

RULES OF CONDUCT OF XELLA GROUP

XELLA SUPPLIER CODE OF CONDUCT



PREAMBLE

All aspects of the business dealings of the companies of the Xella Group are governed by laws, ordinances and other legal provisions. These international, supranational, national and regional regulations form the framework for business dealings of the Xella Group by e.g. stipulating rules and standards for production, products and services or by defining codes of practice for various markets and stipulating how the various parties are to act towards each other.

In order to establish the conditions for its continued existence and sustainable growth, it is essential for Xella to act within these boundaries and to react flexibly to any changes to such boundaries.

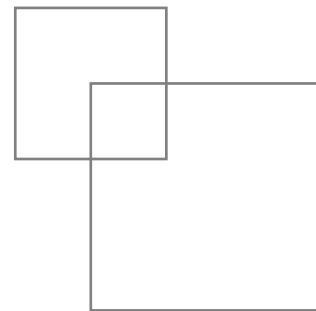
In our Code of Conduct for the Xella Group we defined binding rules of conduct, which apply for all employees. For us it is a matter of course that all employees within the Xella Group comply with all laws and regulations applicable to them and seek to ensure that other employees do likewise.

We also expect from our suppliers responsible business behaviour throughout the supply chain and that they comply with legal requirements and regulations concerning among others the following topics:

- Anti-discrimination
- Prohibition of child and forced labour
- Labour conditions and freedom of association
- Avoidance of conflicts of interest
- Anti-corruption
- Confidentiality, discretion and data protection
- Environmental protection and health and safety

The Supplier Code of Conduct describes essential rules of conduct which are fundamental to national and international business dealings. Whilst these activities, in particular in international business, often involve working together with people from different cultures, some of which are based on quite different standards and values, these rules of conduct apply universally.

Xella follows internationally approved standards and norms, especially the Global Compact and the ILO (International Labour Organization) conventions with this Supplier Code of Conduct. Xella expects its suppliers and their sub-suppliers, as well as itself, to comply with the following principles.



I. COMPLIANCE WITH LAWS

The supplier acts in accordance with the applicable national and transnational laws and regulations which regulate its business operations.

Should legal provisions or other regulations deviating from the provisions of this Supplier Code of Conduct apply in any individual countries in which the supplier is active, it is the stricter provisions which will apply in each instance.

II. ANTI-DISCRIMINATION

The supplier has a zero-tolerance policy regarding discrimination or harassment in the working environment, whether on grounds of race, ethnic origin, gender, religion or ideology, disability, age, sexual identity, political leaning or involvement in a trade union.

III. PROHIBITION OF CHILD AND FORCED LABOUR

Child labour and forced labour are prohibited.

In accordance with the conventions of the International Labour Organization (ILO), the supplier only employs workers who are at least 15 years of age.

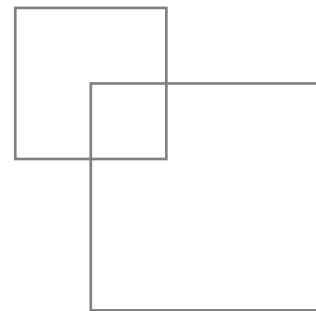
If a higher minimum employment age applies in any of the countries in which the supplier has business premises, this age will be complied with. A minimum age of 14 years will be accepted in exceptional cases if a statutory minimum age of 14 years applies in the country of employment under Convention No. 138 of the International Labour Organization (ILO).

The supplier does not employ anyone who offers their work or services under threat of punishment of any kind and who does not offer their work or service voluntarily, i.e. forced labour within the meaning of Convention No. 29 of the International Labour Organization (ILO) is prohibited.

IV. LABOUR CONDITIONS AND FREEDOM OF ASSOCIATION

The statutory regulations or collective agreements relating to working hours that apply in the respective country or the working hours that are customary in the industry in the respective country will be complied with. The employees will be paid in accordance with the statutory or collectively-agreed minimum wage or the minimum wage which is customary in the industry. The supplier grants the employee statutory benefits to which he is entitled by law.

The right of all employees to freedom of association and collective negotiations has to be observed and put into practice.



V. ANTI-CORRUPTION

The supplier does not tolerate the giving or taking of bribes or corruption in any way, shape or form. He does not give business partners and other third parties any inappropriate gifts, hospitality, privileges, entertainment or any other benefits in any way, shape or form. The supplier also does not accept any such benefits.

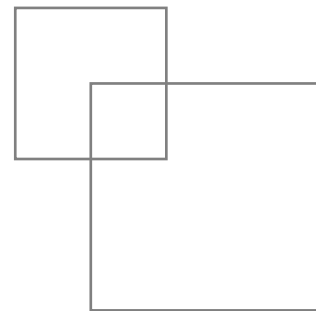
The supplier is not permitted to offer, promise or grant anyone else – either directly or indirectly – unlawful benefits in connection with its business dealings. Cash payments or other benefits may not be granted with the aim of influencing decisions or gaining unlawful advantages.

In addition, the supplier avoids conflicts of interest which could arise as a result of very close relationships with business partners, competitors and other persons or institutions.

VI. CONFIDENTIALITY, DISCRETION AND DATA PROTECTION

The supplier must respect company and business secrets. Confidential documents and information may not be passed onto or made available to third parties without authorisation if this information has not been made public or if Xella has not granted its consent.

The respective legal provisions must be complied with when compiling, processing and using personal data.



VII. ENVIRONMENTAL PROTECTION AND HEALTH AND SAFETY

The supplier is committed to protecting the environment.

In addition, health and safety of employees in the workplace and the safety of products supplied are fundamental policies for the supplier.

In order to ensure this, the supplier is responsible for the protection of people and the environment. The supplier must comply with laws and regulations relating to the protection of the environment, to safety in the plant and to safety in the workplace, as well as product safety, and seek to ensure that its employees also comply with these obligations.

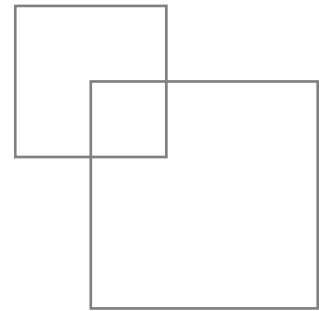
In particular:

- Employees must act with care, thereby assuming responsibility for ensuring that their own health or that of others is not jeopardised in any way; in particular, care should be taken to avoid and prevent accidents or work-related illnesses.
- When planning facilities and processes as well as implementing all other activities, the level of technology, occupational medicine and hygiene customary in the respective country must be taken into account.
- Environmental damage is to be reduced to an unavoidable level.

VIII. REVIEW AND COMPLIANCE

The Xella Group will regularly revise this code and make amendments where necessary and appropriate. Amendments are to be taken from the Supplier Code of Conduct as amended on the Xella homepage.

The Xella Group reserves the right to verify whether the supplier is complying with the code and in the event of non-compliance with the code to demand corrective measures and if necessary to terminate the cooperation.



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