

Code of Conduct for suppliers and subcontractors

1. Legal requirements

1.1. As a general rule, the supplier and the subcontractor must follow their respective national laws. Should the provisions of national law and the requirements of our Code of Conduct differ, the highest standard shall apply.

1.2. The supplier and the subcontractors must refrain from seeking or accepting exemptions not contemplated in the statutory or regulatory framework related to food safety, human rights, environmental, health, safety, labour, taxation, financial incentives, or other issues.

1.3. More details about Food safety regulations are enclosed in our Framework agreement, which is also available at Northern A/S' (NG) homepage.

CONDITIONS AT THE WORKPLACE

2. Forces Labour/Slave labour

ILO conventions Nos 29 and 105

2.1. No form of forced labour, slave labour or involuntary labour shall take place.

2.2. Employees shall not be required to pay a deposit or surrender their identity papers to an employer, and they shall be free to terminate a work contract after a reasonable period of notice.

3. Freedom of Association and Collective Bargaining

ILO Conventions Nos 87,98,135 and 154.

3.1. Employees shall, without exception, have the right to join and establish trade unions by their own choice and to bargain collectively.

3.2. The employer shall not discriminate against trade union representatives or prevent them from doing trade union work.

3.3. If such rights are limited by law, the employer shall facilitate, and in no way hinder, parallel mechanisms for free and independent association and bargaining.

4. Child Labour

UN convention on the Rights of the Child

ILO Conventions Nos 79, 138, 182

ILO Recommendations No 146

4.1. Children under the age of 18 shall not engage in labour that is hazardous to their health or safety, including night work.

4.2. Children under the age of 15 (14 or 16 in certain countries) shall not engage in labour that may be detrimental to their education.

4.3. Recruitment of labour in contravention of the above conventions is unacceptable. If child labour is already taking place, efforts shall be made to phase it out as quickly as possible. At the same time, the children concerned shall be afforded the opportunity to earn a livelihood and acquire an education until they are no longer of compulsory school age.

5. Discrimination

ILO Conventions Nos 100 and 111
UN Convention and Discrimination Against Women

5.1. There shall be no discrimination in working life based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political affiliation.

5.2 Measures shall be established to protect employees from sexually intrusive, threatening, insulting or exploitative behaviour and from discrimination or termination of employment on un-justifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

5.3. All workers with similar experience and qualifications shall receive equal pay for equal work.

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6. Harsh or Inhumane Treatment

6.1. Physical abuse, punishment, or the threat of it shall be prohibited. The same applies to sexual abuse and any form of humiliation.

7. Occupational Health and Safety

ILO Convention No. 155
ILO Recommendation No. 164

7.1 The working environment shall be safe and conducive to good health, taking into account existing knowledge of the industry and its related hazards.

A clear set of regulations and procedures must be established and followed regarding occupational health and safety, fire protection and emergency preparedness. A management representative responsible for the health and safety of all personnel shall be appointed. Systems to detect, avoid and respond to potential threats to health and safety of all personnel shall be in place.

7.2. Employees shall receive regular and documented health and safety training. Such training shall also include seasonally employed workers.

7.3. Employees shall have access to clean sanitary facilities and clean drinking water. If necessary, the employer shall also ensure access to facilities for safe food storage.

7.4. If the employer provides accommodation, it shall be clean, safe, adequately ventilated, and have access to clean sanitary facilities and clean drinking water. Fire safety and emergency evacuation plans in dormitories shall be of the same standard as in the work environment.

8. Wages

ILO Convention No 131

8.1. Employees' wages shall at least be in accordance with national provisions on minimum wages or industrial standards and shall always be sufficient to cover basic needs.

8.2. Wages, as well as the regularity and fashion of their payment shall be agreed in writing

before work begins. The contract shall be comprehensible to the employee.

8.3. Using wage deductions as a disciplinary measure is prohibited.

9. Working Hours

ILO Convention No 1 and 14

9.1. Working hours shall be in compliance with national legislation or industrial standards and shall not exceed the working hours laid down in current international conventions. It is recommended that working hours not exceed 48 hours per week. (8 hours per day).

9.2. Employees shall have at least one day off per week.

9.3. Overtime shall be voluntary and is recommended to be limited to a maximum of 12 hours per week.

9.4. Employees shall always receive overtime pay in accordance with current legislation.

10. Regular Employment

10.1. Obligations to employees in accordance with international conventions and/or national legislation and regulations concerning regular employment shall not be evaded through the use of short-term contracts (such as contract labour, casual labour or day labour), subcontractors or other labour relationships.

10.2. All employees are entitled to an employment contract written in a language they understand.

10.3 The duration and content of apprenticeship programs shall be clearly defined.

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11. Use of Resources and Impact on the Local Community.

11.1 No form of environmental criminal activity or ruthless exploitation of resources shall take place in the local environment.

11.2 The local environment at the production site shall not be degraded by pollution or excessively exploited. Hazardous chemicals and other harmful substances shall be carefully managed.

11.3. In cases of conflict with local communities concerning the use of land or other natural resources, the parties shall ensure, through negotiation, respect for individual and collective rights to land and other resources based on common custom or tradition, including cases where such rights have not been formally registered.

11.4 Production and the extraction of raw materials for manufacturing shall not contribute to the destruction of the resource and income base for marginalized population groups, for example by laying claim to large land areas or other national resources upon which such population groups depend.

ENVIRONMENT

12. National and International Environmental Legislation and Regulations.

12.1. Production shall not conflict with national or international environmental legislation and regulations.

12.2. Procedures and standards for waste management, for handling and disposal of chemicals and other dangerous materials, and for emissions and effluent treatment shall be established and must meet or exceed minimum legal requirements.

12.3. Environmental aspects should be taken into consideration throughout the entire value chain and shall not be limited to the company's own operation. Local, regional and global environmental issues shall be taken into consideration.

BRIBERY AND CORRUPTION

13. Bribery and corruption.

13.1 The supplier shall establish and follow an antibribery-anticorruption policy in all of their business activities.

MANAGEMENT SYSTEMS

14. Management Systems

14.1 The supplier shall define and implement a policy for social accountability, which shall be communicated and accessible to all personnel.

14.2 Top management shall define and implement a management system to ensure that the requirements of this Code of Conduct can be met.

14.3 Management is responsible for the correct implementation and periodical review of the Code of Conduct, for ensuring continuous improvement by taking corrective measures where needed, and for the communication of the requirements of the Code of Conduct to all employees.

14.4 The company shall investigate, address and respond to any concerns of employees regarding compliance with the company's policy and/or the requirements of this Code of Conduct. The

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company shall refrain from disciplining, dismissing or discriminating against any employee for providing information concerning adherence to this Code of Conduct.

COMPLIANCE

15. Trust and Cooperation

15.1 NG expects all suppliers to respect this Code of Conduct and actively strive to attain our standards.

15.2 We believe in cooperation and are willing to work together with our suppliers to identify realistic solutions for every individual case. While we are prepared to take into account cultural differences and other factors that may vary between countries, we will never compromise with regard to basic requirements regarding food safety, environment and human rights.

16. Inspections

16.1 NG reserves the right to conduct unannounced visits at any time to any of the factories/suppliers that produce goods/services for us. We also reserve the right to appoint independent third parties (for example Non-Governmental Organizations or consultant firms) to conduct inspections to ensure compliance with our Code of Conduct.

17. Lack of Compliance

17.1 Should we find that a supplier fails to comply with the requirements of our Code of Conduct, we will discontinue the business relationship unless improvements are implemented within an agreed period of time. If we record repeated infractions against the Code of Conduct, we will immediately discontinue collaboration with the supplier.