

Der soziale Verhaltenscodex der Firma ESPARTO

March 1, 2022

The social codex of ESPARTO is complying with the rules formulated in GOTS 6.0:

3 SOCIAL CRITERIA

3.1 SCOPE

The following social criteria apply to ESPARTO.

For adequate implementation and assessment of the following specific criteria adherence to the corresponding International Labor Conventions of the International Labor Organization (ILO), United Nations Guiding Principles on Business and Human Rights (UNGPs) and OECD will be assured. Certifiers are expected to study, assimilate and consider local and national conditions in their Risk Assessment while conducting inspections and audits.

Certified Entities will create awareness on GOTS social criteria within their workforce by appropriate means.

3.2 EMPLOYMENT IS FREELY CHOSEN

3.2.1 There is no servitude, forced, bonded, trafficked or indentured labor.

3.2.2 Forced labor will not be used.

3.2.3 Workers are not required to lodge "deposits" or their identity papers with their employer. Workers are free to leave their employer after mutually agreed notice period, as stated in employment contract.

3.2.4 Workers are not required to pay for entering employment.

3.2.5 Workers are not forced to use factory provided lodging or transportation.

3.3 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

3.3.1 Freedom of association and the right to collective bargaining are respected.

3.3.2 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

3.3.3 The employer adopts an open and supportive attitude towards the activities of trade unions and their organizational activities and does not hinder or prevent or interfere with activities or engage in surveillance of those activities.

3.3.4 Workers representatives have access to carry out their representative functions in the workplace free of intimidation, discrimination or fear of reprisal. Employers do not intimidate or discriminate against workers for their union membership or activities.

3.3.5 Collective bargaining agreements will be respected.

3.3.6 Display (for example, on a notice board) and communicate (for example, in employment contracts) about workers' right to collective bargaining.

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3.3.7 If there is no trade union on site, the employer will not deny time and resources for workers to elect representatives. Elected representatives will have access to workers and employer's representative on a regular basis.

3.3.8 Each category of employees can be represented by elected representative(s) of the corresponding category of employees.

3.3.9 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining and allows their workers to freely elect their own representatives with whom the company can enter into dialogue about related issues.

3.4 CHILD LABOR WILL NOT BE USED

3.4.1 Child labor, regardless of gender will not be used.

3.4.2 Young workers (age between minimum age up to 18 years old) under 18 are not employed at night or in hazardous conditions

3.4.3 A young worker cannot work for more than 8 hours in a day or the legal limit for young workers, whichever is lower. Overtime is prohibited and a minimum consecutive period of 12 hours' rest as well as customary weekly rest days will be provided.

3.4.4 These policies and procedures including the interpretation of the terms "child" and "child labor" will conform at the very minimum of to the provisions of the relevant ILO conventions C138 and C182, or national / local laws, which ever affords greater protection.

3.5 NO DISCRIMINATION IS PRACTISED

3.5.1 There is no kind of discrimination e.g. in hiring, compensation, access to training, promotion, termination, retirement or right to overtime hours based on race, caste, ethnic or national origin, nationality, religion, age, disability, gender, marital status, pregnancy, sexual orientation, union membership, political affiliation, social background or any other condition that could give rise to discrimination. In particular, workers will not be harassed or disciplined on any of the grounds listed above.

3.6 OCCUPATIONAL HEALTH AND SAFETY (OHS)

3.6.1 Working conditions are safe and hygienic.

3.6.2 A safe and hygienic working environment is provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, will receive special protection.

3.6.3 Appropriate personal protective equipment is provided to the workers (including homeworkers) at no cost to such workers and it will be assured that these are being used whenever necessary. Adequate steps will be taken to prevent accidents and injury to health arising from, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.6.4 ESPARTO ensures adequate occupational medical assistance and related facilities if

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applicable.

3.6.5 Systems will be in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. Effective measures are taken to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work if applicable.

3.6.6 For all chemical substances and preparations used the corresponding Material Safety Data Sheet (SDS) will be maintained and it will be assured that the applicable health and safety measures for handling and storing these chemicals are implemented.

3.6.7 ESPARTO takes all appropriate measures within its sphere of influence, to see to the stability and safety of the equipment and buildings they use, including accommodation to workers, where provided, as well as to protect against any foreseeable emergency. Workers will be able to exit the premises in case of imminent danger without seeking permission.

3.6.8 A safe and hygienic working environment will be provided, bearing in mind the prevailing knowledge of the industry, any specific hazards, and context/country specific risks.

3.6.9 Workers will receive regular and recorded health and safety training incl. fire prevention training and evacuation drills, and such training will be repeated for new or reassigned workers.

3.6.10 ESPARTO will provide training and make safety signs available in the local language and the language(s) spoken by their workforce.

3.6.11 Workers (including homeworkers) and staff will receive regular and recorded health and safety training including fire prevention training and evacuation drills (as relevant), and such training will be repeated for new or reassigned workers if applicable.

3.6.12 If the facility employs homeworkers, it will take effective actions to ensure that such homeworkers are given a level of protection equivalent to that given to the workers working at the facility.

3.6.13 Access to functional clean toilet facilities and to free of charge potable water, and, if appropriate, to rest areas, food consuming areas and sanitary facilities for food storage are provided and not unreasonably restricted.

3.6.14 Accommodation, where provided, will be clean, safe, and meet the basic needs of the workers.

3.6.15 Employer will assign responsibility for health and safety to a senior management representative if applicable.

3.7 NO HARASSMENT AND VIOLENCE

3.7.1 ESPARTO makes a commitment within their social compliance policy (see section 3.12) to foster an environment at work free from harassment, bullying and violence.

3.7.2 Sexual harassment, sexual violence and gender-based violence is not permitted in the workplace, irrespective of gender.

3.7.3 Prohibited is any act of gender-based violence that results in, or is likely to result in,

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physical, sexual or psychological harm or suffering to women including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life.

3.7.4 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited.

3.7.5 Workers are treated with respect and dignity.

3.7.6 Human Rights are respected and protected. ESPARTO has a policy commitment for the same.

3.7.7 Confidential reporting of abuse or harsh treatment is encouraged by the management. Each facility will display contact details for the local point of contact at the workplace for grievance redressal, in a way that all workers have access to it. This information will be provided before signing an employment contract if applicable.

3.7.8 All disciplinary measures will be recorded.

3.8 REMUNERATION AND ASSESSMENT OF LIVING WAGE GAP

3.8.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages will always be enough to meet basic needs and to provide some discretionary income.

3.8.2 All workers are provided with written and understandable information about their employment conditions compliant with national legal requirements and including wages and social benefits legally granted before they enter employment.

3.8.3 Wages will be paid regularly (at least monthly) and promptly. Workers are informed about the particulars of their wages for the pay period concerned each time that they are paid.

3.8.4 Withholding of wages for payment as a lump-sum at the end of a term of employment or training is prohibited.

3.8.5 For specified work (being done at home or at facility) paid by the 'piece rate', the rate of remuneration will be comparable to that received by a worker in the facility of the employer, doing similar work on an hourly basis. If there is no such worker, then they remuneration in another facility in the same field of activity and region concerned can be used as a benchmark by the Approved Certifier.

3.8.6 Deductions from wages as a disciplinary measure are not permitted. Other deductions are permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

3.8.7 Overtime will be paid at a premium rate established by law or through collective bargaining, whichever is higher. Premium rate will not be less than one and one-quarter times the regular rate. Equivalent leisure time may also be provided as compensation for overtime, if permitted by local regulations.

3.8.8 Workers will receive wages directly in their hand / bank account or in a manner convenient to workers.

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3.8.9 Certified Entities will calculate 'Living Wages' for their respective operations. Furthermore, they will compare Living Wages data with their remuneration data and calculate the 'Wage Gap' for their workers.

3.9 WORKING TIME

3.9.1 Working hours will comply with national laws, collective bargaining agreements and benchmark industry standards, whichever affords greater protection.

3.9.2 In any event, workers will not be required to work in excess of 48 hours per week on a regular basis, will have the right to have rest breaks in every working day and will be provided with at least one day off for every 7-day period on average.

3.9.3 Overtime will be voluntary, will not exceed 12 hours per week, will not be demanded on a regular basis and will not represent a significantly higher likelihood of occupational hazards.

3.10 NO PRECARIOUS EMPLOYMENT IS PROVIDED

3.10.1 To every extent possible work performed will be on the basis of recognized employment relationship established through national law and practice.

3.10.2 Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship will not be avoided through the use of labor-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor will any such obligations be avoided through the excessive use of fixed-term contracts of employment.

3.11 MIGRANT WORKERS

3.11.1 Equality in treatment will be provided as compared to local workers who work at employer's facilities. This includes remunerations, social security, access to training and other provisions of GOTS Social Criteria.

3.11.2 Migrant workers will have access to their travel documents

3.11.3 Besides other standard requirements, written employment contract will include - in a language that the worker understands- clear information about provisions of terms, duration and hours of employment, deductions, benefits (such as leave and insurance), housing, food, transportation, and other applicable provisions.

3.11.4 If food, accommodation, transportation or other services are provided, they will be provided at a rate not higher than the market rate.

3.12 SOCIAL COMPLIANCE MANAGEMENT

ESPARTO has a policy for social accountability to ensure that the social criteria can be met. It will support the implementation and monitoring of the social criteria by:

3.12.1 Nominating a person responsible for social accountability.

3.12.2 Monitoring compliance with the social criteria and implementing necessary improvements at its facilities, also keeping in mind potential adverse impacts.

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3.12.3 Informing its workers about the contents of their employment contract, minimum social criteria and any other related information provided by GOTS in German.

3.12.4 Maintaining records of the name, age, working hours and the wages paid for each worker.

3.12.5 Allowing the workers to nominate a representative for social accountability that can provide feedback to the management regarding implementation status of and compliance with social criteria.

3.12.6 Providing time and space to workers to organize and engage in collective bargaining.

3.12.7 Recording and investigating complaints from workers or third parties related to the adherence to the social criteria and maintaining records about any necessary corrective measures arising from them.

3.12.8 A functional and effective complaint mechanism will be established. Anonymous complaint mechanism will be followed to the maximum possible extent.

3.12.9 Upon request, Certified Entities will provide information about complaint records to their Certified Buyers should complaints possibly be related to the business practices of such Certified Buyers.

3.12.10 Refraining from disciplinary measures, dismissals or other forms of discrimination against workers for providing information concerning observance of the social criteria.

3.12.11 For home-workers, data on the nature, extent and characteristics of home-work will be compiled by the employer and made available to Certification Bodies. Appropriate access to private home-working premises will be arranged by employers for the purposes of inspection and audit.

5 ETHICAL BUSINESS BEHAVIOR

Ethical Business Behavior is a crosscutting prerequisite at all stages of the supply chain and applies to all stakeholders of the supply chain. It is critically important for maintaining confidence among stakeholders of the certification process (workers, business partners, customers, certification body and scheme) and towards consumers. To assure Ethical Business Behavior, the following criteria will be met:

- a) ESPARTO has a Code of Conduct (CoC) in place which prescribes ethical behavior, honesty, fair dealings and prevention of corruption.
- b) Adherence to relevant OECD guidelines is assured.
- c) ESPARTO is not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive.
- d) ESPARTO keeps accurate information regarding their activities, structure and performance, and disclose these in accordance with applicable regulations and industry benchmark practices.
- e) ESPARTO neither participates in falsifying such information, nor in any act of misrepresentation in the supply chain. ESPARTO collects, uses and otherwise processes any personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care.
- f) The collection, use, and other processing of personal information complies with privacy and information security laws and regulatory requirements.
- g) ESPARTO will establish an anonymous non-discriminatory whistle-blower mechanism, assuring easy access and effective measures to protect whistle-blowers and ensuring

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that any information received regarding corruption or non-compliance is followed up and necessary actions taken if applicable.

- h) ESPARTO would provide training on integrity regulations and inform about sanctions for non-compliance if applicable.

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owner