

Code of Conduct – Supplier Commitment



Statement and commitment

SVERRE W MONSEN AS as a member of the United Nations Global Compact has embraced and is committed to its guiding 10 principles for Corporate Responsibility on Human Rights, Labour, Environment and Anti-Corruption and our Code of Labour Standards is based on those of the International Labour Organisation (ILO).

We recognise that our business has an impact on environmental and social aspects far beyond our own immediate operations and we expect our suppliers and each and every of their factories to share the same values.

Sverre W Monsen AS and the AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts for Suppliers lists the minimum requirements for supplier performance pertaining to human rights, labour rights, environmental management and anti-corruption. These requirements are applicable to Sverre W Monsen AS and its brands suppliers. It is a non-negotiable requirement from our side that all our suppliers should follow this code, communicate the obligations set out herein and ensure compliance with the code throughout their organisations, supply chain and each and every of the factories that produce Sverre W Monsen AS's products.

Requirements – conditions in the supply chain

We expect our suppliers and partners to work focused and systematically to comply with our guidelines for suppliers, hereunder our code of conduct, that covers fundamental requirements on human rights, labour rights, anti-corruption, animal welfare and the environment. Our suppliers shall:

- Follow our guidelines for suppliers hereunder this code of conduct.
- Conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by your actions. If the supplier is responsible for the negative impact/damage, they are responsible for providing remedy.
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of Sverre W Monsen AS be able to document how they, and potential subcontractors, work to comply with the guidelines.
- Certified according to SA 8000 or WRAP, or member of BSCI and their follow-up program for suppliers. All our suppliers must respect our follow-up program, which requires an audit according to BSCIs requirements.
- Work to meet Sverre W Monsen AS's goal that all our textiles should have an environmental certification according to EU-Ecolabel og Made in Green by oekotex within 2025.
- Work to meet Sverre W Monsen AS's goal that all suppliers shall have a formal Environmental Management System to monitor their environmental performance.
- It is an inalienable requirement that all suppliers in our supply chain are in compliance with the Restricted Substances List.

If the supplier, after several requests by Sverre W Monsen does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.

Principles for responsible business conduct (Code of conduct)

These principles for responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum standards. The relevant legal framework at the place of production shall be respected. Where national laws and regulations address the same subjects as these guidelines, the most stringent shall apply.

1. Forced and compulsory labour (ILO Conventions Nos. 29 and 105)

- 1.1. There shall be no forced, bonded or involuntary prison labour.
- 1.2. Workers shall not be required to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice.

2. Freedom of Association and the Right to Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)

- 2.1. Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining.
- 2.2 Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.
- 2.3 Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

3. Child Labour (UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)

- 3.1. The minimum age for workers shall not be less than 15 and comply with the national minimum age for employment, or; the age of completion of compulsory education, whichever of these is higher. If local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- 3.3. There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.4. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.

3.5. Policies and procedures for remediation of child labour prohibited by ILO conventions no. 138 and 182, shall be established, documented, and communicated to personnel and other interested parties. Adequate support shall be provided to enable such children to attend and complete compulsory education.

4. Discrimination (ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women)

4.1. There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

4.2. Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

5. Harsh or Inhumane Treatment (UN Covenant on Civil and Political Rights, Art. 7)

5.1. Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

6. Health and Safety (ILO Convention No. 155 and ILO Recommendation No. 164)

6.1. The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. 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, the causes of hazards inherent in the working environment.

6.2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.

6.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

6.4. Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

7. Wages (ILO Convention No. 131)

7.1. Wages and benefits paid for a standard working week shall as minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some discretionary income.

7.2. All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.

7.3. Deductions from wages as a disciplinary measure shall not be permitted.

8. Working Hours (ILO Convention No. 1 and 14)

8.1. Working hours shall comply with national laws and benchmark industry standards, and not more than prevailing international standards. Weekly working hours should not on a regular basis be more than 48 hours.

8.2. Workers shall be provided with at least one day off for every 7 day period

8.3. Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.

8.4. Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see 8.1 above), minimum in accordance with relevant legislation.

9. Regular Employment (ILO Convention No. 95, 158, 175, 177 and 181)

9.1. Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short term contracting (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.

9.2. All workers are entitled to a contract of employment in a language they understand.

9.3. The duration and content of apprenticeship programmes shall be clearly defined.

10. Marginalized Populations (UN Covenant on Civil and Political Rights, art. 1 and 2)

10.1. Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

Environmental standards

Sverre W Monsen AS believes in the value of a precautionary approach to environmental challenges, the idea that prevention is better than cure, and the importance of continuous improvements.

In addition to the requirements listed below, Sverre W Monsen AS's suppliers are encouraged to develop a formal Environmental Management System and to monitor their environmental performance so that they can maintain a process of continuous improvement.

Conditions outside the workplace – marginalized population

Marginalized populations: production and extraction of raw materials for production should not contribute to and destroy the resource and income base for marginalized population groups, for example by claiming large areas of land or other natural resources on which these populations depend.

Emissions to air, water and ground

Sverre W Monsen AS supplier shall ensure compliance with all applicable laws and regulations pertaining to air, water and noise pollution and if required obtain the necessary permits and be able to demonstrate compliance with those permits.

Sverre W Monsen AS supplier shall ensure compliance with all applicable laws and regulations pertaining to ground contamination.

Waste management

Companies must ensure that waste is stored and disposed properly as per legal regulations without any harm to employees and the environment.

Chemicals management in the factory

(Below, the word chemicals refer to both substances and products, such as lubricant oil, glue, solvents, and dyes.)

Sverre W Monsen AS supplier shall ensure compliance with applicable laws and regulations pertaining to procurement, storage, handling and use of chemicals.

Sverre W Monsen AS shall have a valid permit for chemicals that are legally restricted. The supplier shall demonstrate compliance with those permits. Specific requirements regarding chemicals in products related to information provision, limit values for chemical residues in products, banned chemicals and testing requirements are detailed in Sverre W Monsen AS Restricted Substances List (RSL).

Records and provision of information

Sverre W Monsen AS supplier shall establish and maintain a list of all chemicals used in production and maintenance, including the name of the chemical product, the purpose or area of use and a reference to a Material Safety Data Sheet.

Sverre W Monsen AS supplier shall have valid Material Safety Data Sheets (MSDS) for all chemicals used in production and maintenance.

Procedure for chemical management

Sverre W Monsen AS supplier shall have a written procedure for the storage, handling and use of chemicals. The procedure shall specify who is responsible to ensure that proper procedure for handling chemicals is always followed at the supplier.

Employee information and training

The supplier shall ensure that employees that procure, store, handle and use chemicals have the right competence and are adequately trained. Records from training shall be kept by the supplier.

Information regarding the risks and safe handling of chemical compounds and substances shall be displayed at storage areas and in production areas where the chemical is used. The information can be either the Material Safety Data Sheet, or specific instructions for safe handling and use (following the MSDS). Information must be in a language understood by the workers.

Labelling of chemicals

Sverre W Monsen AS supplier shall ensure all containers of chemicals – including temporary containers – are properly labelled with appropriate danger symbols and chemical names to ensure the contents are known and the potential risk minimised.

Storage and handling of chemicals

Sverre W Monsen AS supplier shall undertake all necessary precautions to prevent chemicals from leaking to air, ground and water.

Disposal of chemicals

Sverre W Monsen AS supplier shall dispose chemicals in compliance with legal regulations referring to their classification.

Anti-corruption

Sverre W Monsen AS follows a policy of zero tolerance for all forms of corruption, including extortion and bribery. Suppliers shall not engage in any form of bribery, corruption, extortion and embezzlement.

Sverre W Monsen AS will not accept any kind of corruption related to our business and we expect all our employees and our partners in the supply chain to embrace this position.

Audit and Assessment

Sverre W Monsen AS, as a member of the AMFORI reserves the right to audit compliance to the AMFORI BSCI (Business Social Compliance Initiative) system standards at any time at its suppliers and each and every of its factories.

The suppliers and each and every of its factories are to sign Sverre W Monsen AS Code of Conduct and the AMFORI BSCI (Business Social Compliance Initiative) Code of Conduct, and by doing so agree to allow Sverre W Monsen AS and/ or any organisations acting on its behalf, to carry out audits with or without notice at the supplier's production premises and the production premises of the supplier's factories, at any time.

Sverre W Monsen AS supplier and/ or factory shall cooperate fully with the audit team during audits and shall grant full access to the premises and any documentation that the audit team ask for, as per ***Sverre W Monsen AS Supplier Compliance Guidelines*** document.

Audit process*

The supplier and its factory will be informed by email of the audit 4 weeks prior to the date and the list of documents requested to perform the audit will be submitted at the same time.

The supplier and its factory have the right to request a different date within a reasonable timeframe.

Corrective Action Plan will be sent to supplier and its factory within 10 days after the audit date.

**Refer to "Sverre W Monsen AS Supplier Compliance Guidelines" for full audit process.*

Animal Welfare

Sverre W Monsen AS suppliers/ factories shall manage all significant potential and actual adverse impacts on animal welfare. Adverse impacts on animal welfare issues listed below should as a minimum be managed:

- In businesses where animals are used in the production (fur, wool, leather, silk etc.) such animals must be fed and treated with dignity and respect and no animal must deliberately be harmed nor exposed to pain in their lifespan.
- Taking the lives of animals must, at all times, be conducted using the quickest and the least painful and non-traumatic method available and approved by national and acknowledged veterinarians and only conducted by trained personnel.

Countries affected by trade boycott

All our suppliers and partners, shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

Due diligence

SVERRE W MONSEN AS conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy.

Remediation

If there are cases that require financial compensation or other compensation, a public apology or that an injury must otherwise be rectified as a result of our company's activities, SWM will take its responsibility and ensure that such remediation takes place. If necessary, the company will seek external advice and expertise on what will be considered fair and proper remediation.

Alerts to Sverre W Monsen AS

All our suppliers' employees shall know how they can contact Sverre W Monsen AS if they need to alert us. Alerts are to be sent to sourcing_swm@swm.no. A visible notification that contains this address shall be visible in common areas at the supplier.

Compliance Commitment

We, the undersigned, hereby confirm :

Company:..... Name:..... Signature:

Date:

- That we have received and taken due note of Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts and Sverre W Monsen AS Supplier Compliance Guidelines.
- That Sverre W Monsen AS Supplier and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts posters will be displayed in every factory.
- That we are aware of all relevant laws and regulations of the country or countries in which our company operates.
- That we will inform Sverre W Monsen AS in case of conflict between provisions of Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts and any applicable laws or regulations in our countries of operation.
- That we will observe and endorse Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts in its entirety without amendment or abrogation.
- That we take the full responsibility for the implementation of these standards in our company.
- That we will inform all our employees about all the core principles of Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts.
- That Sverre W Monsen AS may inform all workers employed by us or the supplier about the complaints procedure that Sverre W Monsen AS is using.
- That Sverre W Monsen AS, and any organisations acting on its behalf, may carry out audits, with or without notice, at the supplier's business premises and/ or its factories premises engaged for Sverre W Monsen AS and all its members' production locations at any time. And that we shall cooperate fully with the audit team during audits.
- That if an audit reveals less than full compliance with Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts, we will jointly agree a corrective action plan and take full responsibility for ensuring that this plan is implemented according to the defined time plan.
- That we will inform all our factories producing goods for Sverre W Monsen AS of the contents and requirements of Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts and that we will ensure that they also comply with the provisions incorporated therein. This will be done in collaboration with Sverre W Monsen AS Compliance team and according to the procedure stated in Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts.

Furthermore:

We acknowledge that if we fail to meet the requirements of Sverre W Monsen AS and AMFORI BSCI (Business Social Compliance Initiative) Code of Conducts, and if no solutions can be agreed upon and implemented within a reasonable amount of time, Sverre W Monsen AS may choose to halt current production, cancel corresponding contracts, suspend future contracts and/or terminate the business relationship.

We shall notify Sverre W Monsen AS of the location of all business premises used for the production of goods for Sverre W Monsen AS and all its members prior to order placement.

We guarantee that the production of goods for Sverre W Monsen AS and its brands is carried out exclusively at the locations we have indicated. We understand that failure to inform Sverre W Monsen AS of the location where work for its products is carried out is adequate justification for the immediate and unconditional termination of all business and contractual relationships.

We guarantee that Sverre W Monsen AS's applicable at any time Restricted Substances List will be followed. Sverre W Monsen AS will send updated RSL whenever changed.

Supplier: -----

Address: -----

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Phone: -----

Email: -----

Date: -----

On behalf of the Supplier/ Factory (Signature)

Company Stamp/Seal (when applicable)

Name in Print: -----

Position: -----

This document must be signed by a duly authorised representative of the company and returned:

By email to sourcing_swm@swm.no

By Mail to Sverre W Monsen AS/PB 55 Laksevåg/5847 Bergen/Norway/ att. Sourcing Manager