

Social standards

(Code of Conduct)

Responsible and sustainable actions – for a world with a future.

Preamble

Conducting business in a sustainable manner is a central element of corporate policy at tegut... and a central measure for all activities. Sustainable business permeates through the entire company. The declared objective of tegut... is to bring economic, ecological and social responsibility together in enduring harmony with one another.

With regard to social responsibility, tegut... governs its fundamental requirements of its suppliers in this Code of Conduct. The principles contained therein are guidelines that are to be observed.

Chapter 1 – Meeting international standards and national statutory regulations

tegut... , its suppliers and their suppliers (referred to as tegut... suppliers) expressly commit themselves to observe the applicable international laws and regulations, industrial minimum standards, conventions of the ILO and the UN as well as all other relevant terms (hereinafter referred to as "standards"). Moreover, national legal regulations are also to be observed. In this, the term that offers the maximum degree of protection is to be chosen at all times.

Chapter 2 – Forced labour

All work must occur on a voluntary basis and not under the threat of punishment or sanctions. Forced or compulsory labour in all of its forms, where not in accordance with ILO convention 29, is forbidden. tegut... suppliers may not demand deposits or financial guarantees of their employees and may also not retain either identification documents (such as passports, ID cards etc.) nor wages/ salaries outside of a contractual agreement. tegut... suppliers respect the right of their employees to terminate the employment contract with an appropriate amount of notice and to leave the workplace after completion of their actual work.

Chapter 3 – Child labour

All tegut... suppliers shall abide by the minimum legal age for employment in the respective country, whereby the minimum age for employment may not lie below the age at which compulsory schooling ends and in no case below 15 years of age. Suppliers may not employ young employees below the age of 18 for night work or under conditions that could endanger their health, their safety or moral integrity and/or cause harm to their physical, intellectual, psychological or social development.

Chapter 4 – Freedom of association and right to collective bargaining

The employees have the right, without the prior consultation of the management of the tegut... supplier, to join or found trade unions of their choice as well as to collective bargaining. Suppliers are not entitled to forbid such activities, to disrupt these or to issue sanctions against them. In the event of the standards within the individual state limiting freedom of association and the right to collective bargaining, as an alternative the free and independent association of employees for the purpose of bargaining must be enabled and permitted as a minimum. Suppliers may not discriminate against their employees due to their legitimate membership of a trade union or other collective association, nor disadvantage them in any other way.

Chapter 5 – Discrimination

Employees are to be treated with respect and dignity at all times.

tegut... suppliers must respect equal opportunities with regard to hiring, remuneration, access to training and further training, promotion, dismissal or retirement of their employees.

In particular, every differentiation, exclusion or favouritism on the basis of race, caste, skin colour, gender, age, religious belief, political opinion, membership of a labour organisation, physical or mental disability, ethnic, national and social origin, nationality, sexual orientation or other personal characteristics will not be accepted by us.

Chapter 6 – Health and safety

tegut... suppliers provide clean and safe conditions in all working and, where applicable, residential facilities and actively follow the respective nationally applicable regulations regarding occupational health and safety. Suppliers must take suitable precautions to prevent accidents and injuries. Appropriate and effective personal protective equipment is to be provided for the employees. Access to appropriate medical support and equipment is to be secured. Clean toilets and access to clean drinking water in adequate quantities is to be provided.

Chapter 7 – Remuneration

Work carried out must be on the basis of a recognised employment relationship.

tegut... suppliers shall ensure that the wages paid to the employees correspond at least to the statutory minimum wage or the minimum wage commonly prescribed in the industrial sector. Full-time employees should be able to cover the essential costs of living with the wage paid to them.

Framework conditions of equal effect should apply for part-time employees and seasonal workers.

tegut... suppliers provide their employees with written and/or comprehensible information regarding the basis of their employment contract. Illegal and unjustified wage deductions, in particular those in the form of direct or indirect disciplinary measures are forbidden.

Chapter 8 – Working hours

tegut... suppliers must set working hours in accordance with the national laws, industry standards or relevant international standards, whichever offers the greater protection for the safeguarding of health, general safety and the wellbeing of the employees. The maximum permissible weekly working hours as per national law apply, however, on a regular basis these may not comprise more than 48 hours and, including overtime, not amount to more than 60 hours. The employees are entitled to at least one free day after six consecutive working days.

Overtime worked is to be compensated in accordance with the standards within the state.

Chapter 9 – Environment Our suppliers shall observe the respectively valid environmental standards. They are also obliged to work continuously towards avoiding and minimising environmental pollution. Applicable procedures and standards for waste management, the handling of chemicals and other hazardous substances as well as their disposal, together with emissions and waste water treatment are to be observed. The protection and preservation of the natural environment is to be considered in particular, environmentally and socially sustainable production is expressly desired by tegut... .

Chapter 10 – Monitoring observance of the Code of Conduct The responsibility of tegut... is to actively secure the principles of this Code of Conduct. To this end, at the request of tegut... suppliers are obliged to implement social audits in the production sites at regular intervals. Our suppliers guarantee that, where required, tegut... itself or a third party authorised by tegut... may check for observance of the principles compiled in accordance with this Code of Conduct.

Chapter 11 – Contractual obligations We consider the principles and requirements of the Code of Conduct for tegut... suppliers to be a minimum standard for sustainable supplier management. Our Code of Conduct represents the basis of our business relations and is therefore an integral component of our purchasing agreements with suppliers. The contractual obligation of the supplier thereby provides, in addition to the necessary general commitment to the principles of the Code of Conduct, also the opportunity to monitor its observance. Consequently, tegut... also has the right in the event of serious infringements of the Code of Conduct, to initiate corresponding legal consequences such as, in particular, the right to terminate the contractual relationship or an order after the setting of a reasonable period of notice for rectification of the infringement and the lapsing of this period without fruition.

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