

## HKScan Group's Supplier Guidelines

### 1. INTRODUCTION

HKScan Group recognizes the importance of managing quality and ethics in a sustainable and responsible manner. We expect the Supplier to acknowledge its social and environmental responsibilities in order that we meet our aim of purchasing goods and services responsibly. For this purpose HKScan Group has issued these HKScan Group Supplier Guidelines (hereinafter referred to as the "Supplier Guidelines"), which are based on the principles set out in the HKScan Group's Code of Conduct. HKScan Group requires the Supplier to accept and adhere to these Supplier Guidelines, as further set out below.

### 2. COMPLIANCE WITH LAWS AND HKSCAN GROUP SUPPLIER GUIDELINES

Suppliers must comply with all applicable laws and regulations, as well as international treaties. The Supplier shall take all relevant and necessary initiatives and measures to at all times ensure compliance with its obligations as set out in these Supplier Guidelines. The Supplier shall use all efforts to ensure that its agents and sub-contractors comply with the requirements under these Supplier Guidelines.

### 3. SOCIAL RESPONSIBILITY

#### 3.1 Forced labor and child labor

When hiring young people above minimum age but under 18 years, the Supplier is required to ensure that employment does not jeopardize their education, health or safety. Children under the age of 18 may not engage in tasks that are harmful to health and safety, including night work, and children under the age of 15 (14 or 16 in certain countries) may not engage in work in such a way that their schooling is hindered or adversely affected. No form of forced or involuntary labor, child labor or wage slavery may occur.

#### 3.2 Right to trade union freedom and collective bargaining

Employees' rights to freedom of association shall be respected. Employees of the Supplier must, without exception, have the right to join unions and to bargain collectively. Supplier must not discriminate against trade union officials or prevent them from carrying out their trade union functions.

#### 3.3 Equality and non-discrimination

Employees shall be treated in a fair and equal manner. No employee of the Supplier shall be discriminated against, for example on the basis of ethnic or social background, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership or membership of a political organization.

#### 3.4 Harassment

Personal rights, personal dignity and privacy of every individual shall be respected. Employees of the Supplier shall not be subjected to corporal punishment or to physical, sexual, psychological or verbal harassment or abuse.

#### 3.5 Health and safety

The work environment must be secure and promote good health, taking into account the general knowledge of the industry and specific risk factors. A clear set of rules and procedures for health, safety, fire protection, and emergency preparedness shall be established and complied with. Systems for detection, prevention and action against potential threats to the health and safety of all employees shall be established. Employees of the Supplier must have access to clean sanitation and clean drinking water.

### 3.6 Wages and working hours

Employees shall be paid at least the minimum wage and overtime pay in accordance with applicable laws and regulations, including applicable collective agreements. Working hours shall be in accordance with applicable laws and regulations, and current industry practice, and may not exceed working hours as laid down in international conventions. It is recommended that working time must not exceed 48 hours per week (8 hours per day) and employees of the Supplier shall have the right to at least one day off per week.

## 4 ENVIRONMENT

### 4.1 Use of resources and impact on the local community

No form of criminal environmental activity or reckless exploitation of resources may occur in the surrounding environment. The nearby surroundings of the production plant may not be over exploited or destroyed by pollutants. Production and extraction of raw materials for production may not contribute to the destruction of resources and income for marginalized communities, e.g. through requisitioning large areas of land or other natural resources on which those communities depend.

### 4.2 Environmental protection

Production may not conflict with applicable laws or regulations or international conventions. In addition, the Supplier shall respect all requirements of the HKScan Group's Environmental Policy (Environmental Policy can be found at HKScan Group's website [www.hkscan.com](http://www.hkscan.com)). Procedures and regulations for waste management, disposal and taking care of chemicals and other hazardous substances, as well as treatment of emissions shall be established and must at least comply with applicable legal requirements. Consideration must be given to environmental aspects throughout the entire value chain and not only to the Supplier's own activities. Local, regional and global environmental issues must be taken into account.

## 5. ANIMAL HEALTH AND WELFARE

Animals shall be treated respectfully and stress minimized throughout the supply chain. Animals must be handled and treated in a manner that promotes their good health. Suppliers must take all necessary cautions to prevent animal diseases. The Supplier must comply with all applicable laws and regulations regarding animal health and welfare. When applicable, the Supplier shall respect HKScan Group's Animal Welfare Policy and other guidelines and instructions. (Animal Welfare Policy can be found at HKScan Group's website [www.hkscan.com](http://www.hkscan.com)).

## 6. BRIBERY AND ANTI-CORRUPTION

The Supplier shall not pay or accept bribes, improper benefits or gifts, when dealing with private parties or public officials. Travel expenses of HKScan Group's representatives shall always be paid by the HKScan Group.

## 7. MANAGEMENT SYSTEM

The Supplier shall have appropriate management systems in place to ensure that all applicable laws and regulations are complied with. The Supplier shall define and implement a policy of social responsibility, which shall be communicated to and be available to all employees. Top management of the Supplier shall define and implement a management system to ensure that all requirements can be met. The management shall be responsible for effective implementation and continuous improvements through corrective measures and periodic reviews of the requirements and for communicating these requirements to all employees.

## 8 COMPLIANCE

### 8.1. Trust and cooperation

HKScan Group expects all Suppliers to respect these Supplier Guidelines and actively do their utmost to comply with them. HKScan Group believes in cooperation and is willing to cooperate with the Suppliers to achieve realistic solutions in each individual case. HKScan Group is prepared to take into account cultural differences and other factors, which may vary from country to country, but is not ready to compromise in terms of the basic requirements with regard to security and human rights.

### 8.2. Inspections

HKScan Group reserves the right to visit all Suppliers who provide goods and services to HKScan Group. HKScan Group also reserves the right to allow an independent party of its choice, to carry out inspections to ensure that these Supplier Guidelines are complied with.

### 8.3. Non-compliance

If HKScan Group finds that a Supplier does not meet the requirements of these Supplier Guidelines, the business relationship can be terminated unless the improvements take place within an agreed period. In case of repeated infringements against these Supplier Guidelines the HKScan Group will immediately terminate the cooperation with the Supplier.

Owner: COO

Last approval date: 27.8.2015 by Extended Management Team of HKScan Group

I, the undersigned Supplier hereby accept to adhere to the obligations set out in these Supplier Guidelines.

Place and Date:

Name of the Supplier:

Business ID:

Signature: \_\_\_\_\_

Name and title in block letters: