



**TICKET
TO HEAVEN**

Ticket To Heaven A/S CODE OF CONDUCT

Objective of the Code of Conduct

The objective of this Code of Conduct is to promote responsible production principles throughout our supply chain. The Code of Conduct is applicable to all Ticket to Heavens suppliers, sub-suppliers and other partners that do business with us.

Ticket to Heaven is a production company of children's wear in simple and functional design. Our clothes are known for high quality and cheerful colours. A core value for Ticket to Heaven is that all employees participating in the production of our goods are treated with dignity and respect – no matter where they are in the world.

Therefore, Ticket to Heaven is member of the Business Social Compliance Initiative (BSCI), a business driven initiative for companies committed to improving working condition and environment in the supply chain. We have made BSCI Code of Conduct our own Code of Conduct.

The BSCI Code of Conduct is based on:

- The International Labour Organization (ILO) Conventions
- The Declarations of the United Nations on Human Rights
- The OECD guidelines for multinational enterprises and
- The UN Global Compact

The Code of Conduct includes the following elements:

- Freedom of association and the right to collective bargain
- Discrimination
- Child labour
- Wages
- Working hours
- Forced labour
- Workplace condition
- Environment
- Social accountability
- Anti-corruption

Improvement through dialogue and capacity building

First and foremost, Ticket to Heaven bases the cooperation with our suppliers and their agents on a positive and constructive dialogue about the elements of the Code of Conduct (hereafter CoC). However, we also demand that new suppliers sign the CoC and become part of the BSCI process including an audit program and capacity building workshops.

In addition to that, our suppliers must ensure that their own suppliers also comply with the CoC which means informing their suppliers of the content and obtaining their signature to the effect that they have read, understood and accepted the CoC.

To support the supplier becoming compliance with the principles of the CoC awareness raising workshops are arranged on a regularly base by BSCI in various countries or as webinar. All Ticket to Heaven's suppliers are strongly encouraged to attend one of these workshops as a mean to build up capacity.

The improvement in social and environmental compliance is an option for the suppliers to be well prepared for the demands of the future market and legal requirements, and thereby ensure market shares.

BSCI database – practical information

To optimise the BSCI process, audit results are shared in a **common database** among BSCI´s member companies. This helps avoid multiple audits along with unnecessary costs and time spent for the companies and the suppliers.

Also, the suppliers are able to access own data records in the database, sign the CoC and complete a Self-Assessment. When a supplier has been created in the BSCI database by Ticket to Heaven, the supplier will receive user ID and password to the database.

The BSCI database is accessible by entering the following link: <http://www.bsci-eu.org/db>.

The BSCI-process in short

The BSCI-process consists of two overall phases:

Capacity building phase

- Learn about the element of the CoC
- Attend awareness raising seminars or webinar about the requirements
- Sign the BSCI Code of Conduct
- Complete Self-Assessment questionnaire on the elements in the CoC to become more familiar with the practicalities and principles

Please note that the BSCI Code of Conduct need to be signed online in the database. Also, the Self-Assessment must to be completed online.

External audit phase

- External Initial audit
- Correction of Action Plan, if initial audit reveals non-compliances or shows a need for improvement
- External Re-audits

Read more about the audit program below.

The audit program

All audits are conducted by an independent and internationally acknowledged audit company, SGS, at the production site(s). The purpose is to asses the performance of a supplier against the CoC but the audit is also meant to be a useful tool for improvement and capacity building.

Ticket to Heaven advices all suppliers about the audit programme and the requirements, but the supplier has the responsibility of arranging dates for audits with SGS.

The audit result is of three categories:

GOOD

The supplier is in full compliance with the BSCI CoC. All elements of the CoC are rated 2.

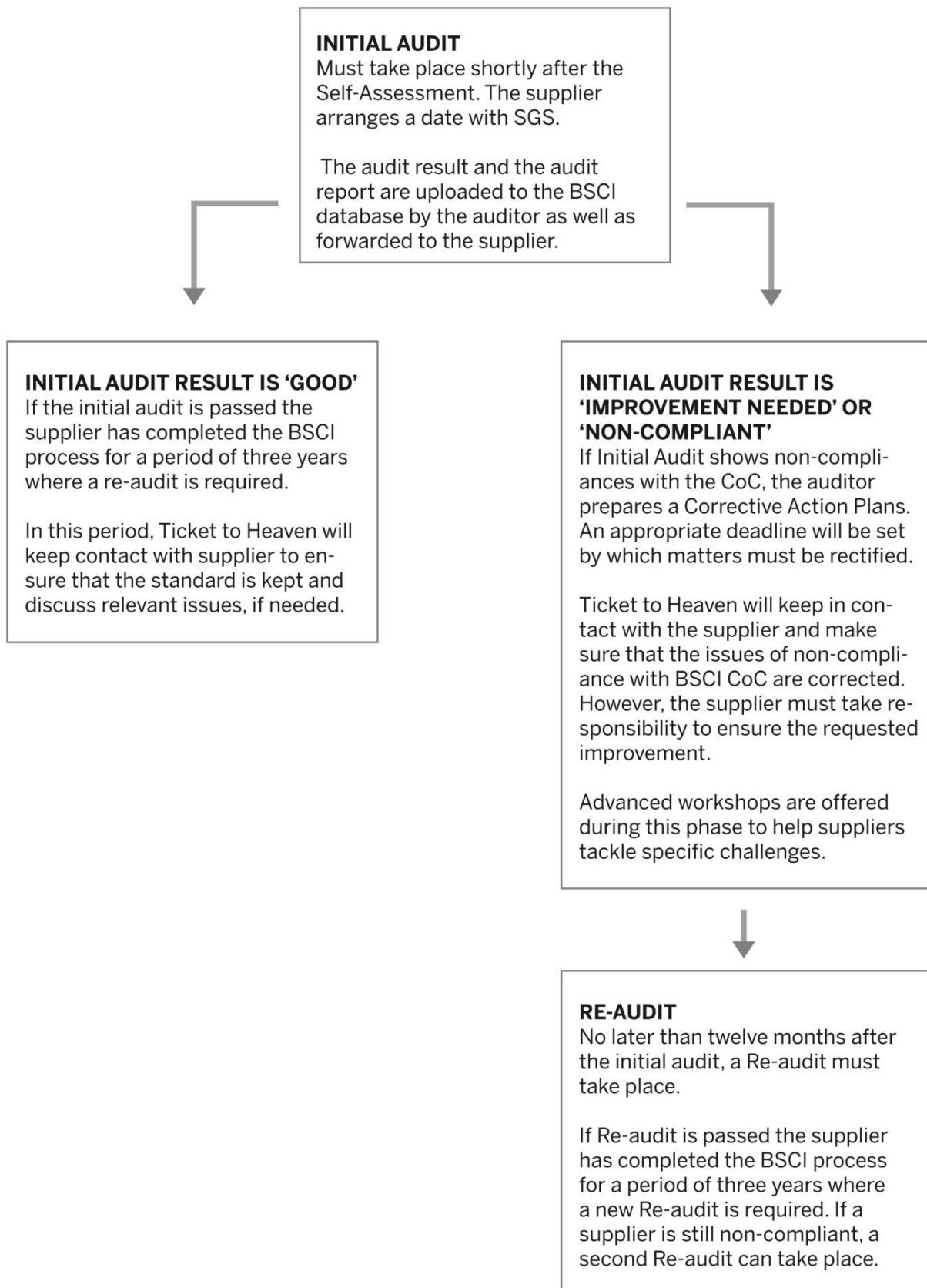
IMPROVEMENT NEEDED

The supplier is not in full compliance with BSCI CoC. Some or all elements of the CoC are rated 1.

NON-COMPLIANT

The supplier is not in compliance with BSCI CoC. Some or all elements are rated 0.

The audit program consists of a few steps



Audit requirement

The supplier must give Ticket to Heaven and appointed inspectors access to:

- Inspection in the form of announced and unannounced visits.
- All relevant information required in order to check compliance with the code of conduct, e.g. wage slips and time sheets etc.
- Confidential interviews with randomly selected employees during inspection visits.

If access is not granted as described above Ticket to Heaven consider this a violation of the CoC and partnership will be terminated without the above notice to improve conditions.

Read more about Terms of implementation in the BSCI Code of Conduct.

Payment of audit fee

To support new suppliers in the audit process Ticket to Heaven offers to pay the audit fee if the result is 'good', while the supplier must pay all expenses incurred as a result of non-compliance with the CoC.

Supplier must agree to following procedure regarding the audit fee:

- Prior to all audits the fee must be paid to SGS by the supplier.
- If audit result is 'good' the fee is reimbursed by Ticket to Heaven.
- If the audit result is 'non-compliant' or 'improvement needed' the expense is not reimbursed by Ticket.
- If the re-audit is passed with a 'good' as result the fee is reimbursed by Ticket to Heaven.

Consequence of non-compliance with the Code of Conduct

We are aware that becoming compliance to the Code of Conduct can take time. But we expect our supplier to take steps in the right direction. If Ticket to Heaven gets the impression that the supplier is not willing to meet our requirements or the agreement is violated with intent we will consider terminating the partnership.

Ticket to Heaven is willing to work with suppliers and factories that are open and transparent about problems in meeting the Code of Conduct, as long as they agree to work on continuous improvement and development.

Read more about consequence of non-compliance in the BSCI Code of Conduct.

Responsible in Ticket to Heaven

Our Sourcing Manager, Mr Jesper Skov, is responsible for the Code of Conduct. If you have question to the content, please do not hesitate to contact Jesper Skov.

Contact information

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Code of Conduct

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BSCI Code of Conduct

In accordance with the ILO Conventions, the United Nations' Universal Declaration of Human Rights, the UN's Conventions on children's rights and the elimination of all forms of discrimination against women, the UN Global Compact and the OECD Guidelines for Multinational Enterprises and other relevant internationally recognised agreements, the BSCI Code of Conduct aims to attain compliance with certain social and environmental standards. By signing the BSCI Code of Conduct companies are, within their scope of influence, committed to acknowledge the social and environmental standards laid down in this Code and to take appropriate measures within their company policy for their implementation and compliance. Supplier companies, in addition, must ensure that the Code of Conduct is also observed by subcontractors involved in production processes of final manufacturing stages carried out on behalf of BSCI members.

Within the scope of options for action and appropriate measures, these supplier companies have to aim at the implementation of the following criteria in a development approach:

1. Legal Compliance

Compliance with all applicable laws and regulations, industry minimum standards, ILO and UN Conventions, and any other relevant statutory requirements whichever requirements are more stringent. In the agricultural context, ILO Convention 110 shall be respected.

2. Freedom of Association and the Right to Collective Bargaining

All personnel shall have the right to form, join, and organise trade unions of their choice and to bargain collectively on their behalf with the company. The company shall respect this right, and shall effectively inform personnel that they are free to join an organisation of their choosing and that their doing so will not result in any negative consequences to them, or retaliation, from the company. The company shall not in any way interfere with the establishment, functioning, or administration of such workers' organisations or collective bargaining. In situations where the right to freedom of association and collective bargaining are restricted under law, the company shall allow workers to freely elect their own representatives. The company shall ensure that representatives of workers and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation, or retaliation for reason of their being members of a union or participating in trade union activities, and that such representatives have access to their members in the workplace.

- In accordance with ILO Conventions 11, 87, 98, 135 and 154.

3. Prohibition of Discrimination

No discrimination shall be tolerated in hiring, remuneration, access to training, promotion, termination or retirement based on gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in workers' organisations including unions, political affiliation or opinions, sexual orientation, family responsibilities, marital status, or any other condition that could give rise to discrimination.

- In accordance with ILO Conventions 100, 111, 143, 158, 159, 169 and 183.

4. Compensation

Wages paid for regular working hours, overtime hours and overtime differentials shall meet or exceed legal minimums and/or industry standards. Illegal, unauthorised or disciplinary deductions from wages shall not be made. In situations in which the legal minimum wage and/or industry standards do not cover living expenses and provide some additional disposable income, supplier companies are further encouraged to provide their employees with adequate compensation to meet these needs. Deductions from wages as a disciplinary measure are forbidden, unless this is permitted by national law and a freely negotiated collective bargaining agreement is in force. Supplier companies shall ensure that wage and benefits composition are detailed clearly and regularly for workers; the supplier company shall also ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered in a manner convenient to workers.

All overtime shall be reimbursed at a premium rate as defined by national law. In countries where a premium rate for overtime is not regulated by law or a collective bargaining agreement, personnel shall be compensated for overtime at a premium rate or equal to prevailing industry standards, whichever is more favourable to workers' interests.

- In accordance with ILO Conventions 12, 26, 101, 102 and 131.

5. Working Hours

The supplier company shall comply with applicable national laws and industry standards on working hours and public holidays. The maximum allowable working hours in a week are as defined by national law but shall not on a regular basis exceed 48 hours and the maximum allowable overtime hours in a week shall not exceed 12 hours. Overtime hours are to be worked solely on a voluntary basis and to be paid at a premium rate. In cases where overtime work is needed in order to meet short-term business demand and the company is party to a collective bargaining agreement freely negotiated with worker organisations (as defined above) representing a significant portion of its workforce, the company may require such overtime work in accordance with such agreements. Any such agreement must comply with the requirements above.

An employee is entitled to at least one free day following six consecutive days worked.

Exceptions to this rule apply only where both of the following conditions exist:

a) National law allows work time exceeding this limit;

and

b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods.

- In accordance with ILO Conventions 1 and 14 and ILO Recommendation 116.

6. Workplace Health and Safety

The company shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential accidents and injury to workers' health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards.

A clear set of regulations and procedures must be established and followed regarding occupational health and safety, especially the provision and use of personal protective equipment, access to clean toilet facilities, access to potable water and if appropriate, sanitary facilities for food storage shall be provided. The company shall ensure that any dormitory facilities provided for personnel are clean, safe, and meet the basic needs of the personnel. All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the company.

Workplace practice and conditions in dormitories which violate basic human rights are forbidden. In particular young workers shall not be exposed to hazardous, unsafe or unhealthy situations.

- In accordance with ILO Conventions 155, 184 and ILO Recommendations 164 and 190.

In particular, a management representative responsible for the health and safety of all personnel and accountable for the implementation of the Health and Safety elements of the BSCI shall be appointed. All personnel shall receive regular and recorded health and safety training, moreover, such training shall be repeated for new and reassigned personnel. Systems to detect, avoid or respond to potential threats to health and safety of all personnel shall be established.

7. Prohibition of Child Labour

Child labour is forbidden as defined by ILO and United Nations Conventions and/or by national law. Of these various standards, the one that is the most stringent shall be followed. Any forms of exploitation of children are forbidden. Working conditions resembling slavery or harmful to children's health are forbidden. The rights of young workers must be protected. In the event that children are found to be working in situations which fit the definition of child labour above, policies and written procedures for remediation of children found to be working shall be established and documented by the supplier company. Furthermore, the supplier company shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child.

The company may employ young workers, but where such young workers are subject to compulsory education laws, they may work only outside of school hours. Under no circumstances shall any young worker's school, work, and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours.

- In accordance with ILO Conventions 10, 79, 138, 142 and 182 and Recommendation 146.

8. Prohibition of Forced and compulsory Labour and Disciplinary Measures

All forms of forced labour, such as lodging deposits or the retention of identity documents from personnel upon commencing employment, are forbidden as is prisoner labour that violates basic human rights.

Neither the company nor any entity supplying labour to the company shall withhold any part of any personnel's salary, benefits, property, or documents in order to force such personnel to continue working for the company.

Personnel shall have the right to leave the workplace premises after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice to their employer.

Neither the company nor any entity supplying labour to the company shall engage in or support trafficking in human beings.

The company shall treat all personnel with dignity and respect. The company shall not engage in or tolerate the use of corporal punishment, mental or physical coercion and verbal abuse of personnel.

- In accordance with ILO Conventions 29 and 105.

9. Environment and Safety Issues

Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment must meet or exceed minimum legal requirements.

10. Management Systems

The supplier company shall define and implement a policy for social accountability, a management system to ensure that the requirements of the BSCI Code of Conduct can be met as well as establish and follow an anti-bribery / anti-corruption policy in all of their business activities. Management is responsible for the correct implementation and continuous improvement by taking corrective measures and periodical review of the Code of Conduct, as well as the communication of the requirements of the Code of Conduct to all employees. It shall also address employees' concerns of non compliance with this Code of Conduct.

The following annexes are integral part of this Code of Conduct:

- Declaration of the supplier company
- Terms of implementation
- Consequences of Non-Compliance

Brussels, November 2009

Declaration

Declaration of Liability Regarding Compliance with the BSCI Code of Conduct

We, the undersigned hereby confirm:

- That we have received and taken due note of the BSCI Code of Conduct of November 2009, the BSCI System: Rules and Functioning, and the Management Manual.
- That we are aware of all relevant laws and regulations of the country or countries in which our company operates.
- That we will inform Ticket to Heaven in case of conflict between provisions of the BSCI Code of Conduct and any applicable laws or regulations in our countries of operation.
- That we will observe and conform to the BSCI Code of Conduct in its entirety based on a development oriented approach and without amendment or abrogation.
- That we will inform all of our subcontractors of the contents and requirements of the BSCI Code of Conduct, and that we will ensure that they also comply with the provisions incorporated therein.
- That Ticket to Heaven and any organisations acting on its behalf may carry out audits with or without notice at our business premises and the business premises of our subcontractors at any time.

Furthermore:

- We agree to carry out a self-assessment of our social performance, and that of our subcontractors upon the request of Ticket to Heaven and to submit the details of these assessments to Ticket to Heaven for evaluation. This will take the form of a completed BSCI selfassessment questionnaire.
- We shall notify Ticket to Heaven the location of all business premises used for the production of goods and / or delivery of services for Ticket to Heaven. We guarantee that the production of goods and / or delivery of services for Ticket to Heaven is carried out exclusively at the locations we have indicated. We understand that failure to inform Ticket to Heaven of the location where work for its products and / or services are carried out is adequate justification for the immediate and unconditional termination of all business and contractual relationships.
- We will use the BSCI management manual exclusively for purposes relating to business and monitoring activities of the BSCI and Ticket to Heaven. We will not allow any third parties not involved in the BSCI compliance/monitoring process to have access to this manual.

Date Name of company

Signature Company Stamp/Seal

Name Address

This document must be signed by a duly authorised representative of the company and returned to Ticket to Heaven.

Terms of implementation

All suppliers are obliged to take the measures necessary to implement and monitor the BSCI Code of Conduct:

Management Responsibilities:

- by informing management and suppliers about the content of the BSCI Code of Conduct.
- by establishing where responsibility lies within the company's organisation regarding all BSCI Code of Conduct issues.
- by appointing one or more management employees to be responsible for implementation of the BSCI Code of Conduct.
- by monitoring company compliance with the BSCI Code of Conduct and implementing necessary changes at its facilities.

Employee Awareness:

- by giving a statement of their support for the principles of the BSCI Code of Conduct to their employees and by informing and instructing their employees and those of their subcontractors regarding the contents of the BSCI Code of Conduct. The company must have the BSCI Code of Conduct translated in its entirety into the appropriate local language(s) and have it displayed in a prominent position at its facility and other premises. Employees must also receive verbal orientation and information regarding the Code of Conduct in a language they understand.
- by regularly training employees in workplace safety and on the impact of their activity on society and the environment.

Record-Keeping:

- by keeping records of the names, ages, working hours and the wages paid to all employees and making these documents available to BSCI auditors on request.
- by documenting the location of dangerous materials and other potential hazards
- by monitoring and maintaining safety equipment and materials
- by keeping up to date documentation regarding relevant statutory requirements and regulations.

Complaints and Corrective Action:

- by appointing an employee responsible for handling complaints related to BSCI issues.
- by documenting and investigating complaints from employees or third parties related to BSCI issues, and reporting on their substance and any necessary corrective measures arising from them.
- by making the resources available to implement necessary corrective measures.
- by refraining from dismissals or other disciplinary measures against employees who pass on information regarding compliance with the BSCI Code of Conduct.

Suppliers and Sub-Contractors:

- by making the introduction of social standards and compliance with the BSCI Code of Conduct a condition of all contracts into which it enters with suppliers.
- by asking suppliers to report regularly about their progress in implementing the BSCI Code of Conduct.

Monitoring:

- by providing BSCI Members with relevant information about their activities and all production sites.
- by allowing audits of their business premises and activities and those of their subcontractors to be carried out at any time with or without prior notice by organisations acting on behalf of BSCI members.

Consequences of Non-Compliance

If a supplier fails to meet the requirements of the BSCI Code of Conduct, and if no solutions can be agreed upon and implemented within a reasonable amount of time, a BSCI member may choose to halt current production, cancel corresponding contracts, suspend future contracts and/or terminate the business relationship with the non-conforming supplier. If an audit reveals less than full compliance with the BSCI Code of Conduct, the supplier must take the prescribed corrective actions without delay. The period of time the supplier has to implement these corrective measures will be agreed upon with the auditors, but may not exceed twelve months. If a supplier excluded in the past on grounds of non-compliance shows later that it can comply fully with the BSCI Code of Conduct, there is, in principle, no reason why a business relationship cannot be resumed.