

Policy for responsible business conduct –

Sverre W Monsen AS



Policy Statement

"It is a privilege to be in a position to where our actions can contribute to make things better.

Better for the people, the community and better for the environment".

Sverre W Monsen AS is committed to responsible business conduct that respects human rights, labor rights, the environment, and anti-corruption principles. This commitment applies across all our operations, to all business partners, and throughout our entire supply chain. We act with integrity, transparency, and continuous improvement to create positive contributions for people, society, and the environment.

Introduction

We believe that socially and environmentally responsible companies perform better.

At Sverre W. Monsen AS, we do everything we can to meet and exceed all sustainability-related expectations from our stakeholders.

We also believe that the greatest reward for our sustainability efforts is seeing tangible results in the form of good working conditions for the people we rely on and measurable reductions in negative environmental impacts.

Our brand embraces the idea that all companies have a social and environmental responsibility they must act upon. On fundamental human and environmental levels, we act because we care—and because we can.

Our overarching goal in sustainability is to meet and exceed the expectations of our key stakeholders and ensure that our efforts lead to concrete, positive outcomes. We know that the path to this lies through dialogue, accountability, transparency, and continuous improvement.

SVERRE W MONSEN AS works actively with the Sustainable Development Goals. We prioritize:

SDG nr. 8 Decent work and economic growth

SDG nr. 12 Responsible consumption and production

SDG nr. 13 Climate Action

SDG nr. 17 Partnerships for the goals.

Of course, we support all the SDGs and work with most of them in one way or

another.

Dialogue

We actively listen to and engage with our stakeholders as well as with experts on environmental and social affairs.

Accountability

We monitor the results of our efforts and allow external parties to perform independent gap assessment of our compliance process.

Transparency and continuous improvement

Information about our CSR guidelines, goals, and progress is available to all stakeholders and on our website **swm.no**.

As a member of the UN Global Compact, Sverre W Monsen AS is committed to adhering to the 10 principles of human rights, labor, environment, and anti-corruption.

We are committed to ensuring that our sustainability policies and principles are reflected throughout the organization, in strategy, culture, and daily operations. As a member of Ethical Trade Norway, we also commit to conducting due diligence assessments and expect the same from our suppliers.

Requirement – own business

We recognize that our business can have negative impacts on people, communities, and the environment, but also that we have the opportunity to contribute positively in the supply chain. Therefore, we have developed the following principles:

Due diligence

We map risks and identify potential negative consequences, implement measures to prevent and mitigate harm, evaluate the impact, and communicate with those affected. If we cause or contribute to harm, we will cease the activity and ensure remediation.

Responsible purchasing practices

We have adopted our purchasing practices to strengthen, rather than weaken, our suppliers' ability to comply with our requirements.

We have long-term supplier relationships with suppliers who show a particular willingness to create positive developments in the supply chain.

Supplier development and partnership

We will contribute with capacity building and resources where needed and collaborate with suppliers who show willingness and ability to create improvements.

Anti-corruption

No employees or partners shall give or receive illegal or inappropriate benefits to gain advantages.

Countries affected by trade boycott

We and our partners shall avoid trading with entities in countries subject to trade embargoes by the UN or Norwegian authorities.

Requirements – conditions in the supply chain

We expect suppliers and partners to follow our guidelines for responsible business practices and that our suppliers comply with supplier commitments (Code of Conduct-supplier commitment), which include requirements for:

- Human rights
- Labour rights
- Animal welfare
- Environment
- Anti-corruption

Our suppliers must conduct due diligence assessments to identify potential negative impacts on people, communities, and the environment, and to stop, prevent, and mitigate such impacts. The measures taken must be monitored and their effectiveness evaluated. The measures must be communicated to those affected by the actions. If the supplier is responsible for negative impacts/damage, they are responsible for remediation.

Our suppliers must show willingness and ability to continuously improve for people, communities, and the environment through collaboration.

Sverre W Monsen AS can, upon request, ask for documentation how they, and potential subcontractors, work to comply with the guidelines, hereunder our Code of Conduct- Supplier Commitment. All our Tier 1 suppliers shall have a social certification or be a member of Amfori and have third-party audits based on BSCI's Code of Conduct

If the supplier, after repeated requests, does not show willingness or ability to comply, the contract may be terminated.

Policy for workers in the Supply Chain

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.

Purpose

This policy aims to ensure fair, safe, and dignified working conditions for all workers in our supply chain.

Scope

The policy applies to all suppliers and subcontractors that are part of our supply chain.

Principles

We commit to the following principles:

1. Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105). Suppliers shall not engage in human trafficking or exploitation, and shall not

retain employees' government-issued identification, passports or work permits as a condition of employment.

2. Freedom of Association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised (ILO Convention 87 and 98). The Company shall, in those situations in which the right of freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions (ILO Convention 135 and Recommendation 143).

3. No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall be no less than the age of completion of compulsory schooling and, in any case, not less than 15 years (ILO Convention 138). There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. Children [in the age of 15 – 18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals (ILO Convention 182).

4. There is no discrimination in employment

In recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies, or handicaps (ILO Conventions 100 and 111).

5. No harsh or Inhumane Treatment

Physical abuse or punishment, or threats of physical abuse, sexual or other harassment, and verbal abuse, as well as other forms of threats, are prohibited (UN Convention on Civil and Political Rights, Art. 7).

6. Health and Safety

The working environment shall be safe and hygienic, considering the prevailing knowledge of the industry and any specific hazards. Dangerous chemicals and other substances must be handled with care. Adequate measures must be implemented to prevent accidents and health hazards arising from, associated with, or occurring in the

work process, by minimizing, as far as practically possible, the causes of hazards in the working environment. (ILO Convention No. 155 and ILO Recommendation No. 164).

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

7. Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income (ILO Conventions 26 and 131). Whenever the legal or industry minimum standards are not sufficient to meet these basic needs, suppliers are encouraged to provide adequate compensation to their employees in order for the basic needs to be met. Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

8. Working Hours

Working hours shall comply with national laws and standards for the reference industry and shall not exceed applicable international standards. Weekly working hours should not regularly exceed 48 hours.

Workers shall be given at least one day off every 7 days.

Overtime shall be limited and voluntary. The recommended maximum overtime is 12 hours per week, meaning the total working week, including overtime, should not exceed 60 hours. Exceptions to this are accepted when regulated by a collective agreement (ILO Conventions No. 1 and 14).

Workers shall always receive overtime pay for all hours worked beyond regular working hours, at a minimum in accordance with relevant legislation.

9. Permanent Employment

Obligations toward workers under international conventions, national law, and regulations regarding permanent employment shall not be avoided by using short-term contracts (such as contract work, casual work, or day labor), subcontractors, or other forms of employment.

All workers have the right to a work contract in a language they understand. The duration and content of apprenticeship programs shall be clearly defined (ILO Conventions No. 95, 158, 175, 177, and 181).

10. Marginalized Populations

The production and use of natural resources shall not contribute to the destruction and/or degradation of resources and livelihoods for marginalized populations, such as by

requiring large areas of land, or the use of water or other natural resources upon which these populations depend (UN Covenant on Civil and Political Rights, Art. 1 and 2).

Engagement processes

We have established processes to engage workers in the supply chain regarding their working conditions and impacts:

- Our suppliers undergo regular third-party audits where workers are interviewed about their working conditions and to ensure their rights are upheld.
- We have created accessible and secure channels for workers to report concerns and grievances.

Objectives

We have set objectives to address negative impacts, promote positive impacts, and manage risks and opportunities:

- Ensure all workers receive a wage that at least matches the local minimum wage within 2026-
- We advocate for all workers to receive a living wage by the year 2030.

Measures and effectiveness

We have implemented measures to address impacts on workers and evaluate the effectiveness of these measures:

- We conduct regular inspections of working conditions at suppliers.
- We advocate for the establishment of social dialogue between workers and management at our suppliers.

Risk management

We have developed approaches to mitigate risks and leverage opportunities related to workers in the supply chain:

- Perform regular risk assessments to identify and address potential risks.
- Work closely with suppliers to ensure they meet our standards.

Environmental Policy

We recognize the environmental impact of our activities and work systematically to reduce it. We focus on:

Life cycle perspective

Prevention rather than repair

Reduction of resource use, emissions, and waste

Awareness and training of employees

Requirements for suppliers and use of Restricted Substances List

Anti-Corruption Policy

SVERRE W MONSEN AS shall work against all forms of corruption, including extortion and bribery.

We do not allow bribery or illegal payments and encourage transparency and awareness of anti-corruption among employees and business partners.

We have established internal guidelines that specify exact maximum limits on received gifts. This amount is set at 500 NOK.

Animal welfare

No animals shall suffer in the production of our products. Where animals are used (for example wool, leather), they shall be treated with respect and their living conditions shall ensure good animal welfare. Slaughter shall be quick, as painless as possible, and carried out by qualified personnel.

Repair and Remediation

If our actions necessitate financial compensation, public apology, or other remediation, we will take responsibility and carry this out in a fair manner, with external advice as needed.