

Nybo Workwear A/S are committed to running a responsible and sustainable business. Ensuring that our products are produced under responsible conditions stands at the core of this commitment, and in fulfilment of our ambition, we expect our partners – suppliers, subcontractors, agents, and other business partners – to operate responsibly and act with integrity and fairness in all aspects of their business and exercise their due diligence accordingly.

Our commitment to responsibility and sustainability implies having due diligence processes in place for mitigating and remediating adverse impacts on human and labour rights, the environment, climate, anti-corruption, and animal welfare. We use this Code of Conduct to support us in selecting and retaining suppliers who share our commitment to responsible and sustainable production as defined by internationally agreed conventions, standards, and guidelines. Signatures of this Code of Conduct will be collected during the onboarding phase of new suppliers and whenever there are significant changes in the content.

We ask our suppliers to commit to implementing the standards, processes, and requirements of this Code of Conduct in their own operations and to work with their suppliers and business partners to also implement the policies, standards, and processes of the Code. It includes a willingness to cooperate to obtain the necessary documentation, showing that the signatories and their direct suppliers, sub-contractors and other partners comply with this Code.

We recognise that establishing the required standards and processes outlined in this Code of Conduct requires both time and resources. We focus on our suppliers' commitment to transparency and their ability and willingness to demonstrate continuous improvements in meeting the requirements of the Code, and in improving their systems to manage adverse impacts on human and labour rights, the environment, climate, anti-corruption, and animal welfare.

The standards of the Code of Conduct are based on internationally agreed conventions, including but not limited to: the International Bill of Human Rights, the International Labour Organisation's (ILO) Declaration of the Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the UN Convention Against Corruption, the Rio Declaration on Environment and Development; and the UN Global Compact's 10 Principles.

All suppliers are expected to comply with national legislation, regulations, and applicable practices and industry standards as relevant to their business.

If you have any questions regarding this letter, our Code of Conduct, or our responsible supply chain management programme in general, please do not hesitate to contact us.

With kind regards,
Nybo Workwear A/S

Supplier Code of Conduct

Scope

The requirements of this Code extend to all factories being part of the production and processing of Nybo Workwear A/S's products and all employees working at these facilities, regardless of their status or relationship with the supplier. This includes workers who are engaged informally, on short-term contracts or on a part-time basis.

Where there are differences between the terms of this Code of Conduct and national laws or other applicable standards, suppliers must adhere to the higher requirements. If conflicts between national law and this Code of Conduct are detected, suppliers must inform us immediately.

Cascade Effect

Further to the supplier's own business, this Code also applies to operations carried out by direct suppliers, sub-contractors, or other partners. It is the supplier's responsibility to cascade the requirements of this Code to all their direct suppliers and sub-contractors involved in or connected to Nybo Workwear A/S's productions and any processing of our products.

To that end, suppliers are expected to establish a risk-based due diligence management system appropriate to the business model of the company and to train and incentivize all relevant departments and individuals to integrate the standards of this Code of Conduct into their operating and purchasing practices.

The cascade effect of the Code is requested to assure that all factories and workers involved in our supply chain, also beyond tier 1, are informed about our requirements on responsible business conduct and are able to make the necessary improvements and address any non-compliances.

Due diligence

All businesses are required to exercise due diligence to detect, prevent, mitigate and remediate any adverse impacts related to human and labour rights, the environment, climate, and anti-corruption. This is necessary for all groups, individuals, and entities that a business may impact, within all business and production units, the local community and the external environment.

Key steps of the due diligence process include developing policies within potential and actual impact areas in the business, such as workers health and safety, discrimination, labour rights conditions, environmental protection, chemical management, and anti-corruption. In order to implement such policies, procedures and management systems must be developed to ensure that any potential and actual adverse impacts are prevented, mitigated or remediated. The implemented policies must be communicated to all employees and other relevant stakeholders.

The standards of this Code of Conduct fall in below four sections, covering four thematic areas, and each section defines the specific standards pertaining to each area. While a due diligence process may identify further areas of concern, the following define standards on topics of relevance for processes in the production of textiles, garment, and footwear. The standards constitute minimum standards that all suppliers must meet and are based on above listed international conventions, standards and guidelines.

- 1) Human and labour rights
- 2) Environment and climate
- 3) Anti-corruption
- 4) Animal welfare

Human rights and labour rights

Employment conditions

Suppliers must ensure their employees' national and international rights by adhering to current rules and legislation aimed at establishing a safe, fair and decent working environment.

All employees, including local workers, migrant workers, temporary and casual workers, must have a written and legal employment letter in a language they understand, specifying conditions of employment, including working hours, remuneration, terms of payment and termination.

The following rules adhere to all local workers, migrant workers, temporary and casual workers or any other type of employee.

Child labour and young workers

Child labour is strictly prohibited, and suppliers must not use child labour below the age of 15, even if permitted by national law. Conversely, if the law states an age higher than 15, then this must be followed.

All legal limitations regarding young workers between the age of 15 and 18 must be followed, and young workers are only permitted to carry out light work at reduced hours. This means that they must be protected from any hazardous work, nightshifts, and any kind of work that might hamper their physical and psychological development or impose any harm.

Young workers must be removed from any hazardous work or source of hazard immediately if such cases are identified, and the scope of work must be redefined without any loss of income.

The supplier must establish robust age-verification mechanisms as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker. In addition, the supplier must exercise special care and identify measures in a proactive manner in case of the dismissal and removal of children, to ensure the protection of affected children.

Forced labour

Forced labour of any kind is strictly prohibited, and the supplier must ensure not to engage in, or through business partners, be complicit in any form of servitude, forced and bonded, indentured, trafficked or non-voluntary labour, including state-imposed forced labour.

Suppliers must adhere to international principles of responsible recruitment, including the Employer Pays Principle, and require the same from their recruitment partners, when engaging and recruiting all workers, either directly or indirectly, especially members of vulnerable groups such as temporary and migrant workers. As a minimum, this includes:

- No recruitment fees and costs are charged to workers
- Clear and transparent employment contracts

- Workers' freedom from deception and coercion
- Freedom of movement and no retention of identity documents
- Access to free, comprehensive, and accurate information
- Freedom to terminate contract, change employer, and safely return
- Access to free dispute resolution and effective remedies

Suppliers must progressively compensate any damages incurred to the workers within a reasonable timeframe, and within the framework of the same international principles, if historical or actual failure of adherence to principles is identified.

Discrimination and harassment

Suppliers must not engage in or support discrimination in recruitment and in employment. Decisions about hiring, compensation, access to training, advancement, discipline, termination or retirement must be solely based on the ability to perform the job and not on the grounds of gender, marital or parental status, pregnancy, race, caste, colour, age, sexual orientation, religion, political opinion, union membership, function as worker representative, nationality, ethnic origin, health status, or disability.

All workers must be treated with respect and dignity. Suppliers must prevent, not engage in nor support the use of bullying, intimidation, violence, threats of violence, corporal punishment, or physical, sexual, psychological and verbal harassment or abuse. The individual worker must be responsible for not engaging in, but instead preventing any kind of discrimination and harassment at the workplace. Disciplinary procedures to ensure punitive measures in cases of harassment and/or discrimination must be in place.

Special measures must be in place to protect female and particularly vulnerable workers against violence and harassment in the workplace, in particular gender-based violence. Gender-sensitive and equal opportunities and treatment through-out recruitment and employment must be provided.

Freedom of association and collective bargaining

Suppliers must respect the rights of workers to join and organise associations of their own choosing and to bargain collectively with no interference, discrimination or sanctions from employers. The supplier must ensure meaningful representation of all workers, without distinction whatsoever and irrespective of gender, and implement mechanisms, such as worker participation committees, for resolving disputes, including employee grievances, and ensure effective communication with employees and their representatives.

Suppliers must not prevent representatives and recruiters from having access to workers in the workplace and from interacting with them. If the rights to freedom of association and collective bargaining are restricted by national law, the supplier must allow workers to freely elect their own representatives, and alternative forms of worker representation must be supported.

Working hours and leave

Standard working hours must follow local regulations, collective bargaining agreements and industry standards, but must not exceed 48 hours per week, excluding 12 overtime hours. Any interpretation of applicable national legislation, industry standards or collective agreements must be within the international framework set out by the ILO, and promote working hour practices that enable a healthy work-life balance for the workers,

The weekly overtime must never exceed 12 hours unless in exceptional cases as defined by the ILO. Overtime must only be used as an exceptional and voluntary practice, and workers should be free to refuse overtime without fearing contract termination or punishments.

Employees must be allowed a minimum of 1 day off per week and paid annual leave. Maternity leave, sick leave, and other types of leave must be provided to all employees in accordance with relevant local regulations.

Wages and benefits

Wages for a standard working week must at a minimum meet the legal minimum wage, industry standards or negotiated wages, whichever is higher. Any wage gap should be assessed accurately, and the supplier should work progressively towards the payment of a living wage. The living wage implies that wages are enough to meet the basic needs of employees and their families and provide some discretionary income.

All overtime work must be compensated at a premium rate which is recommended to be no less than 125% of the regular pay rate. Withholding of wages for any reason is not allowed, and wages must be paid regularly, in a timely and stable manner, and in fully legal tender.

Deductions are only permitted if and to the extent prescribed by law or fixed by a collective agreement. It may not be used as a disciplinary practice.

The supplier must ensure that workers of all genders and categories, such as migrant and local workers, receive the same remuneration for equal jobs and qualification.

Payments shall be performed digital when possible.

Occupational health and safety

A safe and hygienic working environment must be provided for all employees. Vulnerable persons, such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.

The supplier must have sufficient management systems in place to ensure that workers' health and safety is never compromised in any decisions taken. This involves systems to assess, identify, prevent, and mitigate potential and actual threats to the health and safety of workers. It also involves training of all relevant departments and the establishment of relevant committees, such as an Occupational Health and Safety Committee, to ensure active collaboration between management and workers and their representatives.

Suppliers must – at a minimum – ensure that below listed initiatives are in place. The list is not exclusive but outlines the most critical aspects of a health and safety management system.

- The working environment and equipment must be safe, healthy and clean at all times. Protection against dust, noise and odour must be provided and all working stations must have sufficient lighting.
- Relevant first aid equipment must be available and where legally required, a doctor or nurse should be available during working hours.
- All local laws regarding fire safety must be kept, and all production facilities must as a minimum install adequate warning systems, fire safety equipment and well-marked exits and escape routes, which should be clear for passage at any time.
- The supplier must arrange for fire drills to be conducted on a regular basis.
- Suppliers must ensure that safety precautions regarding the use, storage and handling of chemicals are taken.

- Suppliers must ensure that electrical installations are according to law and do not pose a risk to fire safety in the production facility.
- Personal protective equipment (PPE) must be provided free of charge and in good condition. All employees must conduct training in the proper use of the PPE.
- All chemicals and hazardous materials must be safely handled, transported and disposed of according to law.
- Workers must be trained in handling chemicals.
- MSDS (Material Safety Data Sheet) should be provided for all chemicals on site.
- All premises on site, including company-provided dormitories, restrooms, changing rooms and canteen, shall uphold appropriate standards on hygiene, health and safety. This includes adequate equipment for fire safety.
- Workers must have access to clean drinking water and access to sanitary facilities at all times.
- It must be ensured that the workers are protected from high temperatures and extreme weather.
- All relevant permits and certificates regarding building safety should be kept for review.
- Electrical installations must be safe and maintained by competent personnel.

Environment

General provisions

Suppliers must conduct all operations in full compliance with all applicable national environmental laws and regulations at all times. This includes obtaining and maintaining all necessary registrations, permits, and licences, including, but not limited to, below listed environmental issues.

Moreover, as part of their due diligence, suppliers must have procedures and capabilities in place to ensure that they prevent and mitigate negative environmental impacts from their activities, or associated activities.

Upon request, suppliers are expected to provide Nybo Workwear A/S with relevant data and documentation to allow us to measure and minimize our environmental footprint.

Chemicals

Suppliers must conduct their operations in accordance with below requirements on chemicals:

- The European Union REACH Regulation (EC) No 1907/2006 Annex XVII and later amendments.
- The "substances of very high concern" (SVHC) i.e. the European Union REACH Regulation (EC) no. 1907/2006 Candidate List. Suppliers are requested to check the list on a regular basis as this list is continuously updated.
- Country specific regulations on export markets.

Local laws must be followed in the storage, handling, use and disposal of all chemicals and must comply with the Material Safety Data Sheet (MSDS) for each chemical product.

Water resources

Suppliers must carry out all operations in full compliance with all applicable laws, regulations, and industry guidelines on water conservation, water quality, and wastewater.

Measures must be put in place to ensure that wastewater treatment complies with national regulation and guidelines and observe limits for wastewater discharge. Water consumption during production processes must be minimized by introducing measures such as water saving techniques and waste-water recycling. This is particularly pertinent for suppliers with wet processing, but suppliers without wet processes are also expected to manage and measure water consumption.

Air quality and climate:

Suppliers should reduce and control emissions to air according to applicable regulations. This includes noise, odour, and dust emissions.

Suppliers should actively mitigate their negative impact on climate change, e.g. by carrying out the following measures:

- Implementing energy efficiency measures at own facilities and in their value chain, starting with high-impact processes.
- Using renewable energy sources if available
- Calculating emissions and setting targets to reduce emissions using recognized standard-setting tools.

Suppliers should monitor all emissions that are produced during production and treated according to law.

Waste management:

All waste must be managed responsibly and as a minimum according to applicable regulations. Hazardous waste must be handled by an authorized company/organisation.

Suppliers must minimize waste during production processes going to landfill and facilitate collection of waste to be re-used or recycled. The goal should be no waste to landfill.

We encourage to proper reuse and recycling of waste materials.

Anti-corruption

Suppliers must not participate in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive,

To that end suppliers must establish internal controls, programmes and measures for preventing and detecting corruption, extortion, embezzlement or any form of bribery. This includes e.g., keeping accurate information regarding their company structure and activities, providing awareness to the workers about the policies, controls, programmes and measures against unethical behaviour, and promoting compliance within the company through trainings and communication

Animal welfare

Suppliers are expected to ensure that materials used in the products derive from animals that have been treated according to all applicable regulations, conventions, and standards. The animals must be fed and treated with dignity and respect. No animal must deliberately be harmed nor exposed to pain in their lifespan.

Taking the lives of animals must always be conducted using the quickest and the least painful and non-traumatic method available, and approved by national and acknowledged veterinarians, and only conducted by trained personnel.

Suppliers must comply with all requirements and live up to the expectations stated in the Nybo Workwear A/S Animal Welfare Policy.

Grievances

Suppliers must have a grievance mechanism in place allowing stakeholders to voice their concern if they find that operations of the supplier are adversely affecting human and labour rights, environment, climate, anti-corruption, and animal welfare. The grievance mechanism should be appropriate to the size of the company and can take the form of e.g. a whistleblower procedure. Policies and procedures must be in place to protect workers when complaints and grievances are reported in good faith. The grievance mechanism must be widely communicated, and accessible to all workers (including temporary workers and parttime workers), and managed in a confidential, unbiased, timely, and transparent manner. Measures be taken to ensure that workers that are not able to read or write or speak another language, also have access.

At a minimum, the grievance mechanism procedure should ensure that workers have:

- Access to their supervisor and the possibility to hold an open and constructive meeting about a grievance with their immediate supervisor or manager.
- Access to raise a grievance about own supervisor or manager.
- Access to submitting a grievance anonymously without any fear of repercussions.
- Access to support: Workers should have the right to be accompanied by a fellow worker of her/his own choice, or by a union representative (for unionized facilities), when attending a meeting to discuss a grievance.
- The right to appeal workers should have access to an escalation channel to a more senior manager to challenge a decision made by their supervisor or manager if relevant.

Transparency and traceability: Sourcing, suppliers, and subcontractors

Transparency and traceability are essential for us as we work towards a more responsible and sustainable supply chain. At a minimum, we expect our suppliers to demonstrate transparency by disclosing the country, name, and addresses of their production units and tier 1 suppliers upon request. For tier 2 and tier 3 suppliers, we expect that the country, region, and origin of the material can be provided.

Suppliers are expected to exercise appropriate due diligence in their supply chain and work with their suppliers and sub-contractors to ensure that they also conduct their operations in line with the principles of this Code of Conduct. Raw material, substances or components must always be sourced from manufacturers who support practices that ensure compliance with the principles mentioned in this Code of Conduct.

Third-party certifications and audits

Third-party certification of organizational processes and business conduct, audited periodically by an independent third party, helps review the supplier's systems, procedures, and documentation, identifying areas for improvement to ensure compliance with both internal policies and external requirements, such as labor standards, environmental responsibility, and quality.

Nybo Workwear reserves the right to require suppliers to hold certifications for their production facilities following the audit methodologies of Amfori BSCI 2.0, SA8000, Setex, or preferably OEKO-TEX STeP. Suppliers must be able to provide a valid audit report showing the highest or second highest overall result. Lower results will not be accepted without the acceptance from Nybo Workwear and an action plan for improvements that is already being executed.

Suppliers must provide all relevant certifications and audit reports and send updated versions annually to the relevant contact person at Nybo Workwear or to info@nybo.com.

Subcontracting

Suppliers are expected to inform about all sub-contractors before incorporating in a business relationship that include products from Nybo Workwear A/S. All subcontractors shall be approved by Nybo Workwear A/S, which hold the ability to reject a subcontractor. All subcontractors shall sign this code of conduct and deliver CSR material directed by Nybo Workwear. Hidden factories are not accepted.

Collaboration and monitoring

Open and transparent dialogue on the standards of this Code of Conduct is essential for our relationship with our suppliers.

Suppliers must assign responsibility to one or more management representatives with the responsibility and authority to ensure compliance with this Code of Conduct.

All suppliers are evaluated against the standard of the Code, and we prioritise those suppliers who are committed to demonstrating compliance and continued improvements.

All suppliers will be enrolled in Nybo Workwear's CSR collaboration program (Appendix A). Suppliers are evaluated through different types of assessment, including self-assessments, internal assessments, and third-party assessments (announced and unannounced). We and appointed third-party auditors must be granted access to all facilities, including sub-contractors, as well as relevant documents and employees as requested.

All production units shall be open to audits at any time if requested by us. In the case where we require an audit of the facility, we may be represented by an independent third-party auditing company of our choice.

We trust that our suppliers will embrace the requirements of this Code. In those instances where a supplier needs to improve certain procedures and practices, the supplier must be committed to do so within a specific timeframe. We believe that achieving good social and environmental standards is a process, and we are committed to working together with our suppliers in their efforts.

If a supplier demonstrates lack of commitment and will to engage and improve on the standards of this Code, we will not hesitate to terminate the business relationship.

Signatures

18-10-2024

Company name:

Nybo Workwear A/S

Company name:

Company adress

Industrivej 24-26, DK-8800 Viborg

Company Adress:

Name:

Helle Nybo Holmberg

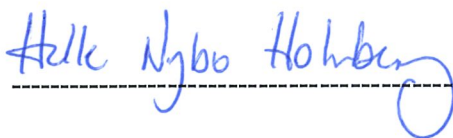
Name:

Position:

Chief Executive officer

Position:

Signature



Helle Nybo Holmberg

Signature

Appendix A – CSR collaboration requirements

We highly value our responsibilities towards environmental, social, and governance issues and believe that a united value chain is an invaluable part of overcoming the obstacles blocking the path toward sustainability, social rights, and sound business conduct.

To achieve this, we maintain supervision of all suppliers in our value chain. We do this with the intention of providing support by transferring our knowledge, human resources, and network to raise standards across our value chain. Therefore, we enroll all suppliers in this CSR collaboration program after three months of business relationship.

To be able to make collaborative achievements as part of the CSR collaboration program, we need to gather annual information and establish a series of meetings with the purpose of collaborating with each supplier.

The requirements expected from direct suppliers are:

- A designated CSR representative.
- Half-yearly meetings to discuss actions towards CSR targets.
- In the case of non-conformities, a separate track with an expectation of a mitigation plan and an increased meeting frequency will be established.
- Annual information gathering in the form of a questionnaire.

Examples of questionnaire topics may include but are not limited to:

- Certificates and audit reports on all relevant certifications.
- Number, country, certifications, and audit reports of tier 1 suppliers and subcontractors. Country and origin of materials for tier 2,3 and 4 suppliers.
- Environmental data such as CO2e footprint calculations and water consumption.
- A local living wage calculation and the current salary structure.
- Records of working hours.
- Whistleblower mechanism procedures, number of grievances, and employee representation opportunities.
- Employee injury records.
- Policies and procedures to prevent child labor and forced labor.