

Code of Conduct - Frits Pedersen A/S (FP)

This Code of Conduct reflects the values of FP which is based on the Universal Declaration of Human Rights and key UN and ILO conventions.

When signing this Code of Conduct we wish for our suppliers to commit to the same principles. Working to implement these principles is a long and challenging process. However, those suppliers who continuously pursue to implement these principles within their business, are those with whom we wish to build a business partnership. The requirements of this Code extend to all factories, used by FP and all of their workers working within those factories, regardless of their status or relationship with suppliers, which applies to workers who are engaged informally, short-term contracts, or on a part-time basis.

It is essential for FP that suppliers show transparency and declare all production units to FP upon request. Transparency is essential for FP to work towards a more sustainable supply chain. Also, this information should be updated regularly.

If there are differences between the terms of FP Code of Conduct and the national laws or other applicable standards, suppliers shall adhere to the higher requirements and inform FP immediately.

Managing your supply chain

Suppliers are required to have a proper management system to ensure that the principles of this Code of Conduct are not violated and that continuous improvement is implemented, such as performing your risk assessments and self-assessments of all production units.

Due Diligence

Please refer specifically to the 5 steps Due Diligence process as outlined in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the EU regulation on Conflict Minerals, and in general, the United Nations Global 10 Principals.

The FP requirements regarding human and labor rights

Forced labor:

- Suppliers must not use forced, prisoned or illegal labor in any of our supplier's production units.
- Workers shall not have to leave any kind of deposit and/or ID/passport when hired.
- The worker shall always sign a contract upon beginning work at the factory, which should be written in a language that the worker understands.
- The worker has the right to terminate the employment according to national law.
- Overtime should be voluntary at all times. Workers should be able to refuse overtime without fearing contract termination or punishments.
- Workers should at all times have free access to toilets, water, and praying rooms.
- Suppliers must ensure that all feasible measures are considered to prevent workers from falling into debt bondage through company loans.

Working Hours and Compensation:

- Working hours should always be kept within the limits of national law but no higher than 60 hours per week, including overtime hours.
- Workers should receive at least one rest day in 7-days.
- All national laws regarding the compensation of workers should be kept.
- Withholding of wages for any reason is not allowed.
- Workers should be given at least the national minimum wage, and this should be enough to meet the basic needs of the workers.
- Payslips must always be signed and handed over to the respective worker.
- National law on social insurances must be kept at all times.

Freedom of Association:

- Suppliers should recognize the right of workers to join, form, or not to join trade unions of their choice without fear of intimidation, reprisal, or harassment;
- The supplier should engage in collective bargaining with legally recognized employee representative
- When law restricts unions, the supplier should encourage and not prevent the formation of worker committees, from which workers have the opportunity to, collectively express their grievances directly to the management.

Discrimination and harassment:

- Workers shall never be discriminated against concerning race, color, caste, nationality, religion, gender, age, sexual orientation, or marital status.
- The supplier must ensure that policies are in place to prevent any form of harassment and discrimination in the factory.

Child labor and young workers:

- The supplier should have sufficient management systems in place to ensure that no children under 15 years of age are working in production units producing for FP. If the law states a higher age, then this must be followed.
- Young workers under the age of 18 may only perform light work and only within normal working hours. Suppliers must comply with all local laws concerning.
- Young workers must not be exposed to work that is harmful to their morals or health, dangerous to life, or likely to hamper their normal development.

Health and safety

Safety management system:

- The supplier should have sufficient management systems in place to ensure that the health and safety of the workers are never compromised in any decisions taken.
- The supplier should conduct periodic risk assessments to ensure that all risks are managed and that no risk can cause serious accidents.
- The working environment should be safe, healthy, and clean at all times and all working stations shall be provided with sufficient lighting.
- Relevant first aid equipment must be available and where legally required a doctor or nurse should be available during working hours.

Fire safety:

- All local laws regarding fire safety must be kept, and all facilities producing for FP must as a minimum install adequate warning systems, fire safety equipment, and well-marked exits and escape routes.
- Fire escapes should be clear for passage and not locked or blocked at any time
- Fire drills must be conducted on an annual basis.
- Suppliers shall ensure that safety precautions regarding the use, storage, and handling of chemicals are taken.

- Supplier shall ensure that electrical installations are according to law and does not pose a risk to fire safety in the production facility.

Chemical handling:

- All chemicals and hazardous materials must be safely handled, transported and disposed of according to law.
- Workers should be trained in handling chemicals and should always be provided sufficient protective equipment when handling these.
- MSDS (Material Safety Data Sheet) should be provided for all chemicals on site.

Dormitories, kitchens, and dining rooms:

- Dormitories must be placed in buildings separated from the production building
- Dormitories must have sufficient living and storage space for workers
- Workers must have easy access to food or sanitary food storage, clean water, and toilet/bathing facilities
- Dormitories, Kitchens, and Dining areas must take all required health and safety as well as fire safety precautions.

Environmental protection

- National environmental laws and regulations must be complied with at all times.
- Water should be used responsibly, and the disposal should be according to the law.
- Suppliers should monitor all emissions that are produced during production and treated according to law.
- Solid waste should always be handled/disposed of by local laws.

Chemicals

- Suppliers must follow the requirements on documentation concerning Substances of Very High Concern (REACH SVHC-list) in articles imported to the EU.

Anti-corruption

- Suppliers shall work against corruption in all forms.
- Suppliers should establish adequate processes to avoid corrupt practices in line with the United Nations Convention against Corruption.

Animal Welfare

- FP products derived from animals should be produced with the highest regard to the welfare of the animals. Suppliers should ensure that animals are treated according to animal welfare laws and international recommendations.

Monitoring and evaluation

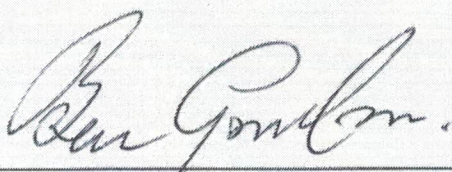
Suppliers must assign responsibility to one or more management representatives with the responsibility and authority to ensure compliance with this Code of Conduct. All production units shall be open to audits at any time if requested by FP. If we require an audit of the facility, we may be represented by an independent third-party auditing company of our choice. Suppliers shall maintain appropriate records to demonstrate compliance with the requirements of this Code of Conduct. Records shall be available to FP upon request.

Where instances of non-compliance are detected during supplier visits, suppliers will be given a fixed period to remediate the findings. In the event of failure to remediate, FP is willing to engage in a constructive dialogue with suppliers to develop and implement action plans with appropriate time scales for implementation and improvements to be achieved.

FP does not operate with a passed/failed policy and terminating a business relationship will only be the last instance. However, FP will not conduct business with a supplier if compliance with the terms of this Code of Conduct is deemed impossible and the supplier shows no willingness or ability to improve. If the supplier is willing to work with us on continuous improvements, FP is also willing to work with the supplier.

Kind regards,

Frits Pedersen A/S



Suppliers signature and current date