



# Code of Conduct of Teutoburger Ölmühle GmbH

## (Code of Conduct)

### Preamble

Sustainable management is a fixed component of the corporate policies of Teutoburger Ölmühle (hereinafter referred to as "TÖM") and thus a pivotal measure for any action. Sustainable management penetrates the entire company. TÖM's declared objective is a sustainable, harmonious combination of economic, ecologic and social responsibility. In terms of social responsibility, TÖM regulates its principle requirements for suppliers according to this Code of Conduct. The principles specified therein are mandatory guidelines.

### Chapter 1 - Compliance with international standards and national legislation

TÖM, its suppliers and their sub-suppliers (hereinafter referred to as "Suppliers") are explicitly obligated to comply with the prevailing international laws and directions, industrial minimum standards, conventions of the ILO and the UN as well as all other relevant regulations (hereinafter referred to as "Standards"). Furthermore, national legislation has to be observed. In the process, the regulation with the utmost measure of protection must be applied.

### Chapter 2 - Forced labour

All work has to be performed on a voluntary basis and not under threat of punishment or sanctions. Forced or compulsory labour in all its shapes is prohibited unless it complies with ILO 29. TÖM suppliers may not demand contributions or financial guarantees from their employees and may not retain identification documents (e.g. passports, identity cards etc.) or wages/salaries without an agreement subject to contract law. TÖM suppliers respect the right of their employees to terminate the employment contract with an appropriate period of notice and to leave the workplace upon completion of the actual work.

### Chapter 3 - child labour

All TÖM suppliers comply with the minimum age regulation for employment in the respective country, whereby the minimum age for the admission to employment may not be below the age at which compulsory education ceases and never below the age of 15. Suppliers may not employ young employees below the age of 18 at night-time or under conditions which jeopardise their health, safety or moral integrity and/or which may result in damage to their physical, mental, spiritual or social development.

### Chapter 4 - Freedom of association and right to bargaining agreement

Without prior consultation of the TÖM supplier's management, the employees are entitled to join or establish trade unions of their choice as well as bargaining agreements. Suppliers are not entitled to prevent, interfere with or sanction such activities. In the event that individual state standards limit the association rights and the right to bargaining agreements, at least the free and independent association of employees for the purpose of contract negotiations must be facilitated and permitted as an alternative. Suppliers may not discriminate or otherwise disadvantage their employees based on their legitimated membership of or affiliation with a trade union or other collective association.

### Chapter 5 - Discrimination

Employees have to be treated with respect and dignity.

TÖM suppliers are obligated to respect equal opportunity with respect to employment, remuneration, access to education and further education, promotion, termination or retirement of their employees. In particular, we do not accept any discrimination, exclusion or favouritism based on race, caste, skin colour, gender, age, religious or political beliefs, membership in an employee organisation, physical or mental disability, ethnic, national or social origin, nationality, sexual orientation or other personal characteristics.

### Chapter 6 - Health and safety

TÖM suppliers ensure clean and safe conditions in all work and - if applicable - residential facilities and actively pursue the respective regulations regarding work and health safety applicable on a national level. Supplier have to take own precautions to prevent accidents and injuries. Appropriate and effective safety equipment has to be provided for the employees. Access to appropriate medical care and equipment must be ensured. Clean toilets as well as access to clean drinking water in sufficient amounts must be provided.



#### **Chapter 7 - Remuneration**

Executed work has to be based on approved employment contracts. TÖM suppliers warrant that the salary paid to the employees complies at least with the legally prescribed minimum wages or minimum wages commonly prescribed in the industry. Full-time employees must be capable of covering the basic needs for their living expenses with the paid wages. Equal general conditions must also apply for part-time employees as well as seasonal workers. TÖM suppliers provide their employees with written and/or intelligible information regarding the principles of the employment agreement. Illegal and unauthorised deductions from wages, particularly those in form of direct or indirect disciplinary measures, are prohibited.

#### **Chapter 8 - Working hours**

TÖM suppliers have to establish working hours in line with the national laws, industry standards or relevant international standards, depending on which provide greater protection to ensure health, general safety and wellbeing of the employees. Maximal permissible weekly working hours in accordance with the national legislation apply; however, these may not exceed 48 hours or 60 hours including overtime per week on a regular basis. The employees are entitled to a free day following six consecutive working days. Performed overtime has to be paid separately in accordance with national standards.

#### **Chapter 9 - Environment**

Our suppliers are obligated to comply with the respectively applicable environmental standards. They are furthermore obliged to continuously improve the prevention and reduction of environmental loads.

Applicable procedures and standards for waste management, the handling of chemicals and other hazardous substances as well as their disposal and the emission and waste water treatment must be observed. The protection and preservation of natural resources must be considered especially; TÖM explicitly supports the environmentally and socially friendly production.

#### **Chapter 10 - Management systems**

The supplier company determines a policy of social responsibility and introduces a management system which ensures that the requirements of this Code of Conduct can be fulfilled. It furthermore introduces an anti-bribery and anti-corruption policy applicable for all sectors. Management is responsible for the correct implementation and continued improvement of the implementation of the Code of Conduct. It shall take corrective measures, regularly reviews compliance with the Code of Conduct and is also responsible that all employees are informed of the requirements of the Code of Conduct. Management furthermore processes the information from employees with respect to non-compliance with the Code of Conduct.

#### **Chapter 11 - Monitoring of compliance with Code of Conduct**

TÖM is responsible to offensively advocate the safeguarding of the principles of this Code of Conduct. In this context, the suppliers are obligated to permit regular social audits at the production sites at the request of TÖM. Our suppliers guarantee that TÖM or a representative of TÖM may audit the principles established according to this Code of Conduct if required.

#### **Chapter 12 - Contractual obligation**

We consider the principles and requirements of the Code of Conduct for TÖM suppliers to be the minimum standard for sustainable supplier management. Our Code of Conduct represents the basis of our business relationship and is thus also an integral component of our purchase agreements with suppliers. As well as the necessary general obligations regarding the principles of the Code of Conduct, the supplier's contractual obligation thus also ensures the option to audit the supplier's compliance. As a result, TÖM is furthermore entitled to legal consequences in the event of serious violations of the Code of Conduct, such as particularly the right of termination of the contractual relationship and/or an order following an appropriate period of notice to remedy the violation and its futile expiration.

Ibbenbüren, February 2017

  
Gerd Beilke