

# CODE OF CONDUCT for Nümph A/S

Nümph A/S including Anerkjendt, And Less and any other brands we might introduce wishes to conduct its business in a responsible and trustworthy way and has thus issued the following Code of Conduct for ourselves and for our suppliers.

Our Code of Conduct states the ethics and behavior which are an important part of our company and it is essential for us that our suppliers and their subcontractors (when such allowed and approved by Nümph A/S) follow these guidelines and therefore, all suppliers and subcontractors approved by Nümph A/S must sign and comply with this Code of Conduct

The supplier is responsible for the subcontractors it chooses. **A copy** of this Code of Conduct must be translated into the national language by the supplier and read aloud to new (and at the first time also to existing) workers and placed at a **visible and easy accessible** place for the workers.

The purpose of this Code of Conduct is to ensure an ethical and fair business of all parties, people and animals involved.

We believe that a strong focus and continuous improvement of an ethical business and compliance to the principles below will ultimately benefit all parties and countries – both economically and socially. No business will be or can be expected conducted with suppliers failing to meet this Code of conduct and failing to initiate improvements where needed.

Our Code of conduct is based on and follows the general principles 1-10 from the UN Global Compact with our additional principles 11-12.

Our Code of Conduct covers a.o.:

- Child labour
- Pay and working hours
- Discrimination
- Coercion and harassment
- Forced labour
- Work environment
- Freedom of association
- Environment in general
- Anti-Corruption

## THE 12 PRINCIPLES

### HUMAN RIGHTS (APPENDIX 1)

**Principle 1:** Businesses must support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** make sure that they are not complicit in human rights abuses.

**As a supplier of Nümph A/S we hereby agree to comply with this Code of Conduct.**

**Binding signature and/or company stamp of the supplier:**

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**Owner/CEO of the supplier**

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## **THE 12 PRINCIPLES - continued**

### **LABOUR STANDARDS (APPENDIX 2)**

- Principle 3:** Businesses must uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** The elimination of all forms of forced and compulsory labour;
- Principle 5:** The effective abolition of child labour; and
- Principle 6:** The elimination of discrimination in respect of employment and occupation.

### **ENVIRONMENT (APPENDIX 3)**

- Principle 7:** Businesses must support a precautionary approach to environmental challenges;
- Principle 8:** Undertake initiatives to promote greater environmental responsibility; and

### **ENVIRONMENT (APPENDIX 3) - continued**

- Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

### **ANTI-CORRUPTION (APPENDIX 4)**

- Principle 10:** Businesses must work against corruption in all its forms, including extortion and bribery.

### **ANIMALS (APPENDIX 5)**

- Principle 11:** In businesses where animals are used in labour and/or in the production (fur, wool etc.) such animals must be fed and treated with dignity and respect and no animal must deliberately be harmed nor exposed to pain in their lifespan. Taking the lives of animals must at all times be conducted using the quickest and the least painful and non-traumatic (not in the vision of other animals) method available and approved by national and acknowledged veterinarians and only conducted by trained personnel.

## **MONITORING AND EVALUATION (APPENDIX 6)**

- Principle 12:** All businesses involved must at all times be open and accessible for announced and unannounced audits for monitoring and evaluation of compliance with the Code of conduct.

**The principles are described more detailed in the attached 6 appendixes. In case and matters of uncertainty please contact Nümph A/S at numph@numph.dk.**

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## APPENDIX 1

### HUMAN RIGHTS

**Principle 1:** Businesses must support and respect the protection of internationally proclaimed human rights

**Principle 2:** make sure that they are not complicit in human rights abuses.

Human rights are universal and belong to everyone equally – regardless of age, gender, race and/or religious or political belief.

When people are treated well, the production and quality will do well and business will do well.

**Nümph A/S** condemns violations of any internationally declared human rights. People must be treated with dignity and respect regardless of social status or rank.

The supplier warrants to support and not to violate such internationally declared human rights.

The national laws of the supplier and of subcontractors must as a minimum be complied with at all times which is being warranted by the supplier.

In situations where this Code of Conduct would turn out to be in violation with mandatory national laws of the supplier and subcontractors the national laws applies but the supplier must in such case immediately inform **Nümph A/S** hereof in writing. This applies not only to this appendix but all the principles and appendixes.

## APPENDIX 2

### LABOUR STANDARDS

**Principle 3:** The right to collective bargaining;

**Principle 4:** The elimination of all forms of forced and compulsory labour;

**Principle 5:** The effective abolition of child labour; and

**Principle 6:** The elimination of discrimination in respect of employment and occupation.

The labour force is the foundation of any business. Therefore a solid founded and respected labour force ensures a solid and long term viable business. Professional, cheerful and encouraging leadership is appreciated.

#### **Food, water, toilet/bath and housing facilities:**

The labour force must have easy access to food (it is recommended and encouraged that the supplier provides at least one free daily meal at work), sanitary food storage and fresh clean potable water, toilet/bath facilities and medical aid and access hereto shall not be unreasonable withheld.

When the labour force is living/sleeping at the production sites or nearby facilities such housing facilities must live up to national standard living facilities. Preferably toilet/bath facilities for men and women should be separated.

#### **Wages, working hours and conditions:**

Wages must at least be the minimum as required by national law and business standards whichever is the higher. Wages above the minimum requirement is encouraged to attract the best and most stable labour force and wages must – compared to the working hours - always be sufficient to meet the basic needs of workers and their families and to provide some discretionary income.

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**Owner/CEO of the supplier**

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## APPENDIX 2 - continued

Any deductions from wages for disciplinary measures shall not be permitted unless provided for by national law and only in severe and exceptional cases.

All workers must prior to employment be provided with written and easy understandable information about the conditions in respect of wages and afterwards at paydays an overview of the calculation of the wages for the respective pay period.

Hours of work shall comply with applicable national laws and business standards. In any event – unless national laws allows otherwise - workers shall not on a regular basis be required to work in excess of **48 hours** per week and shall be provided with at least one day off for every 7 day period. Overtime shall be voluntary and shall - unless national laws allows otherwise - not exceed **12 hours** per week and shall not be demanded on a regular basis and shall always be compensated at a premium rate of wages.

Conditions of work shall provide for a safe and hygienic working environment - bearing in mind the prevailing knowledge of the industry and of any specific hazards.

All working stations must at all working times be sufficient with regard of adequate body positioning, lightning, air/ventilation and temperature.

Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the supplier is strictly prohibited.

The supplier warrants to abstain from any discrimination with regard of race, skin colour, religion, political, sexual orientation, gender, national origin or social rank or status. Discrimination is not only cruel to individuals or minority groups or people in general. Discrimination is also a source for unstable social relations and affects not only businesses but also communities negatively.

No hazardous working equipment or unsafe factories and/or housing facilities are accepted and must be corrected.

Hazardous chemicals must be stored and handled in a safe and healthy manner at all times.

### Wages, working hours and conditions (continued):

All factories and/or housing facilities must have clearly marked exits, and preferably emergency exits on all floors. All exit doors should open outwards and must neither on the inside nor the outside be blocked (for example by goods, fabrics, cartons or the like).

If emergency exits for safety reasons or to prevent theft are locked, the keys should be placed behind breakable glass next to the exit doors or otherwise easy to get access to, and thus be available to all staff at all times.

All workers should be aware of the safety arrangements, such as emergency exits, fire extinguishers, first aid equipment etc. An evacuation plan should be clearly displayed in the factory, the fire alarm should be tested regularly and regular evacuation drills are desirable.

Sufficient fire extinguishers must be available at all floors and an adequate number of workers must be trained in the proper use hereof.

All machinery shall be properly maintained and serviced and equipped with proper protection measures.

It is recommended that a doctor or nurse should be available at short notice in case of accidents.

The supplier should pay any costs (not covered by the national social security) which a worker may incur for medical care, following an injury during working for the supplier.

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## APPENDIX 2 – continued

### Freedom of association and right to collective bargaining:

The supplier must acknowledge and uphold the freedom of association and the right to collective bargaining when not restricted by the national laws of the supplier and subcontractors.

Working by free will is essential. The supplier warrants that no part of the labour force or people involved at the premises of the supplier and subcontractors or in other part of the production line is imposed to forced and compulsory labour. No fining or severe reduction must be made in any wages upon mistakes made by the labour force.

The workers must be able to terminate their employment provided that they give a reasonable notice and no personal salary, documents or the like required for leaving, living and/or working must be withheld in any such occasions.

### Child labour:

The supplier and subcontractors must comply with the ILO (International Labour Organization) conventions recommendations regarding the minimum age for workers which in general is the maximum age for compulsory schooling and child labour.

Reference on this issue is made to:  
UN Convention on the rights of the Child  
ILO 138 (minimum age)  
ILO 182 (worst forms of child labour)

The minimum age is:

**Light work (part-time):** 13 years / 12 years in developed / undeveloped countries.  
**Normal work:** 15 years / 14 years in developed / undeveloped countries.  
**Dangerous work:** 18 years / 18 years in developed / undeveloped countries.

The supplier must do its utmost to secure and determine the correct age of the workers employed and such verification must be available in writing for audits.

Use of child labour or young workers in conflict with the above is not allowed and at all times children and young workers must be treated with dignity and respect.

No way must any use of child labour prohibit the children from receiving proper education and the supplier shall in general do its utmost to train and educate the children in order to become a useful labour force when growing up in adulthood.

Should child labour in conflict with the above be detected the supplier is requested to make sure that the proper measures in the child's best interest are taken. **Nümph A/S** must be informed and in cooperation with the supplier a satisfactory solution, taking into consideration the child's age, social situation, education etc. must be found. Any measures taken should always aim to improve, not worsen, each individual child's situation.

If children are to be replaced from improper working then reduction in their wages shall not take place and if possible a member of the child's family shall be offered the job position. This is in order to secure a stable private economy of the child and its family.

**Nümph A/S** reserves the right to involve local or international organizations, Non-Governmental Organizations and the like with the purpose of securing the child's future.

**Please consult** below the graphic from the Child Labour Toolkit developed by Save the Children Denmark and the Danish Federation of SMEs. The graphic can be used only as a guideline upon determining the character of the work. Please note that the terms may not be generally known to the industry.

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**Child labour - continued:**

Classification of work

Department/ Section	Designation	Suitable	Suitable under supervision	Not suitable
Dyeing Section	All positions			
Mechanical Section	Assistant for Plumber			
	Assistant for Fitter			
Knitting Section	Helper for Operator			
	Helper for Q.C.			
Cutting Section	Out Put Man			
Finishing Section	Poly man			
	Tag man			
	Check man			
	Carton man			
	Assistant for Q.C.			
	Assort man			
	Iron man			
	Supervisor			
Sewing Section	Helper			
	Check man			
	Plain Machine Operator			
	Side man			
	Lock man			
	Scissor man			
	Assistant for Q.C.			
Sample Section	Assistant for Sample man			
	Assistant for Cutting man			
Printing Section	Assistant for Printer			

Based on "Designation of employees in a typical composite factory"

- = Work which is acceptable for children and young people
- = Work, where caution must be employed
- = Unacceptable and harmful work that needs to be stopped

**APPENDIX 3**

**ENVIRONMENT**

**Principle 7:** Businesses must support a precautionary approach to environmental challenges;

**Principle 8:** Undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

The supplier warrants that national environmental laws and regulations are complied with at all times.

There must be a continuous and in writing documented work towards a cleaner and more environmental friendly production in order to secure that the negative consequences to environment are minimized.

A poor environment creates poor living and working conditions which can impose irreversible and severe damages to the local community and the labour force and within a short period of time harm the suppliers and subcontractors business.

From start of receiving this Code of Conduct the supplier must submit to **Nümph A/S** the apparent negative environmental consequences that the present production represents and which actions can and are expected to be initiated. Every 12 months a written report concerning the status and planning for a cleaner production must be submitted to **Nümph A/S**.

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### APPENDIX 3 - continued

The supplier and subcontractors must choose the most environmental friendly goods, raw materials, methods and/or technology applicable with respect to the ordered quality in all its operations. The supplier cannot outsource its negative environmental consequences to subcontractors, hence the supplier is responsible for the environment in the production line in which the supplier is directly or indirectly involved.

**Nümph A/S** will to the extent possible and reasonable support the development and use of cleaner technologies and procedures upon requests from the supplier.

More precisely the environmental standards and issues to be identified, considered and properly handled by the supplier are:

#### 1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring) and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

#### 2) Pollution Prevention and Resource Reduction

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

#### 3) Hazardous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and correct disposal.

#### 4) Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required as per national law prior to discharge or disposal. Any discharge or disposal must take place with the highest national standard regarding preserving the environment.

#### 5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required as per national law prior to discharge.

#### 6) Product Content Restrictions

Suppliers are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances including labeling laws and regulations for recycling and disposal. Suppliers are also to adhere to processes to comply with each agreed-upon customer-specific restricted and hazardous materials list. It is to be expected that any delivered goods must comply with the EC regulations as to chemical contents and the like allowed and the supplier warrants such compliance.

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## APPENDIX 4

### ANTI-CORRUPTION

**Principle 10:** Businesses must work against corruption in all its forms, including extortion and bribery.

**Nümph A/S** recognizes that corruption, including extortion and bribery in some countries is considered normal and has been found to be necessary to secure a firm and continuing running business.

However the supplier and subcontractors must strive towards a business where corruption is eliminated – hence no bribery, improper gifts or the like can be offered nor accepted.

The supplier (and subcontractors) must in writing inform **Nümph A/S** of any corruption and bribery activities that they are involved in by feeling pressured and/or in order to handle the orders to **Nümph A/S**. Such information must if practical possible be submitted prior to accepting the behaviour or demand.

The highest standards of integrity are to be expected in all business interactions.

In general any and all forms of corruption, extortion and embezzlement are strictly prohibited and supplier must understand that such activities may result in immediate termination of the business relationship, communication to relevant authorities and organizations as well as legal actions.

## APPENDIX 5

### ANIMALS

**Principle 11:** In businesses where animals are used in labour and/or in the production (fur, wool etc.) such animals must be fed and treated with dignity and respect and no animal must deliberately be harmed nor exposed to pain in their lifespan. Taking the lives of animals must at all times be conducted using the quickest and the least painful and non-traumatic (not in the vision of other animals) method available and approved by national and acknowledged veterinarians and only conducted by trained personnel.

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

**Nümph A/S** regards the protection and respect of animals as very important. The supplier and subcontractors warrants that they adapt 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 in the risk of being in pain (taking the life, precautions towards attacks from insects and the like etc.) must be submitted to the **Nümph A/S** in writing with a thorough description of the used method, available methods, business standards and why this chosen method is used and which efforts that are considered to reduce pain to the animals.

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## APPENDIX 6

### MONITORING AND EVALUATION

**Principle 12:** All businesses involved must at all times be open and accessible for announced, semi-announced and unannounced audits for monitoring and evaluation of compliance with the Code of Conduct.

**Nümph A/S** needs to monitor and evaluate and secure the supplier's compliance with this Code of Conduct. Such monitoring is necessary in order to secure a durable production and business relationship between the **Nümph A/S** and the supplier but also in order to satisfy the expectations of the consumers, customers and stakeholders in general of **Nümph A/S**.

It is the expectation that audits will be entered into and left by all relevant parties with respect and in a friendly tone.

The supplier must in writing provide **Nümph A/S** with addresses of all production and work facilities (including those of the subcontractors) and report any changes herein immediately. This includes names and addresses of any subcontractors involved at any given order.

The supplier warrants that **Nümph A/S** and/or its representatives (external audit companies etc.) can at all times announced, semi-announced or unannounced be given full access to the premises (including relevant documents) and surroundings of the supplier and subcontractors.

The supplier agrees and accepts this to be also for the benefit of the supplier's own business and will do the utmost to assist and help **Nümph A/S** or its representatives in such audits and at all times to work towards better conditions.

The supplier will upon completion and evaluation of each audit receive a report of the findings, need to do's and recommendations (nice to do's) and where applicable also warnings and the supplier must comply accordingly.

## APPENDIX 6- continued

Failure to comply with this Code of Conduct may ultimately lead to annulment of all orders placed with the supplier. However **Nümph A/S** will engage in positive discussions and a constructive dialogue towards future compliance and when such actions are reciprocated in will and the business relationship will most likely be preserved and continued.

**Nümph A/S** is allowed to report and alert the Federation of Danish Textile & Clothing of any failure of compliance and the Federation of Danish Textile & Clothing may choose to publish such information to its member companies or other relevant third parties.

A questionnaire sheet or the like may be handed out from time to time to the supplier and subcontractors and in such cases such must be truthfully filled out and returned to **Nümph A/S** or its representatives.

**ATTENTION** is brought to the fact that this Code of Conduct aims to secure a fair situation for all businesses, people, and animals involved as **Nümph A/S** believes that this serves a viable and respectful purpose.

**As a supplier of Nümph A/S we hereby agree to comply with this Code of Conduct.**

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