



MANUFACTURER OF  
**FUNCTIONAL**  
GARMENTS

# Code of Conduct

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Corporate Social Responsibility

VERSION 2, JUNE 2019

Ikast, June 2019

Dear Business Partner,

**Let's join forces and conduct business in a sustainable and responsible way!**

Working with some of the leading brand names within the outdoor sports and active wear industry we are bound to live up to strict requirements in terms of both quality and social responsibility. However, on a larger scale we should all have an objective to reduce our social and ecological footprint as much as possible when conducting business.

Being a family owned company is an important part of our identity. By having a strong ownership with passion and daily engagement we ensure the core values and ethics are felt by the employees, customers, suppliers and other stakeholders in everyday life.

As a part of the value chain we have to offer good working conditions to our employees no matter the geographical production location and we need to do our part to reduce the negative impact of our business activities on the external environment.

We have a strong belief that treating employees with respect and dignity leads to a higher degree of motivation, and an increased productivity and creativity to the mutual benefit of the customer, the employee and the company. Having satisfied customers is the best way to increase orders, and this has a direct, positive effect on your business as well.

By improving our environmental and social management together, we will do our part in creating a positive impact of conducting responsible and sustainable business.

We pursue a constructive and open dialogue among business partners and stakeholders to reinforce the principles of socially responsible business together. We ask you to be part of a long-term successful business relationship by receiving, reading and signing the attached Code of Conduct.

Thank you for your cooperation!

Yours faithfully,

SPECTRE A/S



Jesper Klausen

director, co-partner

Spectre A/S Code of Conduct (CoC) describes the ethical principles and behaviour that Spectre A/S wishes to promote throughout the supply chain and is directed towards all suppliers, sub-suppliers and subcontractors that manufacture for Spectre A/S. The purpose of this CoC is to ensure ethical and fair business from all parties and people involved within the entire supply chain. We believe that a strong focus on, and continuous improvement of the ethical principles within this CoC will ultimately benefit all parties and countries, both socially and economically. This CoC is based on and follows the Universal Declaration of Human rights, the UN Global Compact and guidelines from the Nordic Fashion Association.

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## GENERAL CONDITIONS

In agreeing to do business with Spectre A/S, all suppliers agree to respect ethical and environmental responsibilities within their business.

This CoC should be understood as a tool for cooperation and dialogue about improving systems to manage adverse impacts on human rights, including labour rights, the environment and anti-corruption. The focus should always be on further progress and development. The content of this CoC constitutes only the minimum standards and conditions for the purpose of preventing exploitation. These minimum conditions should not be regarded as optimal objectives.

The CoC is not meant to be a substitute for national or international legislation. As a precondition, suppliers are expected to comply with the laws and regulations applicable in their country of origin. Where the law, custom or practice in a country proves incompatible with this CoC, the supplier concerned should immediately inform Spectre A/S in writing.

## HUMAN RIGHTS

Spectre A/S condemns violations of all internationally declared human rights, understood, at a minimum, as those expressed in the International Bill of Human Rights, as well as the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. People must be treated with dignity and respect, regardless of social status or rank.

The supplier warrants not to violate such internationally declared human rights, but to respect and support them.

## PREVENTION OF FORCED OR INVOLUNTARY LABOUR

Working by free will is essential. There shall be no use of any illegal workers or any kind of forced labour, including bonded or in prison. Nor shall workers be required to leave any form of deposit or identity papers with their employer.

A signed working contract must be available for all employees, which is provided by their employer in a language that is understandable to the employee.

The workers must be able to terminate their employment provided that they give a reasonable notice.

## FREEDOM FROM DISCRIMINATION AND HARASSMENT

Human rights are universal and belong to everyone equally. Employees shall not be subjected to discrimination of any form regarding age, gender, sexual orientation, marital status, race, caste, nationality and religious or political beliefs.

Harassment can take many forms and means different things in different parts of the world. At Spectre A/S, harassment is any intimidating, offensive, demeaning or unwelcomed conduct that creates a hostile, uncomfortable environment for others, and any other form of harassment prohibited by applicable law. No matter what form it takes, harassment has no place within the supply chain of Spectre A/S.

## PREVENTION OF CHILD LABOUR AND PROTECTION OF YOUNG WORKERS

All parties within the supply chain should comply with the ILO Convention no. 138 recommendations regarding the minimum age for workers in developed countries, which is generally the maximum age for compulsory schooling and child labour.

Light work (pocket money): 13 years  
 Normal non-dangerous work: 15 years  
 Dangerous work: 18 years

Developing countries have the option to lower the ages for non-dangerous work to respectively 12 and 14 years in order to help strengthen their educational and economical systems.

It is stressed that work performed by a person under the age of 18 may not in any way be mentally, physically, socially or morally dangerous or harmful to children; shall not interfere with the schooling of children; shall not deprive the children of the opportunity to attend school; shall not oblige the children to leave school prematurely; and shall not require the children to attempt to combine school attendance with excessively long and strenuous work.

Please consult the following table based on “designation of employees in a typical composites factory” from the Child Labour Toolkit developed by Save the Children Denmark and the Danish Federation of SMEs. The table is only to be used as a guideline to determine the character of the work. Please note that the terms may not be generally known in the industry.

### CLASSIFICATION OF WORK

<i>Department/Section</i>	<i>Designation</i>	<i>Suitable for children and young people</i>	<i>Suitable under supervision</i>	<i>Unacceptable for children and young people</i>
Dyeing Section	All positions			
Mechanical Section	Assistant for Plumber			
	Assistant for Fitter			
Knitting Section	Helper for Operator			
	Helper for Q.C.			
Cutting Section	Output 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			

Use of child labour or young workers in conflict with what is previously stated is not allowed, and at all times children and young workers must be treated with dignity and respect. It is expected that the supplier/sub-supplier/subcontractor does its utmost to secure and determine the correct age of the workers employed and keep a verification available in writing for audits.

Should child labour in conflict with this CoC be detected, the supplier/sub-supplier/subcontractor is requested to make sure the proper measures in the child's best interest are taken. Spectre A/S must be informed, and a satisfactory solution must be found, taking the child's age, social situation, education, etc into consideration.

If children are to be replaced because they are carrying out improper work, then their wages shall not be reduced 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 for the child and its family.

Spectre A/S reserves the right to involve local or international organisations, on-governmental organisations and the like with the purpose of securing the child's future.

## LABOUR STANDARDS

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

### ADEQUATE COMPENSATION

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

Deduction from wages as a disciplinary measure, or any other deduction not required by law, must not occur. Deductions shall never constitute an

amount that will result in the worker receiving less than minimum wage.

All workers must, prior to employment, be provided with written and easily understandable information about the condition in respect of wages. On paydays, they must receive an overview of the calculation of the wages for the respective pay period. The supplier/sub-supplier/subcontractor shall ensure that wages and benefits are paid on time and rendered in a manner convenient to workers.

It is the employer's responsibility to create records of the names, ages, working hours and wages paid to all employees. These records are to be kept an appropriate amount of time in accordance with the national law.

### WORKING HOURS

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours a week and shall be provided with at least one day off for every 7-day period.

Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

### WORKING CONDITIONS

A safe, hygienic and healthy workplace environment shall be provided with adequate space and services for employees. The best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and any specific hazards.

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

All machinery shall be properly maintained, 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.

## PREVENTION OF INJURY

A thorough risk assessment should be done of all areas in the facility, ensuring that employees are not working in a dangerous environment.

Where risks cannot be eliminated, sufficient and well-maintained personal protective equipment must be provided, and all risks must be clearly signed. Though, no hazardous working equipment or unsafe factories and/or housing facilities are accepted.

The employer shall establish systems to detect, avoid or respond to potential threats to the health and safety of all its workers. It shall investigate work-related accidents and keep records of all such incidents, stating causes and remedial measures taken to prevent similar actions.

The supplier/sub-supplier/subcontractor 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 said supplier/sub-supplier/subcontractor.

## PROTECTION FROM DANGEROUS MATERIALS

Hazardous materials must be used, stored and handled in a safe and healthy manner at all times. Employees must be sufficiently trained in handling chemicals and other dangerous materials. There should be a Material Safety Data Sheet (MSDS) listing of all chemicals on site and the location of all potential hazards should be documented.

## EMERGENCY PREPAREDNESS

All fire safety precautions must be taken, including adequate warning systems, provision of fire safety equipment, clear and well-marked exits and escape routes, and training of employees in fire response.

There must be a written and communicated emergency response procedure. An evacuation plan should be clearly displayed in the factory, the fire alarm should be tested regularly, and regular evacuation drills are desirable.

All exit doors should be clearly marked and opening outwards. They cannot be blocked on either the inside or the outside of the door. Emergency

exits are preferably found on all floors, if they are locked for safety reasons or to prevent theft, a key should be accessibly placed next to the door and be available for all staff at all times.

## WORKING AND LIVING FACILITIES

The labour force must have easy access to sanitary food storage and fresh clean potable water, toilet/bath facilities, medical aid and food, it is recommended and encouraged that at least one free daily meal is provided at work. Access hereto shall never be unreasonably withheld.

When the labour force lives/sleeps at the production sites or nearby facilities, such housing facilities must live up to national standards of living facilities.

Preferably, men and women should have separate toilet/bath facilities.

## FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

The right of all workers to form and join trade unions, to bargain collectively and have freedom of opinion and expression shall be recognized (ILO Convention no. 87 and 98).

Employers shall adopt a positive approach towards the activities of trade unions and an open attitude towards their organisational activities.

Where freedom of association and the right to collective bargaining is restricted or prohibited under law, the employer shall facilitate, and not hinder, alternative forms of independent and free worker representation and negotiation, in accordance with international labour standards.

## ENVIRONMENT

All national and regional environmental laws must be complied with at all times whilst supporting a precautionary approach to environmental challenges. All required environmental permits and registrations are to be obtained, maintained and kept current.

There must be continuous and documented work towards a cleaner and more environmentally

friendly production process, to secure a minimisation of negative consequences for the environment.

The most environmentally friendly goods, raw materials, methods and/or technology applicable should be chosen for all operations, with respect to the ordered quality. Negative environmental consequences cannot be outsourced to subcontractors. Hence the direct supplier/subcontractor of Spectre A/S is responsible for the environmental choices made in the production line in which it is directly or indirectly involved.

Spectre A/S will, to the extent possible and reasonable, support the development and use of cleaner technologies and procedures upon request from the supplier/subcontractor.

### 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, material substitution, conservation, recycling and re-use of materials.

### WASTE MANAGEMENT

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled, treated and disposed of as required per national law or the benchmark guideline in the industry, whichever is higher.

### AIR EMISSIONS

All emissions that are produced during production, including but not limited to greenhouse gasses and other known toxins, must be characterized, monitored, controlled and treated as required by law prior to discharge.

### PRODUCT CONTENT REGISTRATION

All members of the supply chain are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances, including labelling laws and regulations for recycling and disposal. This also includes agreed-upon customer-specific restricted and hazardous materials lists. It is to be expected that any delivered goods must comply with the REACH-ECHA regulations

concerning allowed chemical contents and the like, the supplier/sub-supplier/subcontractor warrants such compliance.

### ANTI-CORRUPTION

The highest standards of integrity are to be expected in all business interactions. Therefore, businesses must work against corruption in all its forms, including extortion, bribery and the exchange of improper gifts.

The supplier/sub-supplier/subcontractor must inform Spectre A/S in writing of any corruption and/or bribery activities that they may be involved in, because they feel pressured to do so and/or in order to handle the orders for Spectre A/S. Such information must, if possible, be submitted prior to accepting the behaviour or demand.

In general, any and all forms of corruption, extortion and embezzlement are strictly prohibited, and such activities may result in immediate termination of the business relationship with Spectre A/S. Furthermore, Spectre A/S holds the right to communicate said actions to relevant authorities and organisations, as well as to take legal action.

### ETHICS

Suppliers/sub-suppliers/subcontractors should display the highest level of ethical integrity when dealing with workers, suppliers and Spectre A/S employees.

### PROTECTION OF "WHISTLEBLOWERS"

Workers should be provided an anonymous method to report workplace grievances and complaints. The employing company should ensure policies are in place to protect workers who report a complaint or grievance in good faith from dismissal or other disciplinary measures.

### ANIMAL WELFARE

Spectre A/S requires that materials derived from animals used in our or our customers' products are from animals that are treated according to animal welfare laws and international recommendations.

## CHARITY

Businesses are encouraged to engage in local or global charity aiding to the improvement of better social and living conditions. Such events serve a better community and better lives of people in poverty, they can also serve a positive experience for the surroundings and lead to better possibilities of recruitment.

## FAULTY GOODS

The supplier/sub-supplier/subcontractor agrees and accepts that upon delivery of faulty goods, Spectre A/S is not responsible for return shipping.

It is highly encouraged to donate goods that are not suitable for commercial sale, and do not impose a health risk or the like, without compensation to national or international charity purposes. Spectre A/S is willing to aid in the process of finding a suitable charity organisation and sending the faulty goods.

## MONITORING AND IMPLEMENTATION

Attention is brought to the fact that this CoC aims to secure a fair situation for all businesses, people and animals involved. Spectre A/S believes that this serves a viable and respectful purpose in securing a durable production and business relationship.

## MANAGEMENT RESPONSIBILITIES

Relevant (managerial) employees should be informed about the content of the Spectre A/S CoC in a language they understand.

Compliance with the CoC should be continuously monitored. One or more managerial employees are to be appointed responsible for implementing necessary changes to the facilities.

## PRODUCTION LOCATIONS

Spectre A/S must be provided in writing with addresses of all production and work facilities, including names and addresses of subcontractors, involved in the production for Spectre A/S. Changes herein are to be reported immediately in writing.

The direct supplier is responsible for the sub-suppliers and sub-contractors it chooses, as well as for informing them on the Spectre A/S CoC.

## COMPLAINTS AND CORRECTIVE ACTIONS

An employee is appointed as responsible for handling complaints related to Spectre A/S. All complaints, regardless of the source, are to be investigated and documented, as well as the implementation of necessary corrective measures.

## SELF-EVALUATION

A self-evaluation questionnaire or the like may be handed out from time to time by Spectre A/S. In such cases, it must be filled out truthfully and returned to Spectre A/S or its representatives.

## AUDITS

The supplier/sub-supplier/subcontractor warrants that an independent external auditor can at all times (announced, semi-announced or unannounced) be given full access to the premises on behalf of Spectre A/S, including documents requested and surroundings. It is the expectation that audits will be entered into and left by all relevant parties with respect and in a friendly tone.

## CONSEQUENCES OF NON-COMPLIANCE

If an audit reveals less than full compliance with the CoC, the supplier/sub-supplier/subcontractor must self-correct without delay. A reasonable time period to implement prescribed corrective actions will be agreed upon with the auditors.

By failure to self-correct, demonstrate willingness to improve systems, or address identified adverse impacts, Spectre A/S reserves the right to end the business relationship immediately.

Spectre A/S is allowed to report and alert the relevant (national) industry organisations of any failure to comply. Such organisations may choose to publish given information to its member companies or other relevant third parties.

If a supplier/sub-supplier/subcontractor excluded in the past on grounds of non-compliance later shows that it can comply fully with the Spectre A/S CoC, there is, in principle, no reason why a business relationship cannot be resumed.





## SUPPLIER COMMITMENT TO SPECTRE A/S CODE OF CONDUCT

***This supplier commitment sheet must be signed and returned to your Spectre A/S contact person. Please retain a full copy of the signed code of conduct for your reference.***

We hereby confirm that we have received, read and understood the Code of Conduct (CoC) from Spectre A/S. In that, we understand it is important this CoC is to be observed not only by us, but also by our suppliers and subcontractors.

We confirm that we will inform Spectre A/S in writing of all production and work facilities involved in the production of products for Spectre A/S and report any changes herein immediately. This includes names and addresses of any subcontractor involved at any given order. We will be open and willing to allow an independent third-party full access to the premises, including relevant documentation and surroundings to check compliance to this CoC. Spectre A/S is entitled to use the audit information for all relevant purposes within its business.

We accept that Spectre A/S is entitled to modify, make additions to, or otherwise change the CoC and that it is our responsibility to keep ourselves up to date with the latest version. We know that the CoC is available on the webpage (<http://spectre.dk/en>) and through our Spectre A/S contact person.

We accept that this commitment will always refer to the latest CoC, which will come into effect once it has been uploaded on the website.

We accept that Spectre A/S is entitled to cancel orders and terminate the business relationship with no compensation required if we do not comply with this CoC. Unless an agreement has been made with Spectre A/S to work towards full compliance within a set timeframe. We understand that transparency and honesty are core values of this CoC and required to maintain a healthy business relationship with Spectre A/S.

*Company name:* \_\_\_\_\_

*Company address:* \_\_\_\_\_

*Full name and position:* \_\_\_\_\_

*Date:* \_\_\_\_\_

*Signature and stamp:* \_\_\_\_\_