

**BAAK Code of Conduct**

**Declaration to business partners**

**Preamble:**

**This Code of Conduct and Ethics applies to the Management and employees of the BAAK GmbH&Co. KG and serves as the basic requirement for all our business relationships.**

**The ethical guidelines set down in this BAAK Code of Conduct are based in particular on the principles of the UN Global Compact, the ILO conventions, the UN Universal Declaration of Human Rights, the UN Conventions on the Rights of the Child and the Elimination of all Forms of Discrimination Against Women, and on the OECD guidelines for international companies.**

**The BAAK Code of Conduct stipulates only minimum standards.**

**These minimum requirements should be exceeded wherever possible.**

**The business partners of BAAK must ensure that this Code of Conduct is complied with in their own companies and by all the sub-contracted companies involved in the production processes used for BAAK articles.**

**General principles, law and statute:**

**The signatory company undertakes to ensure that all its business activities and decisions comply with the laws and other applicable provisions (e.g. minimum social standards) of the country in which it operates.**

**Principles for Social Compliance:**

**(1.) Child labour**

**Child labour will not be tolerated by the signatory company. The signatory company will observe the regulations of the United Nations on human rights and the rights of children and in particular comply with the agreement on the minimum age for admission to employment (ILO Convention 138) and the agreement on the prohibition and immediate action for the elimination of the worst forms of child labour (ILO Convention 182).**

**(2.) Compulsory labour**

**The signatory company rejects every form of forced and bonded or slave labour.**

**All employment must be voluntary and based on forms of employment which conform to national laws and legal proceedings.**

**Employees must not be required to deposit their identity documents, nor may these be retained.**

**Direct or indirect measures to prevent employees leaving the company or the production site are prohibited.**

**(3.) Discrimination**

**The signatory company undertakes, within the framework of the laws and statutes effective at any given time, to counter every form of discrimination. This applies in particular to discrimination against employees on grounds of gender, race, disability, ethnic or cultural origins, religion or philosophy of life, age or sexual inclination.**

**(4.) Disciplinary measures**

**All employees have the right to be treated with respect and dignity. Every form of physical, psychological, sexual or verbal punishment or coercion, as well as every other form of abuse and intimidation, is prohibited. Disciplinary measures may only take place in line with national laws and internationally recognised human rights.**

**(5.) Fair working conditions / Freedom of association and the right to collective bargaining**

**The signatory company will respect its workers' right to freedom of association, in particular the right to form and join organisations of their own choice and to conduct collective bargaining. In situations in which their rights of association and collective bargaining are restricted by law, other possibilities for the free and independent association of employees and for collective bargaining must be permitted.**

**Workers' representatives must be protected against discrimination and they must be allowed free access to the employees at their place of work.**

**(6.) Hours of work**

The signatory company will comply with the applicable law and industrial standards on hours of work.

The weekly hours of work must not regularly exceed 48 hours or, with overtime included, 60 hours.

Overtime must be on a voluntary basis and must, in every case, be paid at an additional rate.

Employees must be entitled to a day off work after six consecutive working days.

**(7.) Pay**

The signatory company will guarantee that the wages paid for a normal working week in every case conform at least to the statutory minimum wage or the minimum wage prescribed in the sector.

The employees must receive the allowances prescribed in national law (e.g. insurance contributions, supplementary allowances and the like). It must be guaranteed that the employees are given complete and comprehensible information on their wages and allowances at regular intervals.

The wages must be paid out in accordance with customary local procedures.

Unjustified wage deductions and deductions as a disciplinary measure are not permissible.

**(8.) Work environment and health & safety**

The signatory company will provide a safe and hygienic work environment for the employees and, where relevant, the corresponding living conditions.

Regulations and procedures for safety at work must be introduced and made known to the employees, in order to prevent accidents and injuries at work or as a result of the operation of company installations. All the applicable national regulations on conditions of work must be complied with.

**(9.) Information for employees**

This Code of Conduct must be freely accessible to all employees and must be available for inspection in comprehensible form in the country's official language.

**(10.) Bribery and corruption**

BAAK does not tolerate any form of bribery and corruption, whether by direct or indirect means, in the form of money, gifts or other unfair advantages.

The company and the employees must refrain from every form of conduct that leads to personal dependence or manipulation. The employees are forbidden to abuse their positions in order to allow unjustified advantages of a personal or commercial nature. They must not hand over inappropriate gifts to business partners, and no gifts of any kind may be made to public servants and other government officials. Employees may accept gifts, which must be of little value, only when there is no possibility of manipulation or possible manipulation of the beneficiary.

**(11.) Inspections**

The company will entrust one or more than one management employee with the responsibility of monitoring compliance with the standards mentioned in its office premises and production sites. This will include the production sites of the sub-suppliers which operate as component or part suppliers for BAAK.

These checks must be made at least once per year, and compliance with the standards specified in the Code of Conduct must be documented at least once per year on the attached sheet (Compliance Certificate) and forwarded to the stated BAAK employee.

BAAK reserves the right to make checks, without previous notice, on its business partners or their subcontractors, or to have such checks made by authorised third parties. This will include inspection of installations and office premises, and also of the compliance records. If the authorised inspectors are refused permission to carry out such checks or interrogations, this will be tantamount to an unequivocal violation of the Code.

BAAK undertakes to take measures if and when an inspection reveals a violation of the standards laid down in this Code of Conduct. The business partners and their subcontractors are under an obligation to correct any divergences emerging from the inspections and to work continuously on the improvement of the social standards. Both time and advice and support will be made available for any corrective measures.

**BAAK will terminate the business relationship without further notice if violations are persisted in although the business partner has been made aware of the violation and the subsequent warning has been delivered within an appropriate period, and the business partner has neither provided justified reasons for the delay in implementation nor expressed the serious intention to correct the violation at the earliest possible date.**

**Straelen, 03.05.2018**

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**Place, date**

**Baak GmbH & Co.KG**

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**Company**

A handwritten signature in blue ink, appearing to read 'Ingo Grusa', is written over a horizontal line.

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**Ingo Grusa, Director**