



**Scan-Hide**

**Supplier Code of Conduct**



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## 1.0 Introduction

As one of the leading hide producers in the world, Scan-Hide carries a significant corporate responsibility. We strive to live up to this by managing our business in a profitable and sustainable way and by integrating environmental, social, and ethical considerations in our business operations and throughout our value chain.

This Supplier Code of Conduct (Code) defines the minimum requirements that our suppliers, partners and sub-suppliers of goods and services must comply with when conducting business with Scan-Hide. Compliance with this Code is a prerequisite for collaboration and a legally binding document for all Suppliers to Scan-Hide.

The Code reflects Scan-Hide's commitment to the UN Global Compact and draws upon compliance with applicable national and international law, respectively, rules and regulations as well as recognized international standards and treaties (collectively referred to as Law throughout this Code).

In order for us to reach our goals and live up to our commitments, our Suppliers play a vital role. Our Suppliers are required to fulfil our requirements set out in this document. However, we encourage an open dialogue and good cooperation with our Partners and Suppliers to fulfil our commitments. The Supplier must notify Scan-Hide if the Supplier is unable to fulfil the requirements in this document.

## 2.0 Implementation

To ensure and deliver compliance on each of the requested areas, Suppliers are expected to implement and maintain management systems appropriate to the size and sector of the business, including:

Suppliers must appoint a senior member of management to be responsible for the implementation of this Code and act as contact

for Scan-Hide regarding related compliance matters.

Suppliers are expected to fully integrate the standards of this Code into their business and operations and are encouraged to contact Scan-Hide for advice at [compliance@scanhide.dk](mailto:compliance@scanhide.dk).

Suppliers are expected to implement due diligence procedures, policies & procedures/processes, including training and communication to relevant persons.

Suppliers must ensure that transparent, full, and correct documentation is available to verify compliance with this Code upon request.

Suppliers must enforce this Code to their Suppliers and Sub-suppliers, thus extending the standards throughout their entire supply chain.

## 3.0 Monitoring and transparency

Suppliers must notify Scan-Hide if they detect a violation of this Code in any of their own or Sub-suppliers' products or services produced for Scan-Hide.

All Suppliers are required to provide full access to on-site inspection, by Scan-Hide or its designated representatives, and access to all records that might determine compliance or non-compliance with the Code.

Upon request, Suppliers should share relevant information and data with Scan-Hide in the format requested for any product and service as a tool for demonstrating and managing compliance with this Code. Scan-Hide encourages the Supplier to enroll with Sedex ([sedexglobal.com](http://sedexglobal.com)) and share the information with Scan-Hide. Other social audits demonstrating compliance with this Code might also be used for evaluation and should be presented upon request.

A whistleblower system is available for Suppliers to file confidential reports on illegal, unethical, or inappropriate conduct related to our business. The whistleblower system can



also be used by our external stakeholders such as business partners, suppliers, and customers. The system is hosted by an independent third party, which allows for anonymous and confidential reporting in numerous languages, and which is compliant with all personal data protection regulations. The scheme can be accessed via our website.

In case of non-compliance, the Supplier must submit a corrective action plan to address any specific non-compliance issues. The corrective action plan must be fulfilled within a given timeframe and be agreed with Scan-Hide.

Scan-Hide may terminate the agreement with the Supplier due to the seriousness of a breach or repeated non-compliance with this Code.

#### **4.0 Product stewardship**

As a global leader in the leather industry, Scan-Hide does not compromise in terms of upholding the highest standards with the quality of our products. Scan-Hide will only source goods and services from Suppliers sharing the same standards.

By signing this Code, Suppliers confirm that they comply with Scan-Hide's specific set of requirements within food safety and quality as outlined in our supplier demand and product specifications.

#### **5.0 Audits**

Suppliers commit to full and unconditional cooperation with a Scan-Hide appointed audit-team, who may audit the suppliers performance within ESG, CSR, environmental policy and compliance with this document.

#### **6.0 Labour & human rights**

Suppliers and any of their Sub-suppliers must support and respect Human Rights and ensure that they are not complicit in Human Right abuses. This includes compliance with legislation, including the International Labour Organization (ILO).

Where Suppliers have an adverse impact on Human Rights with any of their stakeholders,

they must address these issues and enable effective remediation based upon a policy endorsed at the highest management level.

#### **6.1 Freely chosen employment**

Suppliers must ensure that no forced, bonded or involuntary prison labour is employed nor involved in the work on behalf of Scan-Hide. Suppliers must not require employees to lodge deposits or original ID papers, and any employee must be free to leave their Supplier after reasonable notice. Nor is it acceptable for any employee to be requested to pay a recruitment fee at any time in the recruitment process

#### **6.2 Freedom of association**

Employees, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

Where the right of freedom of association and collective bargaining is restricted under Law, Suppliers must facilitate, and will not hinder, the parallel means for independent and free association and bargaining.

Employee representatives are not discriminated against and have access to carry out their representative functions in the workplace.

#### **6.3 Health and safety**

Suppliers must provide a safe and hygienic working environment.

Adequate steps must be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, causes of hazards inherent in the working environment.

This approach includes conducting an occupational safety and health risk assessment as well as providing regular and recorded training for all applicable employees. Adequate lighting, ventilation and fire safety is part of a safe and healthy working environment and Personal Protective



Equipment (PPE) must be provided for free.

Access to clean toilet facilities and potable water shall be provided.

#### **6.4 Accommodation**

Where part of the Employee's compensation package includes long or short-term accommodation, Suppliers must ensure that health, security, legal conditions, and employee rights are fair, decent and comply with all applicable Law.

This includes, but is not restricted to, fire safety, risk protection, sanitation, electrical, mechanical, and structural safety as well as meeting the basic needs for the employee.

#### **6.5 Child labor and young workers**

Suppliers must adhere to the principle that no child should be harmed by any related business operation, either directly or indirectly, and are committed to effectively abolishing child labor.

The minimum age of the employees should not be less than the age of completion of compulsory schooling, and generally not less than 15 years of age for standard work if allowed by law.

Young workers, defined as being above the minimum age, but under the age of 18 years must not be employed at night or work in hazardous conditions.

Age verification should be carried out for all employees and evidence of age documented and kept on record.

#### **6.6 Wages, benefits, working hours & overtime**

Suppliers must ensure that wages and benefits paid for a standard working week meet, as a minimum, national legal standards, or food industry benchmark standards. In any event, wages should always be sufficient to meet basic needs, to provide some discretionary income collective and be based on collective bargaining agreements.

All employees must be provided with an employment contract, in a comprehensible language, clearly stating employment conditions including wage, prior to entering into employment, and a fully understandable pay slip for each pay period. The employment contract must be signed by employee and Supplier.

Deductions from wages as a disciplinary measure is not allowed nor is any deduction not provided for by law permitted, without the expressed permission of the employee concerned. All disciplinary measures must be recorded.

Suppliers must ensure that working hours comply with law or collective bargaining agreements, whichever affords the greater protection for the employee.

Working hours, excluding overtime hours, must be defined in the employment contract and must not exceed 48 hours per week\*.

Overtime must be voluntary and used responsibly, considering the extent, the frequency and hours worked by the individual employee and the workforce as a whole. Overtime hours may not be used to replace regular working hours due to inadequate production planning.

International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

Overtime must as a minimum be compensated in accordance with local law. In case collective bargaining sets a higher premium, this must be adhered to.

In exceptional circumstances, working hours may, however, exceed 60 hours/week in a 7-day period if all the following criteria are met:

This is allowed by law.



This is allowed by collective bargaining agreement freely negotiated with an employee organization representing a significant portion of the workforce.

Appropriate safeguards are taken to protect the employee's health and safety.

The Supplier can demonstrate that exceptional circumstances apply, such as unexpected production peaks, accidents, or emergencies.

Employees must be provided with at least one day off in any consecutive 7-day period or, where allowed for by law, two days off in every 14-day period.

### **7.0 Non-discrimination & fair treatment**

Suppliers must ensure non-discrimination in hiring, compensation, access to training, promotion, termination, or retirement in relation to race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political opinion.

Suppliers must treat their employees with fairness, dignity, and respect. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse, or other forms of intimidation is prohibited.

### **8.0 Regular employment**

Any employee recruited via Suppliers or employment agencies must be legally authorized, which is to be documented appropriately prior to engagement to work in the applicable location/country.

To every extent possible, work performed must be based on a recognized employment relationship established through Law and practice. Obligations to employees under labor or social security laws and regulations arising from regular employment relationship may not be avoided through the use of labor-only contracting, subcontracting or home working agreements or through apprenticeship schemes where this is not a real intent to impart skills or to provide regular

employment. Nor may any such obligation be avoided through the excessive use of fixed-term contracts of employment.

Suppliers are requested to use only employment agencies who adhere to the requirements stated in this Code, and who supply only workers registered with them. The requirements in this Code adhere to the hiring and management of all employees irrespective of status: Migrant, Contract, Agency, Temporary or Casual.

Suppliers must take appropriate steps to prevent, investigate and address violations of human and labour rights.

### **8.1 Sub-contracting**

No suppliers must engage in any subcontracting or home working to 3rd party for production related to Scan-Hide, unless previously agreed with Scan-Hide.

### **9.0 Environment**

Suppliers are expected to take full responsibility for their impact on the climate and environment.

Suppliers must as a minimum meet the requirements of local law.

Suppliers must pursue a sustained and systematic approach to environmental impacts and risks and be committed to taking action to combat climate change and protect the environment.

Suppliers must be able to demonstrate that they have all the relevant and valid permits, including permits for the use and disposal of resources e.g., water, waste, chemicals etc. and fulfil other legal requirements in relation hereto. Documentation should be provided to Scan-Hide or its designated representative on request.

Suppliers must be aware of environmental standards and code requirements from end clients/customers.



Suppliers must have an environmental policy, covering environmental protection and means to combat climate change. The policy must be communicated to all appropriate parties, including sub-suppliers.

Suppliers must be aware of the significant environmental impact of products, processes and services delivered to Scan-Hide. Upon request, Suppliers must share this information with Scan-Hide in the data format requested for environmental impact and life cycle assessments of any product and service.

On the sites, Suppliers must assess the adverse impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g., energy and water consumption.

Suppliers must ensure that transparent, full and correct documentation is available to verify compliance with this Code upon request. This also includes data on e.g., environmental performance of products and services.

Suppliers must make continuous improvements in their environmental performance and actions towards climate change.

Suppliers must reduce the amount of packaging used and aim to use recycled

packaging not compromising on food safety, durability or the quality of the products.

Suppliers should present Scan-Hide with the most environmentally and climate friendly alternatives and solutions. Equipment to be used in Scan-Hide production must live up to BAT requirements (Best Available Technologies).

**10.0 Anti-corruption**

Suppliers must conduct their business responsibly without engaging in corruption, in any form, including extortion, facilitation payment, money laundering, kickbacks, embezzlement and bribery or any type of fraudulent business practice.

Suppliers must be able to demonstrate that they comply with all fiscal and other legislative requirements and provide relevant documentation to Scan-Hide on request.

Suppliers must have an anti-corruption policy covering corruption, including extortion, bribery or any type of fraudulent business practice.

Suppliers should ensure that staff whose positions carry a higher level of risk in the area of corruption (e.g. sales, purchasing, logistics) receive training on how to react in the event of an issue arising in their area.

I, legal representative for Supplier, acknowledge with my signature our full commitment to comply with this document.

Date:

Name:

Position in company:

Company stamp:

\_\_\_\_\_  
Signature