

## Clipper A/S: Supplier Code of Conduct.

To be accepted as supplier or subcontractor manufacturing products to Clipper A/S you have to comply with our principles on Social Responsibility.

It is the supplier's responsibility to inform the sub contractor on his/her obligations to comply with the principles on Social Responsibility.

Any violation of the Clipper A/S Supplier Code of Conduct can lead to an immediate determination of the cooperation.

1. Working must be voluntary (page 1)
2. Rights of association and collective bargaining shall be assured (page 1)
3. Safe and hygienic working conditions (page 2)
4. Safe and hygienic lodgings (page 2)
5. Child Labour shall not be used (page 2)
6. Wage shall be sufficient to meet basic needs (page 3)
7. Working hours shall be reasonable
8. Working shall be based on fixed employment (page 3)
9. Employees shall not be discriminated (page 4)
10. If animal materials are used, animals must be treated with respect and if taking their lives it must be conducted by trained personnel using the least painful method available (page 4)
11. Supplier compliance sheet (page 5)

1. Working must be voluntary

The use of forced labour is forbidden, and employees shall not be kept in locked premises nor shall their freedom be restricted in any other way. No compulsory deposits of money or identity cards etc. shall be demanded from employees as security against work, and they shall be free to resign their employment within a reasonable term.

The supplier must not use any illegal workers, nor any kind of forced, bonded or prison labour.  
(ILO Conventions 29 and 105)

2. Rights of association and collective bargaining shall be assured

Employees shall have the right to join legal trade unions and to form them, and to bargain collectively for their working conditions and terms. If national legislation restricts the forming of unions or if they do not exist for some other reason, the employer shall enable the use of a company-wise negotiation mechanism.

(ILO Conventions 89 and 98, United Nation's Universal Declaration of Human Rights).

### 3. Safe and hygienic working conditions

Employees shall be provided with a safe and healthy working environment, and no physical, mental or sexual harassment shall be permitted. Health and safety risks and accidents shall be prevented both in the short and long terms. Employees shall be given work health and safety training on regular basis. The working space shall be sufficient according to the numbers of workers and the employees should at all times be protected against any risks involved in performing their work.

Employees shall have access to potable water, clean sanitary facilities and when necessary a storage place meeting health regulations for their own food.

The employees shall have access to toilet facilities. Sanitary conditions shall be satisfactory and kept clean. The indoor area shall be fitted with windows that can be opened and the area shall be circulated adequately with air

Depending on the local climate the area must have adequate air condition and /or radiators.

The employee must at all times be protected against noise, air pollution and other factors that represent any damage to their health. The supplier shall provide protective equipment against damages to hearing, sight, respiratory passages etc. The employees must wear gloves and safety boots in the relevant areas in the production unit.

The supplier must ensure that the handling of dangerous and/or toxic substances is made at no risk for the employee. The storage of dangerous and/or toxic substances must be stored safely and separately in locations with adequate ventilation.

### 4. Safe and hygienic lodgings.

The lodgings arranged for employees shall also be clean and safe and they must meet the basic needs of male and female employees.

The lodgings shall be based in a building separated from the factory building and shall meet the minimum legal requirements of space per employee.



The lodgings must have a sufficient number of toilettes and showers, have access to drinking water and shall be sufficiently ventilated.

There shall be fitted with a fire alarm and a sufficient number of fire extinguishers.

#### 5. Child Labour shall not be used.

The minimum age shall not be lower than the age of completing compulsory school attendance and not lower than 15 years (14 years in certain economically less developed countries). If children younger than this are currently employed, they shall be protected against all forms of abuse, and a transition plan shall be prepared for them to ensure their educational and financial safety until they are adults.

Children and young employees (under 18 years of age) shall not be kept at work, which is hazardous to health or otherwise hazardous, nor at night work.

The supplier shall at the moment of contracting the employee verify the age of him/her, and the supplier shall at any time be able to verify the age of an employee.

(ILO Conventions 138 and 182, the UN convention on the Rights of the Child)

#### 6. Wage shall be sufficient to meet basic needs

Employees shall be paid at least the minimum legal wage or a wage that is specified in a collective labour agreement that is binding on the employer, whichever is greater. The wage shall always be sufficient to meet the basic needs.

Wages shall be paid directly to the employees, and the wage calculation shall be comprehensible for the employees. Wage garnishment shall not be used as a disciplinary method. Withholding wages is not allowed under any condition.

The supplier shall comply with current law concerning wages, compensation for overtime and payment procedures.

(ILO Conventions 95 and 131 on wages)

#### 7. Working hours shall be reasonable

The regular working hours shall not exceed 48 hours and overtime 12 hours per week, unless lower limits have been specified in national legislation. Overtime is voluntary and temporary, and higher wage rates shall be applied to it.

Employees should have the right to a paid annual leave and 24 hours of consecutive rest per week

(ILO Conventions 14 and 106 on weekly working hours and ILO Convention 132 on paid leaves)  
Clipper stipulates a maximum of 8 working hours per day and 48 working hours per week.

#### 8. Working shall be based on fixed employment

When work is of continuous nature, it shall be based on a fixed contract. Employers shall not evade their legal social security and other obligations related to the employment contract by, for instance having employees work at home on inferior terms, or using apprenticeship training contrary to the regulations.

A signed working contract must be available for all employees.

#### 9 Employees shall not be discriminated

Employees shall not be discriminated because of their race, origin, skin colour, sex, religion, political opinion, marital status, trade union activity or the like. This includes recruiting, compensation, access to training, promotion, termination or retirement. All of which shall be based only on the employee's ability to do their job.

(ILO Conventions 100 and 111)

Clipper stipulates that each employee shall be treated with dignity and respect.

10 If animal materials are used, animals must be treated with respect and if taking their lives it must be conducted by trained personnel using the least painful method available.

It is important to recognise and respect that animals have a mind and body, which can be harmed due to wrong, ignorant and brutal treatment.

Production, breeding and keeping of animals shall be conducted professionally securing the animals the right and sufficient food and water and must consider and respect the individual animals physiological, health and behavioural (space, rest etc) needs including in circumstances involving transportation of the animals. Wild living animals shall never be captured and used.

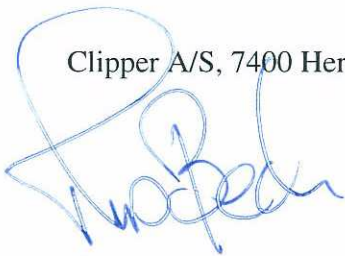
Any use of endangered animal species is strictly prohibited and the relevant authorities will immediately be contacted in such regard.

Clipper regards the protection and respect of animals as very important. The supplier and subcontractors warrant that they adopt the same view and stance.

The supplier and subcontractors must submit documentation in writing with photographs and/or video footage of the daily handling of animals involved as labour or production in the full production line. Situations in which the animals are at risk of being in pain (due, for instance, to attacks from insects and diseases, or when their life is being taken) must be submitted to Clipper in writing with a thorough description of the used method, available method, business standards and why the chosen method is used and which efforts are considered to reduce pain to the animals.

Taking the lives of animals must at all times be conducted by trained personnel using the quickest and least painful method available, approved by acknowledged veterinarians, and must never be visible to other animals.

Clipper A/S, 7400 Herning , Denmark 28th of April 2014.

A handwritten signature in blue ink, appearing to read 'Thomas Bech', is written over the text of the letterhead.

Ceo

Thomas Bech