

Code of Conduct

Bestseller, Denmark, May 2008



Code of Conduct

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1 General Principles

- 1.1.0 This Code of Conduct describes the ethics that Bestseller wishes to promote. It is based on the fundamental attitude of Bestseller: “We do what we say and we keep our promises.”
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- 1.2.0 The Code of Conduct is directed at any supplier and his subcontractors who manufacture products for Bestseller A/S, or for any of Bestseller’s companies.
- Bestseller must be informed about all sub-contractors producing Bestseller orders.
- The supplier is responsible for the communication of this Code of Conduct to his sub-contractors.
- Suppliers and their subcontractors will hereinafter be called “the suppliers”.
- 1.2.1 Any supplier shall observe the legislation in force at the time in question. This includes an obligation to observe and comply with all EU product requirements at the time in question.
- 1.2.2 Bestseller acknowledges that legislation and cultural patterns vary across the world and that suppliers consequently operate under different circumstances. This Code of Conduct sets out the basic requirements that all supplier’s must comply with in order to do business with Bestseller.
- In cases where the law in question is more comprehensive than this Code of Conduct, current law applies. In cases where this Code of Conduct is more comprehensive than the law in question, this Code of Conduct applies.
- 1.2.3 The Code of Conduct also forms the basis upon which Bestseller will make a continuous evaluation of the supplier’s compliance with Bestseller’s requirements and expectations.
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- 1.3.0 It is a prerequisite for doing business with Bestseller that all suppliers comply with the Code of Conduct.
- Bestseller will constantly develop its follow-up system regarding evaluation and compliance with the Code of Conduct.
- 1.3.1 If a supplier is not in full compliance with this Code of Conduct, Bestseller is entitled to demand that the supplier implements a development plan to remedy the deficiencies.
- 1.3.2 If Bestseller has recommended such a development plan and it is not implemented, Bestseller is entitled to terminate the business relationship without notice and retains the right to cancel any production or delivery in progress.
- 1.3.3 A serious violation of Bestsellers Code of Conduct can lead to an immediate termination of the cooperation.



1 General Principles

1.4.0 The specific requirements in this Code of Conduct are listed under the following headings:

- 2.0.0 The Working Environment and Housing Conditions
- 3.0.0 Social Responsibility
- 4.0.0 Environmentally Friendly Production
- 5.0.0 Protection of Animals

General terms

- 1.5.0 Suppliers who deliver and/or manufacture products for Bestseller A/S shall operate in compliance with the laws and regulations that apply in their respective countries and in compliance with this Code of Conduct.
- 1.5.1 The supplier shall treat both people and animals with respect and dignity. The supplier shall treat the environment with respect and consideration.
- 1.5.2 The supplier's business activities must comply with all the relevant and applicable laws and regulations including those concerning the workforce, its welfare and safety, and the working environment.
- 1.5.3 The supplier shall allow Bestseller A/S and/or anyone who represents Bestseller free access to his facilities (incl sub-contractors' facilities) and employees. Bestseller will have access to all the relevant data/paperwork at any time, even if advanced notification of an audit has not been given.

Instructions

- 1.6.0 The supplier shall ensure that the content of this Code of Conduct is communicated effectively to the employees. This will be through both training/information courses, as well as the posting of a copy of the Code of Conduct in the local language in a place accessible to the employees.



2 The Working Environment and Housing Conditions

The supplier shall ensure a healthy and safe working environment, where any sources of noise or air pollution are under control. Applicable laws and regulations for a good working environment, including the safety and health of the employees, must be complied with.

2.1.0 Factory facilities must be well maintained and kept in clean condition.

2.1.1 The supplier shall ensure that indoor production and work areas have adequate air circulation. Indoor work areas shall be fitted with windows that can be opened. Fans, air-conditioning and/or radiators shall be available depending on local conditions.

2.2.0 The employees shall have acceptable access to drinking water and toilet facilities. Sanitary conditions shall be satisfactory and all areas of the factory kept clean.

2.3.0 Lighting conditions in the factory shall be sufficient.

2.4.0 The working space shall be sufficient for the number of workers.

2.5.0 The supplier shall ensure the health of the employees, both by complying with current law and protecting the employees against the risks involved in performing their work. This applies to all work routines, whether electrical, mechanical or administrative.

The supplier shall provide safe working conditions for all employees and shall not subject them to dangerous working practices.

The machines used shall be equipped with operational safety devices and be inspected and maintained regularly.

2.5.1 The employees shall be protected against noise and air pollution by mandatory use of protective equipment against damages to hearing, sight, respiratory passages (inhalation), etc. In the relevant production units the employees shall wear safety boots and gloves.

2.5.2 All protective equipment shall be made available by the supplier free of charge, and it is the suppliers responsibility to encourage workers to use it.

2.5.3 Clear warning instructions must be visible.

2.5.4 The supplier shall register the occurrence of accidents at work. These statistics are to be kept with the person responsible for production.



2 The Working Environment and Housing Conditions

- 2.6.0 For medical purposes, the supplier shall place at least 1 well-stocked first aid kit in each production section.
- 2.6.1 The supplier shall select and train a number of employees - proportional to the total number of workers- to take on the responsibility of giving first aid.
- 2.6.2 The supplier shall have procedures for the handling of serious accidents that require treatment outside the premises of the supplier.
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- 2.7.0 The supplier shall consider the safety of the employees by constantly making sure that passages, stairways and exits are unobstructed, in case of the need for emergency evacuation.
- 2.7.1 The supplier shall clearly indicate where the escape routes are located.
- 2.7.2 The main exits must not be locked during working hours.
- 2.7.3 Fire alarms shall be placed in each production section and in the large offices. There must be a sufficient number of fire extinguishers that are regularly checked and maintained.
- 2.7.4 A fire drill for all employees is to be held at least once a year.
- 2.7.5 All employees must receive regular and recorded health and safety training, with a specific program for all new or reassigned employees.
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- 2.8.0 The supplier shall store dangerous and/or toxic substances safely and separately, in locations that are adequately ventilated, and ensure safe handling of these materials.
- The supplier shall be able to provide a MSDS chart on all substances in stock.
- Waste from use of dangerous and/or toxic substances shall be treated responsibly and in accordance with applicable law.



2 The Working Environment and Housing Conditions

If the supplier provides housing facilities for the employees, the following requirements shall be fulfilled.

- 2.9.0 The dormitories shall be based in a building separated from the factory building.
- 2.9.1 All facilities shall be well maintained and kept in clean condition.
- 2.9.2 Sleeping facilities shall be separated by gender and each worker shall be provided with his/her own bed as well as storage space for his/her personal belongings.
- 2.9.3 The space per worker shall meet the minimum legal requirements.
- 2.9.4 There shall be a sufficient number of toilets and showers, separated by gender and easily accessible.
- 2.9.5 There shall be access to drinking water.
- 2.9.6 There shall be sufficient air ventilation. There must be windows that can be opened, as well as fans, air-conditioning and/or radiators depending on local conditions.
- 2.9.7 There shall be sufficient lighting.
- 2.9.8 Basic laundry facilities shall be available.
- 2.9.9 There shall be clean canteen facilities/eating rooms. Areas for food storage and food preparation shall also be kept in a clean and hygienic condition.
- 2.9.10 There shall be a fire alarm and sufficient number of fire extinguishers. There must be sufficient emergency exits that are clearly indicated and uplighted.



3 Social Responsibility

The supplier shall treat his employees with respect and dignity.

Employees, or others associated with the supplier, shall not in any way be subjected to force or violence. Physical abuse or discipline, the threat of physical abuse, sexual or other types of harassment, as well as verbal abuse or other forms of intimidation, are not permitted.

- 3.1.0 Employment with the supplier shall be based on the employee's ability to perform the job in question.
 - 3.1.1 Employment with the supplier shall not be subject to discrimination regarding race, colour, nationality, religion, gender, age, sexual orientation or marital status.

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.
 - 3.1.2 The supplier must not use any illegal workers, or any kind of forced, bonded or prison labour.
 - 3.1.3 Workers will not be required to leave 'deposits' or identity papers/ passports with their employer, and can terminate a contract with employer after sufficient notice.
 - 3.1.4 A signed working contract for all employees must be available.
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- 3.2.0 The supplier is not allowed to use employees at an age younger than 15 in the production or anywhere else in the business.

The definition of a "child" is based on ILO's (International Labour Organization) Convention no. 138 and ILO's Recommendation no. 146 (Minimum Age and Recommendation), which states that a child is a person at an age younger than 15, unless national law stipulates an age greater than that or requires completion of compulsory education.

- 3.2.1 If national law sets the limit for the definition of a "child" at the age of 14, the national law applies.
 - 3.2.2 The supplier shall at any time be able to verify the age of an employee.
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- 3.3.0 The supplier shall comply with current law concerning wages, compensation for overtime and payment procedures. The employees are entitled to at least a statutory minimum wage or the standard rate in the industry. If these rates differ, the employee is entitled to the highest rate.

- 3.3.1 Withholding wages is not allowed.
- 3.3.2 The employee must be able to explain the composition of his earnings to a third party.
- 3.3.3 Deductions from employees wages by the supplier as a disciplinary measure, or any other deductions not required by law, shall not be permitted. All disciplinary measures should be recorded.



3 Social Responsibility

- 3.4.0 Working hours shall be in accordance with current law. This applies both to daily and weekly working hours. If no current law applies in the field, Bestseller stipulates maximum working hours of 8 hours per day, and 48 hours per week.
- 3.4.1 Working hours must be organised in such a way that the employee can plan his own leisure time.
- 3.4.2 In each 7-day cycle the employee is entitled to at least one day off.
- 3.4.3 Whenever there is an overload in production and overtime work is a necessity, the total working week for each employee can not be in excess of 60 hours.
- 3.4.4 The supplier shall not make use of overtime work on a regular basis.
- 3.4.5 The employee is entitled to refuse overtime work.
- 3.4.6 The employee is entitled to breaks in accordance with national law.
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- 3.5.0 Regular employment shall be provided.
- 3.5.1 Suppliers shall not avoid obligations to long-term stable employees, such as social security payments and guaranteed payment, through the use of temporary contracting, sub-contracting or home-working arrangements, neither through apprenticeship schemes, where there is no real intent to provide regular employment or improve skills.
- 3.5.2 A supplier must declare any homeworkers or small workshop employees to Bestseller; these workers shall be treated as equal members of the workforce.
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- 3.6.0 The supplier shall comply with ILO Convention no. 87 on Freedom of Association and Protection of the Right to Organise and Convention no. 98 on Right to Organise and Collective Bargaining.
- 3.6.1 The supplier shall comply with ILO Convention no.135 on Workers' Representatives.
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- 3.7.0 The supplier shall comply with the Universal Declaration of Human Rights art. 19 on Freedom of Opinion and Expression.



4 Environmentally Friendly Production

All environmental laws and regulations shall be followed.
Bestsellers Chemical Restrictions shall be followed.

- 4.1.0 The supplier shall promote environmentally friendly production and develop a system for environmental management.
 - 4.1.1 Environmental management must be visible the moment you enter the premises of the plant.
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5 Protection of Animals

- 5.1.0 Bestseller does not use animal fur in any shape or form.
 - 5.1.1 Bestseller only sells leather from animals that have been bred for the food industry - and not only for the sake of the leather.
 - 5.1.2 Bestseller does not accept the practice of mulesing, and requires evidence from suppliers that all merino wool for Bestseller products is mulesing-free.
 - 5.1.3 Bestseller only uses feathers or down from birds raised for the food industry. Bestseller condemns the use of feathers or down plucked from living birds.
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6 Governing Law and Jurisdiction

- 6.1.0 This Termination Agreement shall be governed by and construed in accordance with the laws of Denmark.

Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Termination Agreement or the transactions contemplated hereby shall be brought exclusively in the courts of Denmark.

7

Commitment and Agreement

7.1.0

This Commitment and Compliance sheet has to be signed and returned to Bestseller A/S, Fredskovvej, DK-7330 Brande, Att.: Social & Environmental Compliance, or to Bestseller's local buying office.

We,

(Company Name)

(Address)

(Address)

hereby confirm that we have received, read and completely understood Bestseller's Code of Conduct, and we understand the importance for Bestseller that this Code of Conduct is observed by us, and by our suppliers and subcontractors.

We hereby commit ourselves to inform our own suppliers and subcontractors about the Code of Conduct, and we commit ourselves to observe the Code of Conduct. We are responsible that our own suppliers and subcontractors will observe the Code of Conduct.

We accept that Bestseller is entitled to cancel orders and terminate the business relation in case that we do not comply with the Code of Conduct.

We accept that Bestseller, and/or anyone who represents Bestseller, is entitled to check all relevant facilities at any time and by any method.

We accept that Bestseller is entitled to modify, make additions to, or otherwise change the Code of Conduct and that it is our responsibility to keep ourselves up to date with the latest version.

We know that the Code of Conduct is available on the Supplier Portal (<http://supplier.bestseller.com>), or that we can contact Social & Environmental Compliance in Denmark, or Bestseller's local buying office, to gain access to the latest Code of Conduct.

We accept that this Commitment and Compliance always will refer to the latest Code of Conduct, which will be effective for us from the moment this has been put on the Supplier Portal.

Date

Name and signature

