



**LESARA GmbH**  
**CODE OF CONDUCT**  
(Updated 22.02.2016)

**INTRODUCTION**

Lesara GmbH is an international company and as such it is important to us that everyone involved in the success of Lesara is able to fully exercise their human and labour rights. In no circumstance will anyone working with or for the company be treated inhumanely. To this end we have committed to the following Code of Conduct. It is important to us to ensure that our day-to-day work, as well as our business relationships, adhere to internationally recognised human rights and labour standards. Therefore, the foundation of this Code of Conduct is based on the conventions of the International Labour Organization (ILO) and the United Nations standards. Even though the cultural as well as political working environments of our business partners may differ to our own, we firmly believe that universal human rights must be respected and protected at all times and in all circumstances. We strive to contribute towards this objective in our day-to-day behaviour. The necessary consequences will be implemented should there be a blatant disregard or breach of this Code, as the outlined standards serve as the foundation for our cooperation with existing and potential suppliers as well as their sub suppliers and subcontractors. The supplier shall - independent of the contractual basis of employment – guarantee that any person operating within its company or any of its sub suppliers and subcontractors complies with the Code of Conduct. Certainly, stricter national legal regulations will apply and are to be followed in all cases. Lesara also strives to exceed these minimum standards whenever possible.



## **GENERAL SUPPLIER OBLIGATIONS**

Our aim is to build and maintain long term business relationships with all our suppliers. In this endeavour, we expect that our business partners respect Lesara's Code of Conduct, which conforms to social standards and as such are expected to act in an honest and fair manner. More specifically, we expect our business partners to meet the following requirements:

- **Information**

Suppliers must openly display and make this Code of Conduct available in all places of work in the local language. The supplier is also obliged to inform their employees about their rights and obligations under this Code of Conduct and local laws.

- **Communication and Reporting**

In addition to their own operations, suppliers are required to forward the contents of this Code to their business partners and subcontractors, as well as bear responsibility for the compliance with the Code's standards. Each supplier must select a person to be held responsible for implementation of specific parts of this Code as well as being Lesara's contact person. In addition, the supplier agrees to adequately document compliance with the national laws and the Code of Conduct.

- **Regulatory Compliance**

All Lesara business partners must adhere to the rules outlined in this Code. In addition, all business partners must comply with the national legislation, especially in regards to labour and social laws as well as environmental regulations.

- **Verification**

Lesara expects all their business partners to initiate definite measures to ensure compliance with the requirements described. Lesara or parties commissioned by Lesara are entitled to visit all the production sites of their respective business partners and their subcontractors at any time and without notice, for the verification of performance and to promote speedy progress in the development of producers.

- The findings of these inspections/audits may not be passed on by the supplier to an external person(s) without prior authorisation by Lesara.
- Lesara reserves the right to terminate business relationships, should there be any serious violations of fundamental human rights, intentional breach of the Code or systematic forgery and/or persistent lack of cooperation.

- **Subcontracting**



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All business partners are required to inform and take pre-approval of Lesara GmbH in case an order cannot at all or not to its full extend be executed in the specified factory.



## **EMPLOYMENT STANDARDS**

### **1. Work Environment**

All employees and workers of our respective business partners and their subcontractors must be treated with respect and dignity. Corporal punishment in any form - verbal, sexual or psychological harassment and abuse or any other form of intimidation is prohibited. Disciplinary measures may not violate national regulations nor internationally recognised human rights. Employees who file a complaint regarding violations of this Code or national laws, will be exempt of any disciplinary measures.

### **2. Work Times**

The working hours of all employees must adhere to local laws. Employees must not work more than 48 hours in a standard work week. Overtime must be voluntary and should not exceed and additional 12 hours per week and must be compensated. Moreover, employers must make sure that employees have at least one day off after six consecutive working days.

### **3. Remuneration**

Payment received by all employees and workers for the completion of standard working hours must meet the legal or industry-standard minimum wage. We encourage the selection of the industry standard wage. Overtime must also be compensated with legal or customary surcharges. In addition, all business associates are obligated, if the statutory minimum wages fail to do so, to advocate for payment that will be paid in full, which covers the workers and employees cost of living. All employees and workers must receive social security benefits. Deduction from wages as a disciplinary measure is not permitted. Employees and workers must be informed in full about the structure of their payment.

### **4. Conditions of Employment**

Every occupation must be founded on a formal document such as a contract or letter. This document must provide information on the working and employment conditions (including working hours, wages, period of payment, pension benefits, holiday entitlement and period of notice) in which employment has been entered into. The requirement of the Code is further for employers to establish regular employment relationships, which may not be circumvented by spurious training programmes, contracted work or the like.

### **5. Health and Safety at the Workplace**



Neither the workplace nor the occupational activity of employees and workers may endanger their health and safety. It is the responsibility of employers to ensure a safe and clean working environment, with sufficient light, ventilation and heating. Workplace health and safety practices should be asserted for the prevention of accidents and injuries at work or as a result of the use of company property. Safety practices must be communicated to all employees and workers and all concerned must be trained in their application on a regular basis. This includes training on fire safety, the handling of hazardous chemicals and further dangerous materials. Employers further have to provide workers with safe drinking water and clean sanitary facilities. The same principles and guidelines shall also apply if the employer has social amenities or corporate housing at their disposal. (ILO Convention 155)

## **6. Forced Labour**

Employment must always be voluntarily taken and maintained by all employees. Slave or forced labour, bondage or prison labour in any regards is strictly prohibited. Employees and workers may not be restricted in their personal freedom of movement. (ILO Conventions 29 and 105)

## **7. Child Labour**

Child labour as defined by the ILO and UN conventions and national regulations is prohibited. The age limit for legal employment shall not be below school age and in no case less than 15 years (or 14 years where permitted by and in accordance with national laws and the ILO Convention 138). Should it be established that a supplier or sub-contractor finds themselves in breach of the prohibition of child labour, the supplier will be held directly responsible. Appropriate measures to improve the situation of those affected must be taken immediately. In order to ensure the future wellbeing of the child, their age, social background and education must be taken into consideration. In addition, regulations for the protection of young employees and workers must be observed and followed.

## **8. Discrimination**

All employees must be treated equally. Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship is to be based on the principle of equal opportunities, regardless of gender, age, race, nationality, religion, social background, caste, ethnic or national origin, membership in workers' organisations, disability, sexual or political orientation, or any other personal characteristics. (ILO Conventions 100 and 111)

## **9. Freedom of Association**

For the purposes of collective bargaining, employees and workers have the right to join a workers' organisation (or union) of their own choosing or they may set one up themselves (ILO Conventions 87



and 98). Should the right to freedom of association be limited by national legislation, employees and workers should be allowed to set up representation to promote their interests for direct exchanges with their employers. Alternative forms of independent and free association and collective bargaining are to be facilitated and supported by suppliers. (ILO Convention 135 and Recommendation 143)

### **Cooperation and Development**

Furthermore, we expect our business partners and associates to show active cooperation and willingness to support upholding and strict implementation of our Code for the well-being and safety of all employees and workers, notwithstanding potentially more relaxed local industry standards. If any of the defined standards are not met, suppliers are to be committed to continuous improvement and thus



obliged to undertake corrective action within defined timelines in order to ensure compliance to this Code of Conduct in their factories. We are determined in our expectations, but are also aware of the difficulties in implementing some of the requirements of this Code. In the event that there is breach by the supplier leading to a termination of the business relationship, we will offer support in the search for solutions to difficult situations as well as the positive development of the supplier, to enable resumption of the business relationship. In this context, we consider it a matter of prudence and fairness to grant the partner a reasonable period to development their performance in terms of compliance with the Code's standards.

### **Complaints**

Any person aware of violations against this Code or active breach of the rights laid out and reaffirmed here, is encouraged to contact Lesara directly and to inform us in as much detail as possible about such potential violations.

#### Via Email:

legal@lesara.com

#### Via Standard Mail

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