

A scenic landscape photograph showing a calm lake surrounded by a dense forest of tall evergreen trees. In the background, a rocky cliff face is visible through the trees.

**For responsible, fair and
sustainable acting**

CODE OF CONDUCT

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Preamble

The Madeira Group is committed to exercising their corporate responsibility, irrespective of whether they are active in Germany, Europe or other parts of the world. Driven by the responsible awareness for a socially, ecologically and economically acceptable organisation of the entire textile supply chain, they face up to the challenges posed by an increasingly connected and global world.

The Code of Conduct is oriented on internationally recognised principles for the protection of human and labour rights as set out in the United Nations Universal Declaration of Human Rights, the ILO Core Labour Standards, the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises. Furthermore, the Code draws on relevant international agreements on protection of the environment.

These international agreements are essentially binding on States – not companies; their implementation is a task for the State. The Madeira Group supports the objective of implementing human rights as well as labour, social and ecological standards in economic value creation processes. By orienting its corporate behaviour on the principles formulated in these international agreements, The Madeira Group can make a contribution in this respect. We do so in the knowledge that this is a long-haul process for whose success constructive and pragmatic cooperation between State institutions, stakeholders in society and companies is essential.

1. Fundamental understanding of socially responsible business management

Legal compliance

Madeira complies with the laws of all countries in which they do business. We take care to comply with the principles of the present Code of Conduct in their own actions – in particular in countries with a weak governance structure – and also encourage our business partners to do likewise.

Contribution to society

We regard ourselves as part of the societies in which we do business. Through our business activities, we contribute well-being, advancement and sustainable development in these societies. Madeira takes into consideration indirect and direct effects of its business activities on society and environment, and endeavour to bring them into an appropriate balance of economic, social and ecological interests. We respect and accept the different legal, societal, cultural and social backgrounds of the countries into which our value creation chain extends, and recognise their structures, customs and traditions. Insofar as the latter are in conflict with the principles set out here, Madeira will enter into dialogue with its business partners and strive for understanding and acceptance.

Ethical business conduct and integrity

Madeira engages in legal business practices taking account of fair competition, intellectual property rights of third parties as well as antitrust and competition rules. We reject all forms of corruption and bribery, and promote in an appropriate manner principles of responsible business management such as transparency, accountability, responsibility, openness and integrity. Business partners should be treated fairly. Contracts should be complied with insofar as the framework conditions do not change fundamentally. Generally, ethical values and principles should be respected; this applies in particular for human dignity and internationally recognised human rights.

2. Respect for human rights

Protection of human rights is the duty of the States in which Madeira is economically active. To support the duty of the State to protect human rights on its territory, the Madeira group respects human rights. We avoid infringing the human rights of others through our activities.

3. Labour rights and working conditions

Madeira respects the core labour standards of the International Labour Organisation and creates a safe and decent work environment.

Freedom of association and right to collective bargaining

We respect the right of workers and employers to establish, without prior authorisation and as they so choose, organisations whose object is to promote and to protect the interests of workers or employers, to join such organisations and to select their representatives freely. We respect the right of workers and employers to conduct collective negotiations on pay and working conditions. Workers must not be discriminated against in terms of their employment due to their membership of worker organisations.

In countries where the principles of freedom of association and right to engage in collective bargaining are not recognised or where the exercise of these rights is restricted or proscribed, Madeira enables its workers to select freely their own representatives with whom they can enter into a dialogue on workplace issues. We respect the right of our workers to lodge complaints without disadvantages of any kind to them arising; such complaints should be dealt with in an appropriate procedure.

Ban on forced labour

We do not accept any economic activity based on forced labour, bonded labour or serfdom. This encompasses any type of work or service demanded of a person under the threat of punishment and for which that person has not voluntarily made himself or herself available.

Ban on child labour and protection of young workers

Madeira promotes the effective abolition of child labour. We respect the relevant statutory minimum age for access to employment or labour. Under the provisions of the International Labour Organisation, this may not be lower than the age at which compulsory education ends and not lower than 15 years of age.

Appropriate mechanisms to establish proof of age are deployed in the framework of the recruitment procedure in order to prevent child labour. If Madeira establishes proof of child labour, we initiate necessary measures for remediation and social reintegration focused on the well-being and protection of the child.

We only employ young people under 18 years of age if the nature of the work performed or the work relationship does not jeopardise the life, health and morality of the young people in question and the latter receive appropriate schooling or vocational training in the relevant business sector.

Ban on discrimination in employment and profession

Madeira refrains from all forms of discrimination, exclusion or preference based on ethnicity, skin colour, gender, religion, political opinion, nationality and social origin resulting in the removal or restriction of equality of opportunity or treatment in employment or profession. Furthermore, the principle of equal pay for male and female workers for the same work is applied.

Working hours

Insofar as applicable national laws or applicable workplace agreements do not specify a lower maximum working time, regular weekly working time should not exceed 48 hours plus a maximum of 12 hours of overtime. Overtime will be remunerated at no less than the rate laid down by law or collective agreement and should be required only in exceptional cases.

Madeira grants its employees the right to rest periods on each working day and recognise important statutory holidays. A work-free day is granted after six consecutive days of work.

Remuneration

Minimum pay rates must not fall below those set by law or collective agreement. In countries without a pay framework based on law or collective agreement, Madeira takes account of the consideration that pay for regular full-time work should be sufficient to meet workers' basic needs. At the same time, it is recognised that companies alone cannot ensure a decent living and that supplementary benefits of the state and other social protection measures are necessary where appropriate.

Pay will not be withheld and will be paid to the worker in an appropriate form. Pay deductions are permissible only on the basis of law or collective agreement and should be itemised. Employees will be regularly informed about the composition of their remuneration.

Employment relationships

Madeira complies with the provisions of national labour law. Workers are provided with comprehensible information about essential working conditions including working hours, remuneration as well as payment and documentation arrangements. We protect the right of workers to terminate their employment relationship taking account of the relevant notice period. In addition, we endeavour to promote workers' vocational qualifications.

Health and safety at work

Taking account of national requirements, Madeira implements appropriate measures to safeguard health and safety at work with a view to preventing work-related accidents in the framework of their activities and protecting the health of their workers. Applicable local rules on health and safety at work as well as on building safety and fire protection will be complied with in order to minimise the risk of accidents and work-related illnesses. Where necessary and appropriate, workers will be supplied with appropriate personal protection equipment. In direct situations of danger, employees have the right and the duty to leave their workplace immediately and without permission. Vulnerable persons such as young people, young mothers and pregnant women as well as people with disabilities should be given particular protection.

Decent treatment

Madeira treats its workers with dignity and respect. We refrain from any form of inappropriate treatment, abuse, harassment and intimidation as well as illegal punishments vis-à-vis workers. Disciplinary measures are set out in writing and in a form which the worker can understand.

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4. Environmental protection

Madeira complies with applicable laws, provisions and administrative practices regarding the protection of people and the environment in the countries where we are active. Generally speaking, we exercise our business activity in such a way that we make a contribution to the general objective of sustainable development. To this end, we put in place a system tailored to our organisation which enables us to monitor our operational activities for harmful environmental impacts and to take all necessary and appropriate measures with a view to reducing strain on people and the environment, preventing environmental damage and taking remedial action within the framework of our possibilities, taking applicable regional laws and provisions into account.

5. Consumer interests

Madeira takes appropriate measures to safeguard the quality of the products we offer. We ensure that our products comply with all statutory rules with regard to health and safety, and are harmless and safe in health terms for their intended use. Madeira also takes consumer interests into account by applying fair business, marketing and advertising practices and promoting consumer education.

6. Animal and species protection

In our business actions, we respect the principles of animal protection. Animal husbandry and use are organised to meet the needs of specific species. Madeira adheres to the Washington Convention on protection of endangered species of fauna and flora (CITES) and orient its business actions accordingly.

7. Communication

Madeira communicates the content of the Code of Conduct vis-à-vis workers, contractual partners and, as and when appropriate, third parties. It should be comprehensible for contractual partners that compliance with the Code of Conduct is in principle ensured. However, communication of operational and business secrets or competition-sensitive or other information deemed worthy of protection for legal reasons are excluded from this requirement.

8. Implementation and enforcement

Madeira respects the present Code of Conduct in its own actions. We encourage our business partners to apply the Code of Conduct accordingly. We support our business partners in organising their own supply chains in such a way that human and labour rights are respected and working conditions are continuously improved.

With a view to good Corporate Governance, Madeira enshrines the principles of responsible business management set out in the Code in its strategic and operational management systems.

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