

**THE WAY WE CARE.**

Beiersdorf COMPLIANCE.

# PRINCIPLES FOR BUSINESS RELATIONS

CODE OF CONDUCT



VERSION 2020

**Beiersdorf**

## INTRODUCTION

At Beiersdorf we have been caring about skin since 1882. Our Sustainability Agenda CARE BEYOND SKIN is an integral part of our corporate strategy C.A.R.E.+ and guides our actions to deliver a positive impact on people, society and the environment.

This Code of Conduct for Business Partners (“Code of Conduct” or “CoC”) represents the foundation for all cooperation between Beiersdorf and its Business Partners.

In this Code of Conduct, Beiersdorf defines the requirements that must be met by all of its Business Partners. Such Partners are obliged to ensure that their subcontractors also meet these requirements.

The cooperation between Beiersdorf and its Business Partners is based on a culture of trust, mutual respect, openness, a fair balance of reciprocal interests and equal opportunities. Both parties understand that complying with applicable laws and safeguarding social and environmental standards are the foundation for a lasting and successful cooperation.

As well as country specific statutes and official requirements, the following serve to reinforce and interpret the principles outlined below: the UN’s Universal Declaration of Human Rights, the conventions of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, the principles of the UN Global Compact, and the general principles pertaining to Anti-Corruption and Competition Laws.

Any violation or behavior by the Business Partner that breaches the principles will entitle Beiersdorf to terminate the entire cooperation and all existing business relationships with the Business Partner with immediate effect, including any existing framework, individual agreement or submitted purchase orders.

Should the Business Partner become aware of a violation of the following principles by any of its subcontractors who are engaged in the relationship with Beiersdorf, the Business Partner is obliged to immediately inform Beiersdorf thereof and to ensure the situation is immediately resolved (e.g. by terminating the engagement of the respective subcontractor).

## CONTENT

<b>1 COMPLIANCE WITH LAWS</b>	<b>4</b>
<b>2 HUMAN RIGHTS</b>	<b>4</b>
2.1 PROHIBITION OF CHILD LABOR	4
2.2 EXCLUSION OF HUMAN TRAFFICKING, FORCED LABOR AND DISCIPLINARY MEASURES	4
<b>3 WORKING ENVIRONMENT</b>	<b>5</b>
3.1 OCCUPATIONAL HEALTH AND SAFETY	5
3.2 DIVERSITY AND EQUAL OPPORTUNITIES	5
3.3 WORKING TIME	6
3.4 REMUNERATION	6
3.5 FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING	6
<b>4 BUSINESS INTEGRITY</b>	<b>7</b>
4.1 ANTI-CORRUPTION	7
4.2 DATA PROTECTION	7
4.3 FREE COMPETITION	8
4.4 INTELLECTUAL PROPERTY	8
4.5 INTERNATIONAL TRADE LAWS	8
4.6 MONEY LAUNDERING	9
4.7 TAXES	9
<b>5 ENVIRONMENTAL PROTECTION</b>	<b>9</b>
<b>6 MANAGEMENT APPROACH</b>	<b>10</b>
<b>7 COMPLIANCE VIOLATIONS</b>	<b>10</b>
<b>REFERENCES</b>	<b>11</b>

# 1 COMPLIANCE WITH LAWS

Business Partners shall comply with all applicable laws and regulations of the countries in which operations are managed or services provided.

## 2 HUMAN RIGHTS

### 2.1 PROHIBITION OF CHILD LABOR

The exploitation of children and child labor is prohibited. The minimum working age is 15 years. Should national laws require a higher age, this shall apply instead. The Business Partner must ensure that proof-of-age documentation is in place for all employees and that the rights of young employees are protected in compliance with the applicable laws and regulations.

As a general rule, young persons under the age of 18 years shall not work at night for a period of at least twelve consecutive hours, including the interval between ten o'clock in the evening and six o'clock in the morning. The minimum age for admission to any type of employment or work that by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young persons (e.g. hazardous work), shall not be less than 18 years.

### 2.2 EXCLUSION OF HUMAN TRAFFICKING, FORCED LABOR AND DISCIPLINARY MEASURES

Business Partners must adhere to regulations prohibiting human trafficking – in particular for the purpose of forced labour (modern slavery) – and comply with all applicable local laws in the countries in which they operate. Forced or involuntary labor is prohibited. This applies especially to any form of forced labor exacted from a person under the threat of penalty (e.g. by withholding identification papers).

The service of an employee must be given willingly. Employees have the right to terminate their employment contracts after giving a reasonable notice period. The Business Partner must not engage in, support or allow any form of physical or psychological punishment, mental or physical coercion, verbal abuse, harassment or threat.

## 3 WORKING ENVIRONMENT

### 3.1 OCCUPATIONAL HEALTH AND SAFETY

The Business Partner must, above all, be compliant with all applicable laws and regulations and maintain a proper Safety and Health management system that, together with all employees, works to prevent work-related illnesses and injuries.

It is expected that the management system is based on international recognized standards (e.g. ISO 45001) and that it fulfills the applicable requirements of the ILO Conventions; these include providing suitable working conditions that are safe and healthy for workers, being well-prepared for emergency situations, ensuring that employees receive adequate safety and health training and being equipped to promote a continual improvement process.

### 3.2 DIVERSITY AND EQUAL OPPORTUNITIES

All employees shall have the right to equal treatment, social benefits and equal opportunities. Any discrimination on the grounds of gender, color, race, age, religion or ideology, social class or origin, ethnic and national origin, caste, disablement, marital or family status, pregnancy and physical characteristics, membership of employee organizations including unions, political opinion, sexual orientation or any other personal characteristics, are prohibited.

This applies to employment, wages, access to further training, promotion, the ending of the employment relationship or retirement, among other things. Any form of harassment of employees must not be tolerated by the Business Partner.

### **3.3 WORKING TIME**

Working hours shall comply with the applicable laws and the current industry standards, the more strict regulation shall apply. Weekly working hours should not regularly exceed 48 hours, in compliance with the applicable laws and regulations.

Overtime must be worked on a voluntary basis and may not amount to more than 12 hours per week. Every employee shall have the right to at least one free day (twenty-four consecutive hours) after six successive workdays.

Adequate vacation entitlement and maternity leave shall be provided, taking into account local statutory requirements.

### **3.4 REMUNERATION**

Remuneration for regular working hours and overtime must comply with the applicable laws or the current industry standards, the more strict regulation shall apply. Local minimum wages must be adhered to. Insofar as these are not sufficient to cover living expenses, the Business Partner is obliged to pay remuneration that covers basic needs and living expenses. Remuneration and benefits must be based on job performance in a non-discriminatory manner and compensation has to be reviewed on a regular basis.

Unauthorized deductions or deductions in remuneration as a disciplinary measure are forbidden. Employees must receive all compensation as specified in law. The Business Partner must ensure that its employees receive transparent, detailed and regular information on the calculation of their remuneration. Remuneration must be paid on time, at regular intervals (at least monthly) and in accordance with the applicable laws and regulations.

### **3.5 FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE BARGAINING**

In compliance with the applicable laws, the Business Partner must respect the right of the employees to establish organizations of their choice, to join them, to attend meetings and to conduct collective negotiations.

In situations where the rights to freedom of association and collective negotiations are limited by law, other opportunities must be granted for the independent and free union of the employees for collective negotiation.

The Business Partner must protect employee representatives against discrimination and ensure that they are able to fulfil their mission without fear of reprisal, interference, intimidation or harassment. Furthermore, the Business Partner must be granted free access to the workplaces of their colleagues in order to ensure that they are able to exercise their rights in a lawful manner.

## **4 BUSINESS INTEGRITY**

### **4.1 ANTI-CORRUPTION**

Any form of or attempt at corruption, including blackmail, bribery and other illegal practices, will not be tolerated and is strictly prohibited.

The Business Partner must neither directly nor indirectly offer, promise, guarantee, demand or accept bribes or other unlawful incentives or rewards in order to obtain or retain business or gain other improper advantages. Furthermore, no inducements whatsoever may be offered or granted to any public official. Equally, no bribes or other undue advantages may be demanded or expected from the Business Partner.

### **4.2 DATA PROTECTION**

The Business Partner must assist Beiersdorf in complying with the applicable data protection laws.

In particular, the Business Partner must provide transparency regarding personal data processing activities that concern the products or services provided to Beiersdorf and ensure adequate technical and organizational protection measures.

### 4.3 FREE COMPETITION

The Business Partner must comply with the competition/antitrust legislation in force. In particular, the Business Partner must not enter into any anti-competitive agreements with competitors, suppliers or customers. If the Business Partner is in a dominant market position, this position should not be abused.

### 4.4 INTELLECTUAL PROPERTY

The Business Partner, including any of its subsidiaries and affiliates, regardless of their jurisdiction, undertake to respect all intellectual property belonging to Beiersdorf as well as to any third parties, in particular trademarks, patents, designs, domain names and copyrights as well as know-how and trade secrets and to comply with applicable intellectual property and trade secret laws.

The Business Partner is prohibited from using any of Beiersdorf's intellectual property including trademarks, patents, designs, domain names or copyrights without written permission.

### 4.5 INTERNATIONAL TRADE LAWS

The Business Partner must comply with the respective customs import and export laws and regulations applicable to our business relationship.

The Business Partner must ensure that the business premises and the loading and shipping areas where products for Beiersdorf are produced, stored, prepared, loaded and transported are protected against unauthorized access within a safe and secure supply chain, and that all employees are reliable.

The Business Partner will abide by applicable international sanctions and export control restrictions. Any violation of these laws may have serious consequences, including business disruption and criminal prosecution.

### 4.6 MONEY LAUNDERING

The Business Partner must only conduct business relationships with business partners of whose integrity they are convinced. The Business Partner must ensure that the applicable legal money-laundering provisions are not breached.

### 4.7 TAXES

The Business Partner must comply with applicable tax laws. The Business Partner must not participate in artificial business practices or transactions that have been established purely for tax-evasion purposes.

## 5 ENVIRONMENTAL PROTECTION

Responsibility for the protection of human life and the environment is to be ensured by means of preventive actions and the application of environmentally friendly measures.

The Business Partner must comply with all applicable laws concerning environmental impacts and protection, e.g. with regard to energy, CO<sub>2</sub>e emissions, waste and water.

The Business Partner should aim to continuously reduce the environmental impact of products and services and to source in a responsible and sustainable manner. Environmental awareness within the company has to be actively promoted.

The Business Partner must establish, monitor and continually improve environmental-protection procedures regarding resource management (i.e. energy, water, waste), as well as the prevention and reduction of pollution and greenhouse gas emissions.

The Business Partner shall be willing to enter into dialogue with Beiersdorf regarding the joint advancement of sustainability performance and share environmental impact data if available.

## 6 MANAGEMENT APPROACH

The Business Partner is not only expected to accept the standards defined in this Code of Conduct, but also to implement management systems in order to ensure compliance with all applicable laws and standards set forth in this Code of Conduct.

This includes adequate procedures to deal with conflicts of interest. Employees must be informed in an accessible manner about the content of this Code of Conduct and/or any relevant law affecting them. Obligations arising from this Code of Conduct or from national and international statutes may not be circumvented by contract, actively misleading employees or other comparable measures.

The Business Partner must keep adequate records to substantiate compliance with this Code of Conduct and national/international statutes. Furthermore, the Business Partner agrees that Beiersdorf may verify compliance with this Code of Conduct using measures deemed appropriate by Beiersdorf, e.g. reviewing the Business Partner's records. Such measures may also include announced and, in case of suspected material breaches of this Code of Conduct, unannounced inspections of the Business Partner's premises by persons or organizations appointed by Beiersdorf.

## 7 COMPLIANCE VIOLATIONS

Beiersdorf encourages the Business Partner and its employees to report any violations of this Code of Conduct or the applicable laws related to Beiersdorf and its brands. Such reports can be made as follows:

- by contacting the Business Partner's primary Beiersdorf contact
- via e-mail ([Incidents\\_Cases@Beiersdorf.com](mailto:Incidents_Cases@Beiersdorf.com)) or
- over the Beiersdorf incident reporting platform [Speak up. We care.](#)

## REFERENCES

Below are listed the most important principles, standards and conventions that served as a basis for the development of the Code of Conduct. These can be subject to changes beyond our control:

- The UN Universal Declaration of Human Rights
- The UN Global Compact Principles
- The OECD Guidelines for Multinational Enterprises
- International Labour Organization Conventions such as:
  - ILO Conventions on Worst Forms of Child Labour (C182), Minimum Age (C138) and Night Work of Young Persons (C079)
  - ILO Conventions on Forced Labour (C029) and Abolition of Forced Labour (C105)
  - ILO Convention on Occupational Safety and Health (C155)
  - ILO Conventions on Discrimination (C111) and Vocational-Rehabilitation and Employment (Disabled Persons) (C159)
  - ILO Conventions on Hours of Work (C001) and Weekly Rest (C014)
  - ILO Conventions on Remuneration (C026 and C131)
  - ILO Conventions on Freedom of Association and Collective Bargaining (C087, C098, C135 and C154)
  - ILO Convention on Human Resources Development (C142)

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