



# WACHSMUTH & KROGMANN (FE) LTD.

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## Code of Conduct

Binding standard and principles for suppliers of Wachsmuth & Krogmann (Far East) Ltd.

### Introduction

#### Paragraph

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3. Fatal threat to workers life or limb
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#### Signature

### Introduction

Corporate Social Responsibility is a significant topic in the global supply chain. Wachsmuth & Krogmann (Far East) Ltd. (hereinafter called W&K) is committed to respect and protect human rights, personal freedom and dignity of every person as well as the environment.

This Code of Conduct forms the basis for any cooperation. All suppliers need to agree to this Code of Conduct and a responsible person of the supplier has to sign and chop on the last page.

### 1) Child labour

W&K will not tolerate use of child labour as defined by ILO and United Nations Conventions and / or any national law. "Child" is defined as a person who is younger than the local legal age for completing compulsory education. Suppliers shall verify the age of their workers and maintain copies of their workers' proof of age. Suppliers shall follow all applicable laws, regulations and the ILO standards regarding working hours and conditions for all employees.

### 2) Forced / Bonded labour

W&K will not tolerate any form of bonded labour and related practices

#### Practical Examples:

- Workers are not allowed to leave the production facility or dormitory at any time during and after working hours.
- Workers are not allowed to quit their job, or terminate the contract per legal requirements, or are unable to leave the production facility within the legal framework (e.g. due to slavery and repaying debts).
- The production facility management retains the original documents (e.g. ID card, passport, birth certificate, personal documents) of workers permanently.
- The production facility management retains any part of a worker's salary, even if it is in line with the law or agreed by the workers.
- The production facility management retains any monetary deposits or charges, or inappropriate training fees from the workers (e.g. payments for PPEs).
- Workers do not have the right to refuse overtime.
- Workers are restricted from access to drinking water or toilet facilities.
- For the violation of unethical working conditions (i.e. employment of illegal worker) following the guidance of United Nations (UN), it will be considered as forced / bonded labour.

### **3) Fatal threat to workers life or limb**

Risks which impose a fatal threat to workers life are any risks which bear a probable threat to sustaining and protecting life and limb. This depends on the physical check and judgment by the auditors in assessing the risk level.

Practical examples:

- Risk of someone dying in a fire (e.g. secondary exits missing, locked exits, no or non- functional firefighting equipment, Storage of flammable chemicals on the production floor and / or dormitory).
- Immediate building collapse risk (e.g. serious cracks or strong vibrations throughout the building are observed) or buildings which are not structurally safe (mainly per visual observation).
- Immediate electrical risk (e.g. open cables on the work floor or open cables close to running water which can cause electrical shocks, or electrical installations and equipment which are in such bad condition or not functioning properly that the fire risk is increased).

### **4) Systematic payment below legal minimum wages / systematically delayed payment**

The employee compensation and wages paid must meet or exceed legal minimum and/or industry standards and/or collective bargaining agreements, whichever is higher.

We expect that all record keeping will be strictly accurate, complete and transparent at all times.

Practical example:

- If the production facility management systematically pays wages which are below the legal minimum to newly recruited employees during probation period.
- If the production facility management systematically pays wages which are below the legal minimum to temporary employees.
- If the production facility management systematically pays wages which are below the legal minimum to regular employees, including young workers and workers under apprenticeship (per local law regulations).
- If the production facility management systematically delays the wages payment exceeding the allowable timeframe per local law.

### **5) Confirmed cases of financial bribery or threats made by production facility management towards WK staff**

- Financial bribery refers to any means of bribery such as in cash, as gifts offered by the production facility management, as reported by third-party auditors or WK staff.
- A threat refers to any type of mental or physical threats or attacks

### **6) Coercion or harassment of workers**

Suppliers shall employ workers solely on the basis of their ability to do the job and shall not discriminate on the basis of age, gender, racial characteristics, maternity or marital status, pregnancy, sexual orientation, disability, national, cultural, religious or personal beliefs in relation to hiring, wages, benefits, termination or retirement. There shall be no inappropriate medical testing used in determining employment. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

### **7) Continued non-transparency of factory conditions / records**

We expect that production facilities are transparent and cooperative. All presented documents, especially those on wage and attendance, should be real and reflect the actual operations.

The production facility does not provide authentic records (e.g. records for production status, payment or working hours)

### 8) Unauthorized subcontracting

The quantity ordered should be produced at the manufacturing facility listed in the purchase contract between W&K and the manufacturer. Any quantity (in whole or in part) of the goods produced by a manufacturing facility outside the agreement is unacceptable. Production at a manufacturing facility outside the contract without declaration and approval by W&K is considered unauthorized subcontracting.

In case of any change of the main production facility, W&K's Compliance Team must be notified in advance and the consent must be obtained. Any possible non-contractual production facility must present a valid social assessment report (i.e. BSCI, SA8000), adhere to W&K Code of Conduct and the facility must completely assessed and approved by W&K and the end buyer before start of production.

### 9) Denied access

- Denied access means that W&K are not able to access, enter, and/or visit all parts of the production facility. That includes also the areas where nothing is produced for W&K, e.g. dormitories, childcare facilities.
- Denied access also means that relevant documents are not provided so that working and/or health and safety conditions cannot be observed.

### 10) Unauthorized disposal and illegal dumping of chemicals, wastewater, or sludge

- A severe risk of unauthorized disposal and illegal dumping of chemicals, wastewater, and/or sludge is present if a production facility does not comply with local legal requirements, including a valid license to operate.
- In the case that the production facility conducts wet-processes (as per below definition), compliance with wastewater discharge permits is mandatory. This applies not only to industrial wastewater, but also to domestic wastewater if industrial and domestic wastewater is mixed. The discharge and disposal must be monitored and documented.

**Wet-processes:** In order to be defined as a wet process, a process must involve the continuous discharge of wastewater from production. Discharge from cleaning processes for machinery and equipment is limited to very small volumes as a result of rather infrequent cleaning, whereas regular cleaning processes, e.g. the cleaning of printing frames, are considered to be wet processes.

**Wastewater:** the discharge produced by wet processes.

**Sludge:** the sewage sludge produced by an effluent treatment plant.

Contact

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By signing this Code of Conduct the supplier confirms that he/she has read and understood the content and is the responsible person for compliance at the supplier.

W&K reserves the right to terminate any order, any purchase agreement and the relationship with the supplier with immediate effect if the supplier violates this Code of Conduct.

Hong Kong,  
Place & Date

Place & Date

*Frankie Leung*

Signature

Signature

Frankie Leung

Name of W&K Compliance staff

Name of Supplier

Compliance Manager

Position

Address of Supplier

Name of responsible person

Position of responsible person