



Supplier Code of Conduct

1. Intent

This Code of Conduct describes the ethics that LittlePeopleCompany (LPC) wishes to promote. It is based on the fundament of LPC:

“African Aid through Ethical Trade”

LPC is committed to conducting its business in an ethical, legal, and socially responsible manner. LPC expects its suppliers to share this commitment and, therefore, has established this Supplier Code of Conduct.

The content of this Code of Conduct must be communicated to the employees, including posting a copy of the Code of Conduct in the relevant language at a place accessible to the employees.

Although there may be different legal and cultural environments applicable to its suppliers, LPC suppliers – and their sub-suppliers or contractors – must meet the following minimum requirements in order to do business with LPC:

2. Compliance with Laws, Regulations and Published Standards

2.1. LPC suppliers must comply with all applicable laws, codes, or regulations of the countries, states, and localities in which they operate. This includes, but is not limited to, laws and regulations relating to environmental, occupational health and safety, and labour practices. LPC suppliers must conform their practices to any published standards for their industry.

2.2 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.

2.3 LPC is committed to constantly implement and develop its Code of Conduct to improve standards for its suppliers. LPC is also committed to evaluate supplier’s compliance with the Code of Conduct.

2.4 If LPC has changed or improved its Code of Conducts, suppliers have an obligation to comply with the new Code of Conduct. If suppliers do not change according to recommended

practices, LPC has a right to terminate its business relation and possibly cancel any production or delivery in process.

2.5 The supplier shall treat humans and animals with respect and dignity. The supplier shall treat the environment with respect and consideration.

2.6 The supplier shall give a representative of LPC access to his facilities and employees and to relevant data at any time, whether notification of an inspection had been given in advance or not.

3. Environmental Practices

3.1 LPC suppliers shall comply with all environmental laws and regulations applicable to their operations worldwide. Such compliance shall include, among other things, the following items:

- Obtaining and maintaining environmental permits and timely filing of required reports;
- Proper handling and disposition of hazardous materials;
- Monitoring, controlling, and treating discharges generated from operations.

3.2 The supplier shall further promote environmentally friendly production.

3.3 The supplier shall ensure that timber and other raw materials used for production are harvested in a sustainable manner and had the necessary public certification.

4. Working Environment – Occupational Health and Safety Practices

LPC suppliers shall provide their employees with a safe and healthy working environment in order to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of the supplier. Suppliers shall, among other things, provide

4.1 Occupational health and safety training, including HIV/AIDS awareness training;

4.2 A system for injury and illness reporting;

4.3 Medical treatment and/or compensation to injured/ill workers arising as a result of working for supplier;

4.4 The supplier shall place a well-stocked first aid kit at the production site and make sure a number of employees know how to use it.

- 4.5 The employee should be protected against noise, air pollution, etc. by mandatory use of protective equipment against damages to hearing, sight, respiratory passages, etc. In the relevant production units, the employees should wear safety boots and gloves.
- 4.6 Machine safeguarding and other protective measures to prevent injuries/illnesses to workers;
- 4.7 Clean and safe facilities with adequate air circulation. Indoor work areas should be fitted with windows that can be opened. Fans, air-conditioning, and/or radiators should be made available depending on local conditions.
- 4.8 Employees should have reasonable and acceptable access to drinking water and toilet facilities. Sanitary conditions should be satisfactory and kept clean.
- 4.9 The supplier shall constantly increase safety in production by ensuring sufficient light in the areas used for production, such as cutting, sewing or pressing.
- 4.10 Suppliers shall store toxic and dangerous substances safely in locations that are adequately ventilated and sure that handling of these materials is safe.
- 4.11 The supplier should be able to give an account of the chemical composition of the materials used in production.

5. Labour Practices

- 5.1 LPC expects its suppliers to adopt sound labour practices and treat their workers fairly in accordance with local laws and regulations. In addition, suppliers must comply with the following standards:
- 5.2 Freely Chosen Employment: Suppliers shall not use any forced labour, whether in the form of prison labour, indentured labour, bonded labour, or otherwise.
- 5.3. No Child Labour: Suppliers shall comply with local minimum working age laws and requirements and not employ child labour. The supplier is not allowed to use employees at an age younger than 15 in the production.
- 5.4 Minimum Wages: Suppliers shall provide wages for regular and overtime work and benefits that meet or exceed legal requirements.
- 5.5 Working Hours: Suppliers shall not require workers to work more than the maximum hours of daily labour set by local laws.
- 5.6 No Harsh, Inhumane Treatment or Abuse: Suppliers shall treat each employee with dignity and respect. In no event shall Supplier's workers be subject to threats of violence, physical

punishment, confinement, or other form of physical, sexual, psychological, or verbal harassment or abuse.

5.7 No Discrimination: Suppliers shall not discriminate in its employment practices on the basis of race, colour, religion, sex, age, physical disability, national origin, creed, or any other basis prohibited by law.

5.8 The supplier shall at any time be able to verify the age of an employee.

5.9 Freedom of Association: Suppliers shall recognize and respect the rights of its workers to organize in labour unions in accordance with local labour laws and established practices. It 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.

5.10 Withholding wages or drawing punishment fines from salaries must not be used as a disciplinary measure.

5.11 In each 7-day cycle the employee is entitled to at least one day off.

5.12 Whenever there is an overload in production and overtime work is necessary, the supplier cannot demand a working week for each employee on excess of 60 hours.

5.13 The employee is entitled to refuse overtime work without being exposed to threats of disciplinary measures or dismissal.

5.14 The supplier shall comply with ILO Convention no. 135 on Worker's Representatives.

5.15 The supplier shall comply with the Universal Declaration of Human Rights art. 19 on Freedom of Opinion and Expression.

6. Housing Practices

6.1 If the supplier provides housing facilities for the employees the following requirements should be fulfilled:

6.2 All facilities should be well maintained and kept in clean condition.

6.3 Sleeping facilities should be separated by gender and each worker should be provided with his/her own bed as well as storage space for his/her personal belongings.

6.4 The space per worker should meet the minimum legal requirements.

6.5 There should be sufficient number of toilettes and showers.

6.6 There should be access to drinking water.

6.7 There should be sufficient air ventilation. There are windows which can be opened, fans and/or air-conditioning, radiators depending on local conditions.

6.8 There should be sufficient lightening.

6.9 Basic laundry facilities should be available.

6.10 There should be a clean canteen facilities/eating rooms. Areas for food storage and food preparation should also be kept in clean condition.

7. Ethical Business Practices

LPC expects its suppliers to conduct their businesses in accordance with the highest standards of ethical behaviour and in accordance with applicable laws and regulations. Suppliers are expected to conform to these requirements in each of the following areas:

7.1 Fair Trade Practices: Suppliers shall not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of antitrust laws.

7.2 Bribery, Kickbacks, and Fraud: No funds or assets of the supplier shall be paid, loaned, or otherwise disbursed as bribes, kickbacks, or other payments designed to influence or compromise the conduct of LPC.

7.3 Intellectual Property Rights: Suppliers shall respect the intellectual property rights of others, especially LPC, its affiliates, and business partners. Suppliers shall take appropriate steps to safeguard and maintain confidential and proprietary information of LPC and shall use such information only for the purposes specified for use by LPC. Suppliers shall observe and respect all LPC patents, trademarks, and copyrights, and comply with all requirements as to their use as established by LPC. Suppliers shall not transmit confidential or proprietary information of LPC via the internet unless such information is encrypted in accordance with minimum standards established by LPC.

8. Monitoring and Compliance

8.1 Suppliers shall conduct audits and inspections to ensure their compliance with this Supplier Code of Conduct and applicable legal requirements. If a supplier identifies areas of non-compliance, the supplier agrees to notify LPC as to its plans to remedy any such non-compliance.

8.2 LPC or its representatives may engage in monitoring activities to confirm supplier's compliance to this Supplier Code of Conduct, including on-site inspections of facilities, use of questionnaires or report cards, review of publicly available information, or other measures necessary to assess supplier's performance.

9.0 Protection of Animals

9.1 LPC does not use animal fur in any shape or form. LPC only sells leather, including zebra, kudu and other African species, that has been bred for other industry use or died of natural causes. Not animals, which have been bred for the sake of the leather.

10. Governing Law and Jurisdiction

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, the Termination Agreement or the transactions contemplated hereby shall be brought exclusively in the courts of Denmark.