of the societies in which we do business. Through our business activities, we contribute 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 we value creation 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.

Comply?	
Yes	No
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# BAGS

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.

**2. Respect for human rights**

i. *Employment is freely chosen*

There shall be no use of forced, including bonded or prison, labour. This includes all kind of work or service which is provided by a person on threat of penalty or force and is not conducted voluntarily. (ILO Conventions 29 and 105)

ii. *There is no discrimination in employment*

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship 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)

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. (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 of 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)

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)

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 period.

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*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 seven-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 adequately compensated.  
(ILO Convention 1)

Companies grant their employees the right to rest periods on each working day and recognise important statutory holidays. A work-free day should be granted after six consecutive days of work.

*vii. Safe and healthy 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 assure 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 is strictly prohibited.

*viii. Legally-binding employment relationship*

Each employee should receive a written employment contract. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

The signing company should comply with the provisions of national labour law. Workers should be provided with comprehensible information about essential working conditions including working hours, remuneration as well as payment and documentation arrangements. Companies protect the right of workers to terminate their employment relationship taking account of the relevant notice period. In addition, companies endeavour to promote workers' vocational qualifications.

**3. Environmental protection**

Companies comply 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. They aim to make an evaluation of chemicals used and endeavour to select them with an eye to health and safety at work as well as consumer protection, and to substitute particularly hazardous chemicals. 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.

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#### 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.

#### 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.

#### 6. Communication

We communicate the content of the Code of Conduct vis-à-vis workers, contractual partners and, as and when appropriate, third parties. It should be comprehensible for contractual partners that compliance with the Code of Conduct is in principle ensured. We make sure that all employees of the signing company will be notified about this Code of Conduct (especially 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.

#### 7. Implementation and enforcement

F. O. BAGS GMBH respects the present Code of Conduct in our own actions. We encourage 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 F. O. BAGS GMBH employees or third parties appointed by F. O. BAGS GMBH 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, no matter if they are producing for F. O. BAGS GMBH or not 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 F. O. BAGS GMBH.

Comply?	
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## 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 partnership, the issue will be addressed and a satisfying solution will be found.

F. O. BAGS GmbH 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 obligated immediately to take remedial action, with F. O. BAGS GmbH providing support and allowing sufficient time for such actions.

F. O. BAGS GMBH's 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 F. O. BAGS GmbH (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. General contact:

Division: Corporate Responsibility

Address: „private/ confidential“  
Manager Corporate Responsibility  
F. O. BAGS GmbH  
Vogelsanger Str. 78  
50823 Cologne  
Germany

Email: cr@fondofbags.com

Phone: +49 221 539 705 – 100

Comply?	
Yes	No

