



APRIL 2022

TEAL GOAL LIMITED

**CODE OF
CONDUCT
FOR BUSINESS PARTNERS**

INTRODUCTION

We are the buying office and trading partner of the well-known DIY chain BAUHAUS in Europe. Our products are distributed to over 270 BAUHAUS retail and online stores in 19 European countries.

Our values are based on **quality, responsibility** and **integrity**. We follow the requirements and standards of our customer BAUHAUS; we focus on EU quality standards and sustainability of our products and services as well as on compliance with ethical values.

We are only able to implement these values with the support of our business partners. The Code of Conduct describes our requirements and expectations of our business partners about respect for human rights, employee health and safety, environmental and climate protection, and ethical business practices.

The described values are based on the conventions of the International Labor Organization (ILO) and the principles of the UN Global Compact (UNGC), as well as the 17 global goals for sustainable development of the United Nations Agenda 2030.

Compliance with the requirements of the Code of Conduct plays an essential role for TEAL GOAL and our customer BAUHAUS in the selection of business partners. We expect our business partners to follow the Code of Conduct with due diligence and to observe the implementation in their entire supply chain.

The Code will be further specified and explained in more detail in future guidelines.

ABOUT THE CODE

This Code of Conduct applies to all TEAL GOAL business partners. It is an integral part of purchasing agreements and orders. By “business partner” we mean all types of suppliers of goods and services, including shareholders, contractors, consultants, and intermediaries.

The requirements apply to all employees at all positions in the business partner’s organization. This means permanently employed staff and seasonal employees, staff employed through intermediaries, migrant workers, temporary employees, students, and all other workers carrying out assignments on behalf of the business partner.

The business partner is required to operate in accordance with this Code of Conduct and in full compliance with all applicable local laws and regulations and ordinances, as well as applicable collective agreements, in the countries in which the business partner operates.

For some areas, this Code of Conduct goes beyond mere compliance with the law. When differences arise between requirements in this Code of Conduct and in legislation, the requirements that offer the greatest protection to the individual and the environment must be satisfied.

The business partner must forward the requirements in this Code of Conduct to its own employees and to its suppliers to ensure that they satisfy the requirements.

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HUMAN RIGHTS, PROTECTION OF

WORKERS AND HEALTH & SAFETY

(UNGC PRINCIPLES 1-6 & ILO CONVENTIONS 29, 87, 98, 100, 105, 111, 138, 182)

For TEAL GOAL integrity means treating every person fairly and with dignity and respect. Harassment or bullying, insulting actions, threats, or punishments of a physical, psychological, verbal, or sexual nature have no place in our company.

We expect the same from our business partners, being committed to uphold international recognized human rights, to protect their employees and must take measures to ensure that their partners in the supply chain do not violate human rights or workers' rights.

In accordance with the principles of the UNGC and the ILO, TEAL GOAL and BAUHAUS focus on the following aspects in human rights and the protection of employees throughout the entire supply chain.

PROTECTION OF WORKERS & HUMAN RIGHTS

1.1 Every employee must have a written employment agreement in a language that the employee understands. The agreement must clearly show the terms of employment, such as job description, working time, salary and frequency of payment, overtime payment, and a reasonable period of notice.

1.2 The business partner must not contract employees through consecutive short-term contracts to avoid meeting obligations towards the employee that are applicable to regular employment (e.g. pension payment, health insurance policy, holiday payment).

1.3 Employees must not be charged any fee in connection with recruitment. Employees must be entitled to resign without punishment or salary deduction. The business partner must not demand payment from employees in return for work.

1.4 The business partner must respect the freedom of association, in particular the right of workers to form and join a trade union in accordance with the law of the place of employment, including the right to strike and the right to collective bargaining. The

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formation, joining and membership of a trade union shall not be grounds for unjustified discrimination or retaliation.

1.5 The business partner must pay their employees at least the statutory minimum wage, a living wage, or a wage according to a collective agreement. The alternative that gives the employee the highest wage level must apply.

1.6 Wages must be paid as money, i.e., not “in kind”, and must be paid regularly and deposited directly to the employee’s personal account. Payments must be made at the agreed time and in full, and in the currency of the country in which the business activity takes place. A detailed salary slip must be provided in a language that the employee understands to verify accurate compensation for work performed.

1.7 Employees must receive statutory benefits, such as pension. Employees must be covered by an accident insurance that includes medical care for occupational injuries and compensation in the event of invalidity caused by occupational accidents.

1.8 Working time must be recorded in a truthful and correct way. Working time must be divided into normal working time and overtime. Normal working time may not exceed 48 hours per week. Overtime work must be voluntary and must not exceed 12 hours per week. Overtime is accepted when there is a need to meet short-term business demands due to unforeseeable circumstances, such as severe weather conditions, force majeure, or urgent repair work. Overtime must not be requested systematically and regularly. Senior professionals and managers, who can set their own work schedules and work hours, are not strictly subject to this provision. However, to maintain a healthy work-life balance and ensure that they perform their work productively. TEAL GOAL expects that the business partner allocates adequate resources to limit the workload of these employees and avoid the need for excessive overtime.

1.9 Employees must have at least one whole day of rest per seven-day period. Employees are entitled to statutory paid holiday and leave, with appropriate remuneration for absences such as sick leave, parental leave, and statutory public holidays.

1.10 The business partner must ensure that child labour is excluded along its own supply chain. Work may not be performed by children under 15 years of age, or a higher minimum age if prescribed in local legislation. Business partners located in countries with a high risk of child labour must have a child labour prevention and premeditation plan in place that promotes the best interests of the child if child labour is detected.

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1.11 Children between the ages of 15 and 18 may work on condition that the work does not impact statutory schooling or conflict with the statutory minimum age prescribed in local legislation. Young workers must not perform tasks that can be harmful to health, safety, or psychological development. Young workers must not work in night shifts, regardless of the work tasks.

1.12 The business partner must ensure forced labour is excluded along its own supply chain. The business partner must ensure that work is voluntary and that no form of forced labour occurs. The business partner must not restrain the employee's freedom and mobility in any way during breaks and after working time, as well as freedom to use toilets, access water, and seek medical attention.

1.13 The business partner must not demand that employee's hand over original personal identity documents or demand monetary deposits as a condition for employment.

1.14 All disciplinary procedures must be established in writing by the management and must be clearly and understandably explained verbally to employees. Deductions to wages as a disciplinary measure are not permitted.

1.15 Everyone must be treated with dignity and respect. Harassment must not occur in the business operation. Abusive treatment, threat or punishment must not occur, whether it be physical, psychological, verbal, or sexual.

1.16 Only merit and qualifications are to be considered in relation to recruitment, salary levels, promotion, allocation of work tasks, and skills development. Discrimination based on gender, age, religion, race, health and disability, ethnicity, national origin, nationality, union membership, political affiliation, sexual orientation, or marital status is not accepted.

HEALTH & SAFETY

1.17 The business partner must obtain, keep up-to-date, and comply with all required health and safety permits in the countries of their operations.

1.18 The business partner must provide its employees with a safe and healthy work environment. The business partner must regularly carry out and document assessments of work environment risks, and document how to manage these risks. Preventive measures must be taken to minimize injuries and health risks. There must be a focus on constant improvement. Performance must be tracked, and measurements implemented to ensure continuous improvement. Employees must

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regularly undergo training, including training in health risks, fire safety, safe handling of chemicals, evacuation plan, and first aid.

1.19 The business partner must provide relevant protective equipment and first-aid materials. Information about health and safety must be easily available in an appropriate language, including Material Safety Data Sheets.

1.20 The business partner must encourage employees to give feedback on health and safety issues, injuries, and incidents. Any accidents and occupational injuries must be reported to the management and rectified.

1.21 The business partner must take measures to protect its employees from fatigue. The business partner must comply with the statutory health and safety working time, rest days and holiday regulations.

1.22 If dormitories are provided, they must be clean and safe. The business partner must provide reasonable personal space and offer good lighting, drinking water, hygienic toilets, hot water, and adequate heat and cooling. Dormitories must be provided at a reasonable cost and occupancy must be voluntary. Employees must always be free to enter and exit the dormitories. If applicable, rooms where food can be stored and consumed must be safe and hygiene.

2

QUALITY & PRODUCT SAFETY

TEAL GOAL is committed to ensure that our customers get consistent, good quality products and services which comply with current EU regulations. Our business partners strive to provide TEAL GOAL and BAUHAUS with products and services which meet and even exceed their expectations.

2.1 The business partners are committed to continuous improvement and have an established Quality Management System which provides a framework for measuring and improving their performance.

2.2 The business partners must ensure product quality and product safety according to the latest EU chemical requirements and EU safety standards.

2.3 The business partners guarantee highest quality standards with strict quality controls and inspections throughout the entire manufacturing process, from raw material to the delivery of finished products.

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NATURAL RESOURCES & ENVIRONMENTAL PROTECTION

(UNGC PRINCIPLES 7-9)

For TEAL GOAL, responsibility equals with accountability for the protection of the environment, preserving natural resources for future generations and combating climate change. During the process of selecting products, services and business partners, TEAL GOAL is always guided by the requirements of quality and sustainability of its customer BAUHAUS.

Business partners in the supply chain play a key role. TEAL GOAL expects its business partners and their suppliers to commit to these goals. The following criteria derived from the United Nations Global Compact is of particular relevance to TEAL GOAL and its customer BAUHAUS:

3.1 The business partner must hold relevant environmental and operational permits, licenses, and registrations required according to applicable legislation. No form of criminal environmental activities or inconsiderate utilization of natural resources may occur. For example, illegal deforestation is never accepted, and land with highly valued biological diversity must be protected against exploitation.

3.2 The business partner must assess the risks and impacts of its activities on the environment, the climate and local community, in both the production and distribution chains.

3.3 The business partner must strive to constantly improve resource efficiency, e.g., water and energy use, and minimize waste and chemical use.

3.4 The business partner takes measures to prevent harmful impacts on nature or the environment as a result of its actions and within the supply chain. This includes soil degradation and the pollution of water and air. The business partner also works to prevent the over-consumption of water, which deprives people of the natural basis for food preservation and production, denies access to clean drinking water, impedes access to clean sanitation or otherwise harms their health.

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3.5 When extracting and processing raw materials, the business partner must safeguard the rights and interests of marginalized populations. In the event of a conflict with the local community regarding the use of land or other natural resources, the parties must ensure respect for individual and collective rights based on customs and traditions, even in cases where such rights are not formally registered.

3.6 The protection of forests, especially rainforests, and waterbodies is indispensable for climate protection. Therefore, TEAL GOAL opposes illegal logging and is committed to protecting areas of valuable biodiversity. TEAL GOAL's business partners and their suppliers shall not engage in unlawful forced eviction practices or unlawful deprivation of land, forests or waters and shall provide proof of origin of wood products.

3.7 In addition to averting the negative effects of its own actions, TEAL GOAL expects its business partners to actively work towards reducing their ecological footprint. This includes, in particular, increasing their own resource efficiency, for example in water and energy consumption, as well as minimizing waste production and the use of chemicals. The business partner shall comply with the Minamata Convention on Mercury in the use of mercury and the Stockholm Convention on Persistent Organic Pollutants (POPS) in the use of chemicals.

4

BUSINESS ETHICS & ANTI-CORRUPTION (UNGC PRINCIPLES 10)

TEAL GOAL is firmly committed to free and fair competition and opposes corruption or other illegal or unethical acts. TEAL GOAL expects the same from its business partners. They must prevent unethical acts in their own business operations and those of their partners in the supply chain, and to uncover and remedy possible violations without delay.

According to the UNGC principles, the following aspects in the supply chain are of particular importance for TEAL GOAL and its customer BAUHAUS:

4.1 Anti-Corruption: The business partner must have zero tolerance regarding corruption and must not tolerate any other unlawful or unethical form of influence on business partners or public officials.

4.2 Business ethics: The business partner must not offer or accept any benefits or other means with the aim of gaining undue or improper advantage, such as bribes, kickbacks, and money in any form, including extortion, money laundering, embezzlement, or misappropriation. It excludes occasional, locally customary gifts of verifiable low value. Hospitality and invitations to entertainment events must be within the limits of normal business practice, taking into account their frequency and total amount.

4.3 Dealing with Conflict of Interest: The business partner must avoid conflicts of interest that could affect its credibility in the relationship with TEAL GOAL and BAUHAUS or the trust of other persons in TEAL GOAL and BAUHAUS. The business partner will inform TEAL GOAL about situations which could potentially lead to a conflict of interest.

4.4 Fair and Free Competition: The business partners respect the applicable antitrust laws, in particular they do not participate in agreements restricting competition and the abuse of its market position and refrains from unfair business practices. Business partners must comply with the export control regulations applicable to its business activities in each case.

5

CONFIDENTIAL, PERSONAL INFORMATION & TRADE SECRETS

(UNGC PRINCIPLES 10)

The business partner is committed to protect confidential information, takes measures to protect trade secrets, acknowledges and respects the intellectual property rights of TEAL GOAL and BAUHAUS and third parties.

The business partner is committed to the protection of personal information and data economy. Personal data may only be collected, processed, gathered, or stored for legitimate business purposes.

Such data may only be used in a secure and transparent manner. It shall be adequately protected from access by unauthorized persons and must be kept or stored only if necessary.

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IMPLEMENTATION, RISK MANAGEMENT, DOCUMENTATION & COMMUNICATION

For TEAL GOAL, respectful interaction and open and honest communication are essential elements of integrity. The company management plays an essential role in ensuring that these values are lived in the company. TEAL GOAL expects the business partners to ensure that their employees also implement the requirements of this Code of Conduct in accordance with their respective tasks and responsibilities. The following aspects are of primary importance to TEAL GOAL and its customer BAUHAUS:

IMPLEMENTATION

6.1 The business partner's management is responsible for the implementation and follow up of the requirements in this Code of Conduct.

6.2 The business partner must ensure that their employees are made aware of the requirements in this Code of Conduct, relevant to their respective roles and responsibilities.

6.3 The business partner must establish, or help to set up, a grievance procedure at the workplace. The aim of such a procedure is to enable open communication between management and employees and to ensure that employees can have their complaints investigated and remediated. Employees must be protected from any retaliatory measures.

RISK MANAGEMENT

6.4 As part of its risk management, the business partner conducts regular risk analyses (including preventive and remedial measures) in accordance with the requirements of the Supply Chain Act. BAUHAUS recommends business partners to participate in suitable certification systems for this purpose.

DOCUMENTATION & COMMUNICATION

6.5 The business partner must ensure that information on its business operations, labour practices, health and safety management and environmental protection measures is recorded accurately in accordance with the requirements of the Act on Corporate Due Diligence in Supply Chains or other similar regulations of the EU or the country in which the Business Partner operates.

6.6 When requested, the supplier must provide TEAL GOAL information about its sustainability work relating to products and/or services without falsification and misrepresentation, and the information must be provided in a transparent and reliable way.

6.7 The business partner communicates in a transparent and unaltered manner and grants access to relevant documents upon request.

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COMPLIANCE

TEAL GOAL expects all business partners to comply with this Code of Conduct. Each business partner is legally and ethically responsible for the actions of their employees. If a business partner engages in conduct prohibited by law or by this Code of Conduct, they will be deemed to have acted outside the scope of their engagement by TEAL GOAL.

7.1 If the business partners detect deviations from the requirements in this Code of Conduct in their own business operation or in that of their suppliers, this must be communicated to TEAL GOAL without delay. There will be no retaliation or negative consequences for persons reporting in good faith.

7.2 TEAL GOAL retains the right to check the business partner's compliance with the requirements. Follow up activities may be carried out by TEAL GOAL employees or via an appointed third party. The follow-up may either be through a self-assessment procedure or via a site audit. In such a follow-up, TEAL GOAL expects transparency and cooperation. In audits, the business partner must ensure that TEAL GOAL or an appointed third party, has access to premises, relevant documentation, and interviews will be granted with the management and their employees.

7.3 If deviations are detected, the business partner is expected to investigate the root causes. An action plan must be drawn up with corrective measures that TEAL GOAL must approve in advance. The implementation and improvements will be followed up. TEAL GOAL believes that a long-term relationship and dialogue is the key to mutual development and success.

7.4 TEAL GOAL reserves the right to terminate collaboration with business partners, which:

- I. do not rectify deviations within the agreed timeline
- II. show a lack of engagement and/or transparency or present false records
- III. repeatedly and/or seriously violate the requirements in this Code of Conduct

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POINT OF CONTACT

If you have any questions about this Code of Conduct or want to report any known or suspected or alleged non-compliance, please contact your TEAL GOAL representative. Alternatively, send an e-mail to compliance@tealgoal.ltd.

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