



**Danish Crown**

# **Supplier Code of Conduct**

*March 2020*



# About this Supplier Code of Conduct

As one of the largest meat exporters in the world Danish Crown 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 of goods and services must comply with when conducting business with Danish Crown. Compliance with this Code is a prerequisite for collaboration and a legally binding document for all Suppliers to any entity within the Danish Crown group.

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

## 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 shall appoint a senior member of management to be responsible for the implementation of this Code and act as focal point for Danish Crown 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 Danish Crown for advice if needed.
- 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 shall communicate this Code to their Sub-suppliers, thus extending the standards throughout the entire supply chain.
- Monitoring and transparency
- Suppliers must notify Danish Crown if they detect a violation with this Code in their own or Sub-supplier's operations.

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

As a tool for demonstrating and managing compliance with this Code, Danish Crown urges the Supplier to enroll with Sedex ([www.sedexglobal.com](http://www.sedexglobal.com)) and share the information with Danish Crown. Other social audits demonstrating compliance with this Code might also be used for evaluation and should be presented upon request.

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 time-frame and be agreed with Danish Crown.

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



## **Product stewardship**

As a global leader in the food industry Danish Crown does not compromise to uphold the highest standards within food safety and the quality of our products. Danish Crown will only source goods and services from Suppliers sharing the same threshold.

Suppliers are expected to comply with Danish Crown's specific set of requirements within food safety and quality as outlined in our supplier demand and product specifications.

In alignment with these specific requirements Danish Crown expects that Suppliers have obtained a GFSI (Global Food Standard Initiative) recognised Food Safety Certification for any supply of food products.

Danish Crown expects Suppliers of any meat related product to have a special focus on limiting the use of antibiotics and ensuring both animal and human health.

## **Animal welfare**

Suppliers must ensure that all animals delivered to Danish Crown are treated decently and have their basic needs met.

Animal welfare must take its starting point in the recommended Five Freedoms as set out by the World Organisation for Animal Health.

## **Labour & human rights**

Suppliers shall support and respect Human Rights and ensure that they are not complicit in Human Right abuses.

Where Suppliers have an adverse impact on Human Rights within any of their stakeholders, they shall address these issues and enable effective remediation based upon a policy endorsed at the highest management level.

## **Freely chosen employment**

Suppliers must ensure that no forced, bonded, involuntary prison labour is employed nor involved in the work on behalf of Danish Crown. 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.

## **Freedom of Association**

Employees, without distinction, shall 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 shall 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.

## **Health and safety**

Suppliers shall provide a safe and hygienic working environment.

Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, 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 lightning, 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.

## **Accommodation**

Where part of the Employee's compensation package provides long or short-term accommodation, Suppliers shall ensure that health, security, legal conditions and Employee's rights are fair, decent and comply with all applicable Law. This includes, but does not limit to, fire safety, risk protection, sanitation, electrical, mechanical and structural safety as well as meeting the basic needs for the Employee.

## **Child Labour and Young Workers**

Suppliers shall adhere to the principle that no child should be harmed by any related business operation, either directly or indirectly, and are committed to effectively abolish Child Labour.



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 shall 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.

#### **Wages, Benefits, Working Hours & Overtime**

Suppliers shall ensure that wages and benefits paid for a standard working week meet, at a minimum, national legal standards or food industry benchmark standards. In any event wages should always be enough 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 shall not be allowed nor shall any deduction not provided for by Law be permitted, without the expressed permission of the Employee concerned. All disciplinary measures must be recorded.

Suppliers shall ensure that working hours comply with Law or collective bargaining agreements, whichever affords the greater protection for the Employee.

Working hours, excluding overtime hours, shall be defined by Employment Contract, and shall not exceed 48 hours per week\*.

Overtime shall be voluntarily and used responsibly taking into account, the extent, the frequency and hours worked by the individual Employee and the workforce as a whole. Overtime hours shall not be used to replace regular working hours due to inferior production planning.

Overtime shall 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 organisation 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 shall be provided with at least one day off in any seven consecutive-day period, or where allowed for by Law two days off in every 14 days period.

#### **Non-Discrimination & Fair Treatment**

Suppliers shall 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 shall 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 shall be prohibited.

#### **Regular Employment**

Any Employee recruited via Suppliers or Employment Agencies must be legally authorised, which is to be documented appropriately prior to engagement to work in the applicable location/country.

To every extent possible work performed must be on the basis of a recognised employment relationship established through Law and practice.

\* 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.



Obligations to Employees under labor or social security Laws and regulations arising from regular employment relationship shall not be avoided through the use of labor-only contracting, sub-contracting or home working agreements or through apprenticeship schemes where this is not a real intent to impart skills or to provide regular employment, nor shall 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. And the requirements in this Code adhere to the hiring and management of all Employees irrespective of status: Migrant, Contract, Agency, Temporary or Casual.

#### **Sub-contracting & Home Working**

No suppliers must engage in any subcontracting to 3rd party for the production related to Danish Crown, unless previously agreed with Danish Crown.

#### **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 take 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 Danish Crown or its designated representative on request.

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

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

Suppliers shall be aware of the significant environmental impact of products, processes and services delivered to Danish Crown. Upon request supplier share this information with Danish Crown for environmental impact and life cycle assessments.

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

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

Suppliers should present Danish Crown for the most environmentally and climate friendly alternatives and solution. Equipment to be used in Danish Crown production must live up to BAT requirements (Best Available Technologies).

#### **Anti corruption**

Suppliers shall conduct their business responsibly without engaging in corruption, in all its forms, 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 Danish Crown on request.

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

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