

# Julius Koch A/S - Code of Conduct

## Introduction

Julius Koch A/S (hereinafter called JK) is one of the world's leading suppliers of high-quality textile products for the sun-screening industry and sewing thread for the high-end leather goods industry.

JK strives for long-term business relations with suppliers and partners, and this Code of Conduct describes the social, environmental and ethical trust upon which JK wants to build these relations and explore business opportunities.

JK recognises the Universal Declaration of Human Rights as well as the core labour conventions of the International Labour Organisation. The purpose of this Code of Conduct is to ensure that suppliers of goods and services to JK operate in accordance with the intentions of these internationally recognised minimum standards as described herein.

JK adheres to these requirements and expects the same of its suppliers. JK believes that high ethical, social and environmental standards support competitive advantages to the mutual benefit of JK and its suppliers. JK will not terminate business with suppliers as a result of minor non-compliance. However, consistent failure to operate in accordance with our Code of Conduct and the reluctance to show continuous improvements will put the relationship at risk.

As appropriate, Julius Koch A/S may engage in a dialogue with suppliers to assist them in meeting the requirements stipulated in this document.

This Code of Conduct is directed at any supplier and subcontractors manufacturing goods or services for JK.

## General requirements

The general and specific requirements in this document specify minimum standards only. Suppliers shall comply with national laws and regulations as well as the JK Code of Conduct requirements.

Where JK requirements or national law address the same issue, the most stringent provision shall apply. Should any of the specific provisions of the JK requirements conflict with legal obligations, national or local laws, the applicable laws shall always prevail. In such cases, JK shall be notified immediately.

The requirements specified in this document apply to all employees working with any JK supplier regardless of the employee's status or relationship with the supplier, including temporary employees or part-time employees.

The suppliers shall take appropriate steps to ensure that the intentions of these requirements are communicated to employees.

## Child labour

Suppliers shall ensure that no person under the age of 15 is employed (or 14 where the law of the country permits this) or younger than the age for completing compulsory education in the country of manufacture, where such age is higher than 15.

In addition, suppliers shall protect young workers of legal working age, until they reach the age of 18, from any type of employment or work which, by its nature or circumstances under which it is carried out, is likely to jeopardise their health, safety or moral.

Where permitted by national laws, the supplier may employ children between 12 and 15 to perform a few hours of light work each day. If children at that age are employed, JK shall be notified.

If a child is found working, suppliers shall act in the best interest of the child, and any measures taken shall aim at improving and not worsening the child's situation.

The supplier shall maintain a labour force register, including date of birth for all workers.

**Forced labour**

Forced, bonded or indentured labour or involuntary prison labour is not to be used. All work shall be voluntary, and workers shall be free to leave upon reasonable notice.

Workers shall not be required to lodge 'deposits' or identity papers upon commencing employment with the company.

Forced labour includes any work or service which is extracted from any person under the threat of penalty for its non-performance.

Suppliers shall maintain sufficient hiring and employment records to demonstrate and verify compliance with this provision.

**Freedom of association and collective bargaining**

The supplier shall not prevent employees and other workers from associating freely with any lawful workers' association or collective bargaining association of their choice.

The supplier shall, in situations where the right to freedom of association and collective bargaining is restricted under law, facilitate parallel means of independent and free association and bargaining for all such personnel.

The supplier shall ensure that personnel representatives have access to their members in the workplace and that they can communicate openly with management regarding working conditions, without fear of reprisal, intimidation or harassment.

**Working hours**

The suppliers shall ensure that the working week is limited to 48 hours. Overtime shall be voluntary, infrequent and not exceed 12 hours per week. Whenever national standards specify a lower maximum working week, these standards apply. Workers shall be entitled to at least one day off in every seven-day period.

**Remuneration and employment conditions**

The supplier shall comply, at a minimum, with all wage and hour laws and regulations, including those pertaining to minimum wages, overtime wages, sick leave, piece rates, other elements of compensation. The supplier shall provide legally mandated benefits on time and in full. Workers shall be paid at least the minimum wage required by law.

The supplier shall ensure that deductions from wages are not made for disciplinary purposes, and shall ensure that wage and benefits composition are detailed clearly and regularly for workers. The supplier shall also ensure that remuneration is rendered in terms of either cash or check, whatever is convenient to workers paid at least monthly.

**Discrimination**

The supplier shall not discriminate in hiring, compensation, access to training, promotion, termination or retirement based on personal characteristics.

**Harassment and disciplinary measures**

The supplier shall not use or permit the use of corporal punishment or other forms of mental or physical coercion, disciplinary actions or engage in sexual harassment.

**Health and safety**

Suppliers shall provide safe and healthy working conditions and take appropriate precautionary measures to protect employees from work-related hazards and anticipated dangers in the workplace.

As a minimum, suppliers shall comply with all applicable local laws and regulations to prevent accidents and injuries to health arising out of, linked to, or occurring in the course of work or as a result of the operation of employer facilities.

Suppliers who provide residential facilities for workers shall ensure that these facilities are also safe and healthy in accordance with local laws.

JK expects the supplier to continuously improve working conditions and reduce workplace-related risks and hazards by e.g. setting targets and conducting appropriate training.

### **Environment**

Suppliers shall always strive to minimise any possible damaging effects to the environment which may be the consequence of their activities. At the very least, suppliers shall meet all relevant local and national regulations. In addition, JK expect its suppliers to continuously improve environmental performance and to reduce waste and emissions to air, ground and water; handle, store and dispose of hazardous waste in an environmentally safe manner; contribute to the recycling of materials and used products.

### **Housing facilities**

Suppliers providing housing facilities shall comply with all legal requirements. If housing is a part of the employees' compensation package, the facilities shall be safe, clean and meet the basic needs of the employees. This includes, but is not limited to: individual beds, separation by gender, reasonable privacy and cleanliness, access to food storage and food preparation area, access to toilet and shower facilities.

### **Monitoring and compliance**

The supplier shall, upon request, allow JK access to all documentation necessary to demonstrate compliance with the requirements in this document and allow for confidential employee interviews, as appropriate, to verify this.

JK and third parties authorised by JK reserve the right to perform unannounced audits or inspections at the suppliers' facilities to verify that these requirements are fulfilled.

### **Communication**

Suppliers shall take appropriate steps to ensure that the provisions of this Code of Conduct are communicated to employees.