

sodasan Purchasing Guidelines

To address challenges linked to implementation and/or improvement of social standards in supplier countries more effectively and more efficiently, we expect our suppliers to comply with human rights and internationally recognized core labor standards professed by the ILO (International Labor Organisation).

By signing the following code of conduct companies are, within their scope of influence, committed to acknowledge the social and environmental standards laid down in this code and to take appropriate measures within their company policy for their implementation and compliance. Supplier companies, in addition, must ensure that the code of conduct is also observed by subcontractors involved in production processes of final manufacturing stages.

Within the scope of options for action and appropriate measures, the signing company has to aim at the implementation of the following criteria in a development approach:

- **Legal Compliance**

Compliance with all applicable laws and regulations, industry minimum standards, ILO and UN Conventions, and any other relevant statutory requirements whichever requirements are more stringent. In the agricultural context, ILO Convention 110 shall be respected.

- **Freedom of Association and the Right to Collective Bargaining**

All personnel shall have the right to form, join, and organise trade unions of their choice and to bargain collectively on their behalf with the company. The company shall respect this right, and shall effectively inform personnel that they are free to join an organisation of their choosing and that their doing so will not result in any negative consequences to them, or retaliation, from the company. The company shall not in any way interfere with the establishment, functioning, or administration of such workers' organisations or collective bargaining. In situations where the right to freedom of association and collective bargaining are restricted under law, the company shall allow workers to freely elect their own representatives. The company shall ensure that representatives of workers and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation, or retaliation for reason of their being members of a union or participating in trade union activities, and that such representatives have access to their members in the workplace.

- **Prohibition of Discrimination**

No discrimination shall be tolerated in hiring, remuneration, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in workers' organisations including unions, political affiliation or opinions, sexual orientation, family responsibilities, marital status, or any other condition that could give rise to discrimination.

- **Compensation**

Wages paid for regular working hours, overtime hours and overtime differentials shall meet or exceed legal minimums and/or industry standards. Illegal, unauthorised or disciplinary deductions from wages shall not be made. In situations in which the legal minimum wage and/or industry standards do not cover living expenses and provide some additional disposable income, supplier companies are further encouraged to provide their employees with adequate compensation to meet these needs. Deductions from wages as a disciplinary measure are forbidden, unless this is permitted by national law and a freely negotiated collective bargaining agreement is in force. Supplier companies shall ensure that wage and benefits composition are detailed clearly and regularly for workers; the supplier company shall also ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered in a manner convenient to workers. © Copyright 2009 The English version is the legally binding one.

All overtime shall be reimbursed at a premium rate as defined by national law. In countries where a premium rate for overtime is not regulated by law or a collective bargaining agreement, personnel shall be compensated for overtime at a premium rate or equal to prevailing industry standards, whichever is more favorable to workers' interests. - In accordance with ILO Conventions 12, 26, 101, 102 and 131.

- **Working Hours**

The supplier company shall comply with applicable national laws and industry standards on working hours and public holidays. The maximum allowable working hours in a week are as defined by national law but shall not on a regular basis exceed 48 hours and the maximum allowable overtime hours in a week shall not exceed 12 hours. Overtime hours are to be worked solely on a voluntary basis and to be paid at a premium rate. In cases where overtime work is needed in order to meet short-term business demand and the company is party to a collective bargaining agreement freely negotiated with worker organisations (as defined above) representing a significant portion of its workforce, the company may require such overtime work in accordance with such agreements. Any such agreement must comply with the requirements above.

An employee is entitled to at least one free day following six consecutive days worked.

Exceptions to this rule apply only where both of the following conditions exist:

a) National law allows work time exceeding this limit;

and

b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods. - In accordance with ILO Conventions 1 and 14 and ILO Recommendation 116.

- **Workplace Health and Safety**

The company shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential accidents and injury to workers' health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards.

A clear set of regulations and procedures must be established and followed regarding occupational health and safety, especially the provision and use of personal protective equipment, access to clean toilet facilities, access to potable water and if appropriate, sanitary facilities for food storage shall be provided. The company shall ensure that any dormitory facilities provided for personnel are clean, safe, and meet the basic needs of the personnel.

All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the company.

Workplace practice and conditions in dormitories which violate basic human rights are forbidden. In particular young workers shall not be exposed to hazardous, unsafe or unhealthy situations.

- In accordance with ILO Conventions 155, 184 and ILO Recommendations 164 and 190.

In particular, a management representative responsible for the health and safety of all personnel and accountable for the implementation of the Health and Safety elements of the BSCI shall be appointed. All personnel shall receive regular and recorded health and safety training, moreover, such training shall be repeated for new and reassigned personnel.

Systems to detect, avoid or respond to potential threats to health and safety of all personnel shall be established.

- **Prohibition of Child Labour**

Child labour is forbidden as defined by ILO and United Nations Conventions and/or by national law.

Of these various standards, the one that is the most stringent shall be followed. Any forms of exploitation of children are forbidden. Working conditions resembling slavery or harmful to children's health are forbidden. The rights of young workers must be protected. In the event that children are found to be working in situations which fit the definition of child labour above, policies and written procedures for remediation of children found to be working shall be established and documented by the supplier company. Furthermore, the supplier company shall provide adequate financial and other support to enable such children to attend and remain in

school until no longer a child.

The company may employ young workers, but where such young workers are subject to compulsory education laws, they may work only outside of school hours. Under no circumstances shall any young worker's school, work, and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours. - In accordance with ILO Conventions 10, 79, 138, 142 and 182 and Recommendation 146.

- **Prohibition of Forced and compulsory Labour and Disciplinary Measures**

All forms of forced labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden as is prisoner labour that violates basic human rights.

Neither the company nor any entity supplying labour to the company shall withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.

Personnel shall have the right to leave the workplace premises after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice to their employer.

Neither the company nor any entity supplying labour to the company shall engage in or support trafficking in human beings.

The company shall treat all personnel with dignity and respect. The company shall not engage in or tolerate the use of corporal punishment, mental or physical coercion and verbal abuse of personnel.

- In accordance with ILO Conventions 29 and 105.

- **Environment and Safety Issues**

Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment must meet or exceed minimum legal requirements.

- **Management Systems**

The supplier company shall define and implement a policy for social accountability, a management system to ensure that the requirements of the above code of conduct can be met as well as establish and follow an anti-bribery / anti-corruption policy in all of their business activities. Management is responsible for the correct implementation and continuous improvement by taking corrective measures and periodical review of the above code of conduct, as well as the communication of the requirements of the above code of conduct to all employees. It shall also address employees' concerns of non compliance with this code of conduct.

The following annexes are integral part of this code of conduct:

- Declaration of the supplier company

• **Declaration of Liability Regarding Compliance with the Sodasan code of conduct**

We, the undersigned hereby confirm:

- _____
- That we are aware of all relevant laws and regulations of the country or countries in which our company operates.
 - That we will inform Sodasan GmbH in case of conflict between provisions of the above code of conduct and any applicable laws or regulations in our countries of operation.
 - That we will observe and conform to the above code of conduct in its entirety based on a development oriented approach and without amendment or abrogation.
 - That Sodasan GmbH and any organisations acting on its behalf may carry out audits with or without notice at our business premises and the business premises of our subcontractors at any time.
- _____

• **Confidentiality and data protection:**

The business partner complies with the applicable data protection regulatory framework. Personal data may only be collected, processed or used to the extent necessary for legitimate and legitimate purposes. The use of the data must be transparent to those affected; the rights of access and rectification as well as, if necessary, opposition, blocking and deletion must be upheld. The General Data Protection Regulation (DSGVO) must be observed.

Date

_____ Name of company

Signature

Company Stamp/Seal

Name

Address

This document must be signed by a duly authorized representative of the company and returned to

Sodasan Wasch- und Reinigungsmittel GmbH
Rudolf-Diesel-Str. 19
26670 Uplengen
Germany
Email: info@sodasan.com

- **Consequences of Non-Compliance**

If a supplier fails to meet the requirements of the above code of conduct, and if no solutions can be agreed upon and implemented within a reasonable amount of time, Sodasan GmbH may choose to halt current production, cancel corresponding contracts, suspend future contracts and/or terminate the business relationship with the non-conforming supplier. If an audit reveals less than full compliance with the above code of conduct, the supplier must take the prescribed corrective actions without delay. The period of time the supplier has to implement these corrective measures will be agreed upon with the auditors, but may not exceed twelve months. If a supplier excluded in the past on grounds of non-compliance shows later that it can comply fully with the above code of conduct, there is, in principle, no reason why a business relationship cannot be resumed.