

Supplier`s Code of Conduct

Operating on an international basis, DHG Vertriebs- & Consultinggesellschaft mbH (“DHG”) respects the value of diverse people and cultures and is committed to conducting all aspects of business activities with the highest standards of business ethics and in accordance with all applicable laws and regulations.

As a result, DHG expects the same commitment to be shared by each of its Suppliers and their agents.

This Supplier Code of Conduct (“SCoC”) establishes minimum standards of conduct required for all organizations providing products and/or services to DHG, whether directly or indirectly, including each of their manufacturing facilities (“Supplier”).

It is based on national laws and regulations as well as international conventions, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and recommendations of the International Labour Organization (ILO) that are relevant to improving working conditions in the supply chain.

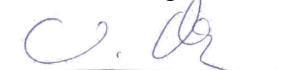
As a long-standing member, DHG is also committed to the principles of the amfori BSCI Code of Conduct, which is regarded worldwide as a guide to ethical behaviour and sets out social standards and rules on environmental protection, occupational health, and safety.

In the event of stricter laws or regulations, these always take precedence over this code.

DHG will apply these standards in our selection of Suppliers and during Suppliers’ performance DHG will require ongoing compliance with this SCoC.

DHG will only conduct business with Suppliers whose business activities comply with all applicable national and local labor, environmental, safety and other applicable legal requirements, customs, and published industry standards in the country of manufacture.

With kind regards



Werner Berg
CEO



Sara Schnurbusch
CSR-Manager

Section A: Labor

The contractual partners are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. To every extent possible work performed must be based on recognized employment relationship established through national law and practice. At the time of hiring, all of Supplier's workers are to be clearly informed of the terms of employment and the Supplier's own policies and regulations as mandated by law.

Freely Chosen Employment

Workers' employment with suppliers must be voluntary. Forced labor will not be tolerated. Suppliers shall not use any compulsory prison or slave labor. In addition, Suppliers shall not engage in the use of physical, mental, verbal, sexual or other abuse of workers. All workers are to be treated with respect and dignity. This provision shall apply to labor used in contracting, subcontracting or other manufacturing relationships with Suppliers. Workers are not required to lodge "deposits" or their identity papers with the Supplier and are free to leave their employer after reasonable notice.

Freedom of Association and the right to Collective Bargaining

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively, and Suppliers shall adopt an open attitude towards the activities of trade unions. If trade unions are present, workers' representatives are not discriminated against, and have access to carry out their respective functions in the workplace. To the extent the right to freedom of association and collective bargaining is restricted under law, the Supplier should not hinder the development of parallel means for independent and free association and bargaining.

Child Labor Avoidance

No person shall perform work for Supplier at an age younger than the law of the jurisdiction of manufacture allows, or the age set forth in relevant International Labor Organization Standards, whichever is higher. Suppliers shall ensure that all workers are able to complete compulsory education as mandated by applicable law. Suppliers must maintain official and verifiable documentation of each worker's date of birth, or lacking this documentation, have some legitimate means of confirming each worker's age. No person under the age required by applicable law shall be employed at night or shall perform work which, by either its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of persons under the age of designated legal age.

Working Hours

Supplier shall maintain reasonable employee work hours in compliance with local standards and applicable laws of the jurisdiction. To the extent applicable under law, legal overtime waivers are to be obtained for those workers performing overtime work. Employees shall be offered reasonable days off (at least one day off for every seven-day period). Workers shall not work more regular hours per week than required by applicable law, and any overtime worked shall be voluntary and shall not exceed applicable law.

No Avoidance of Obligations

Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided using 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 shall any such obligations be avoided through the excessive use of fixed-term contracts of employment

Wages and Benefits

The wage paid to workers by Supplier shall be at least the legal minimum wage of the jurisdiction of the supplier or the wage established by industry benchmark standards (provided such wage is higher than the legal minimum wage). In either event wages should be enough to meet basic needs of workers and to provide for some discretionary income. Benefits shall include, at a minimum, those mandated by law. The wage structure, with any legitimate deductions and overtime pay is to be itemized clearly in writing for the workers and in accordance with applicable law. Wages must be paid to all workers at least monthly. Deductions from wages as a disciplinary measure shall not be permitted, nor are any deductions from wages not provided for by national law without the express permission of the applicable worker. All disciplinary measures should be recorded.

Humane Treatment

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

Non-Discrimination

The contractual partners should be committed to a workforce free of harassment and unlawful discrimination. Companies shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way

Section B: Workplace Environment: Health, Safety and Housing

DHG requires that suppliers provide a safe, clean, and healthy working environment at their facilities in accordance with applicable local law to prevent accidents and injuries arising in the course of work. Suppliers shall ensure that their facilities comply with all national and local, provincial or other applicable labor laws and regulations of the country where DHG merchandise is produced, including those laws that prohibit forced or bonded labor and indentured servitude, regulate work and prohibit discrimination in hiring and employment practices based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation. In addition, the following may be mandated by local laws, requiring full compliance of suppliers. If not mandated by local laws, Suppliers, including their factories shall adopt the following as part of their management practices:

Medical Facilities

To the extent feasible, trained first aid personnel are to be always made readily accessible at each of Supplier's facilities. Well-stocked general first-aid medical providers are to be located at Suppliers' facilities in accordance with applicable law. In the event of any serious injuries, workers are to be provided with medical treatment at the closest outside medical facility. These services are to be provided at no cost to the workers, unless the worker's health insurance coverage, if any, provides otherwise.

Emergency Exits

Easily accessible exit doors and stairways are required at all of Supplier's facilities. These exit doors and stairways are to be clearly marked and free of any obstructions. They are not to be locked and are to be available for fire and other emergency escapes during all working hours.

Fire Safety and Emergency Evacuation

Fire and other emergency evacuation drills are to be conducted in accordance with applicable law, but in no event less than annually at each of Supplier's facilities. Sufficient and accessible fire safety equipment as required by applicable law, regulation and/or industry standard is to be located throughout Suppliers' facilities and inspected on a regular basis, but in no event less frequently than required by applicable law. Trained supervisors located throughout Supplier's facilities are to be designated to monitor the safe and orderly evacuation of all workers.

Ventilation and Lighting

Work areas at each of Supplier's facilities are to be properly ventilated. During periods of hot temperatures, adequate ventilation and/or air conditioning are to be provided for the basic well-being of workers to at least the extent required by applicable law. During periods of cold temperatures, adequate heating without any risk to safety is to be provided. Adequate lighting and workspace are to be provided for the safety and well-being of workers. In all work areas where enameling, painting, lacquering, spraying, or sanding is done or where chemicals or solvents are used, adequate and proper ventilation and air circulation are to be provided.

Personal Protective Equipment

Supplier's workers performing tasks involving enameling, painting, lacquering, spraying, sanding or application of chemicals or solvents must be required to wear face masks and other types of protective clothing, all provided at no cost to the workers ("PPE"). All such chemicals used must be safe and must not pose any short or long-term safety risk to the workers. In areas where the work may pose physical dangers, workers are required to wear appropriate PPE such as eye protection, hearing protection, hard hats, protective shoes and clothing, and any other appropriate protective gear, all provided at no cost, or at a reasonable cost, to the workers. Workers shall always be current in any physical or other exams or training required to perform such work, as may be required under applicable law or regulation.

Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

Sanitation

Adequate and clean toilet and hand-washing facilities with basic hygiene amenities are to be provided to workers at each of Supplier's facilities.

Drinking Water

Safe drinking water is to be always provided to workers at each of Supplier's facilities. There are to be no restrictions on workers' normal consumption of drinking water.

Housing and Meals

If dormitory housing and meals are provided as part of workers' employment with Supplier, all housing and sanitation conditions must comply with the applicable laws and regulations. Dormitory quarters are to be segregated by gender, except as provided for families to live together. Toilets and washing facilities must be sufficient based on the number of workers and segregated by gender. In the event meals are provided as part of workers' employment with Supplier, a minimum of three meals that meet or exceed customary nutritional standards per day are to be provided without cost or, at a minimum, at a subsidized cost to all workers. Food provided to workers shall be prepared and stored in sanitary conditions.

Section C: Environmental

Our suppliers recognize that environmental responsibility is integral to producing our high quality products. In manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public. Recognized management systems such as ISO 14001 and the Eco Management and Audit System (EMAS) were used as references in preparing SCoC and may be a useful source of additional information.

Environmental Permits and Reporting

All required environmental permits (e.g., discharge monitoring), approvals and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

Pollution Prevention and Resource Reduction, Climate Protection

Waste of all types, wastewater as well as the consumption of water and energy are to be eliminated or reduced at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, re-using and recycling materials.

Harzadous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, reuse or recycling and disposal.

Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled, and treated as required prior to discharge or disposal.

Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled, and treated as required prior to discharge.

Product Content Restrictions

Our Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

Section D: Ethics

To meet social responsibilities and to achieve success in the marketplace, our Suppliers and their agents are to uphold the highest standards of ethics and to continually reflect upon them. This includes:

Business Integrity and Adherence to Anti-Corruption Laws

The highest standards of integrity are to be upheld in all business activities. Our Suppliers shall have a zero-tolerance policy to prohibit all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes). All business dealings should be transparently performed and accurately reflected on our Supplier's business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws. To avoid any conflicts of interests the contractual partners make decisions solely based on objective facts and do not allow themselves to be influenced by personal interests.

No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

Disclosure of Information

Information regarding business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentations of conditions or practices in the supply chain are unacceptable.

Fair Competition and Advertising

Our Suppliers ensure fair competition and observe applicable laws and promotion of competition as well as the standards of fair advertising. Appropriate measures to safeguard customer information must be available.

Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

Safeguarding of Trade Secrets

Our Suppliers require their employees to safeguard trade secrets. Confidential information may not be released, passed on to third parties or made available in any other way without authorization.

Protection of Identity

Programs that ensure the confidentiality and protection of supplier and employee whistleblower confidentiality are to be maintained. Whistleblower definition: Any person who makes a disclosure about improper conduct by an employee or officer of a company, or by a public official or official body.

Privacy

Our Suppliers are to commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Our Suppliers are to comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

Non-Retaliation

Our Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation. about improper conduct by an employee or officer of a company, or by a public official or official body.

Section E: Management Systems

Documentation and Records

Suppliers must maintain records and documentation which may be necessary to verify compliance with applicable laws and regulations. These records must be maintained at each of Supplier's facilities and should be readily available upon the request of DHG or its thirdparty auditor for inspection.

Facility Audits and Factory Inspection

To ensure compliance with the Code, DHG may perform on-site inspections of supplier's production facilities. These inspections may be performed by DHG personnel or on its behalf by DHG's designated third party auditor. DHG reserves the right to cancel outstanding orders and/or cease doing business with any Supplier who refuses to allow inspection of its production facilities until such time as inspection is permitted.

CAP (Corrective Action Plan) Requirements

If it is determined that Supplier is in violation of the standards set forth in this Code, DHG may take corrective measures it deems appropriate, including a request that the supplier implement a corrective action plan. If Supplier continually violates the standards set forth in this Code, DHG reserves the right to terminate its relationship with the Supplier, including the potential cancellation of open purchase orders.

Confirmation by the Supplier

I acknowledge and will comply with the principles of "DHG-Supplier Code of Conduct"

Supplier: _____ Company seal:

Address: _____

Place: _____

(Signature)

Name

Function

(Signature)

Name

Function