

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".*

Introduction

At SVERRE W MONSEN AS, we believe that social and environmental responsible companies perform better. We spare no efforts to meet and exceed all Sustainability related expectations of our brands stakeholders.

We also believe that the greatest reward of our efforts in terms of sustainability is to see the concrete results in the form of good working conditions for the people that we depend on, and measurable reductions of negative environmental impacts.

Our brand embrace the notion that all corporations have social and environmental responsibilities that they must act upon.

On fundamental human and environmental levels, we act because we care, and because we can.

Our overarching ambition in the realm of sustainability is to meet and exceed the expectations of our key stakeholders, and to ensure that our effort generates concrete positive results.

We know that the path to achieve this goes through dialogue, accountability, transparency and continuous improvement. The UN Sustainable Development Goals (SDGs) is the world's joint action plan for sustainable development. SVERRE W MONSEN AS works actively with the Sustainable Development Goals. We prioritize SDG nr. 5 Gender equality, nr. 8 Decent work and economic growth, nr. 12 Responsible consumption and production, nr. 15 Life on land, and 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 policies, goals and progress is available to all interested stakeholders and on our website swm.no.

As a cornerstone of our sustainability commitment, SVERRE W MONSEN AS as a member of the United Nations Global Compact has embraced it's 10 guiding principles for Corporate Responsibility on Human Rights, Labour, Environment and Anti-Corruption.

We, at SVERRE W MONSEN AS, are determined to make every effort to ensure that our sustainability policy and the principles outlined in the UN Global Compact are reflected throughout our brands organisations, in all our management strategy, in our

organisational culture, and in our day-to-day operations. And as a member of Ethical Trade Norway *SVERRE W MONSEN AS* commits to working actively with due diligence for responsible business conduct. Due diligence is a risk-based approach to respect and safeguard people, society and the environment in our own business and throughout the supply chain. We expect our suppliers and partners to follow the same approach.

Requirement – own business

SVERRE W MONSEN AS acknowledges that our business conduct can potentially have negative impact on people, society and the environment. At the same time, we see the potential to contribute to positive development in the supply chain. With this in mind, we have compiled the following principles and criteria guiding our own business:

Due diligence

SVERRE W MONSEN AS shall 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

Responsible purchasing practices

SVERRE W MONSEN AS considers responsible purchasing practices to be one of our most important tools for responsible business conduct. *SVERRE W MONSEN AS* shall adapt our purchasing practices in order to strengthen, and not undermine, our suppliers' ability to deliver on our requirements related to people, society and the environment. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain.

Supplier development and partnership

In dialogue with suppliers we will consider, if needed, to contribute with capacity building or resources that enable our suppliers to comply with *(company name)*'s requirements related to responsible business conduct. This way we lay the foundation for collaboration with suppliers that show the willingness and ability to work on positive development for people, society and the environment in the supply chain.

Anti-corruption

SVERRE W MONSEN AS including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents or suppliers. *(Refer to the company's anti-corruption policy, if you have one).*

Countries affected by trade boycott

SVERRE W MONSEN AS, including 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.

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 the 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.¹
- 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.

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 Policy

SVERRE W MONSEN AS supports a precautionary approach to environmental challenges.

SVERRE W MONSEN AS shall undertake initiatives to promote greater environmental responsibility.

SVERRE W MONSEN AS shall encourage the development and diffusion of environmentally friendly technologies.

At SVERRE W MONSEN AS, we recognize that all activities associated with the production, consumption and end-of-life disposal of products has an impact on our environment. We believe that it is our responsibility to work actively and systematically to contribute to a process of continuous environmental improvements throughout the value chain. In our work to reduce the environmental impacts associated with our business we believe in the value of a life cycle perspective, a precautionary approach, a focus on continuous improvement, and the general idea that prevention is better than cure.

SVERRE W MONSEN AS brand and entities comply with the requirements of

environmental legislation and approved codes of practice.

We, at SVERRE W MONSEN AS, systematically assess the environmental impact of our business decisions by listening to stakeholders and environmental experts, and we focus our efforts on the issues that are of the highest concern and where we can contribute most effectively to real improvements.

We continuously seek to improve environmental performance, by reducing use of energy, water and material resources, and by minimizing emissions and waste. Focusing on prevention, we creatively rethink our products and processes and among our employees raise awareness, encourage, participation and training on environmental matters.

We are committed to ensure that all our suppliers take environmental protection as seriously as we do and acknowledge and sign our Restricted Substance List latest version.

We also recognize that part of the environmental impact associated with our products may arise during the use and end-of-life phases of their life cycle and we are, therefore, committed to collaborate with our customers to implement the most innovative environmental solutions.

Anti-Corruption Policy

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

At SVERRE W MONSEN AS, we believe that bribery, extortion and corruption destroy confidence in the marketplace and business relationships, weaken democracy, change economic and social development and damage the transparency in the transaction of business.

SVERRE W MONSEN AS stands up for business activities free from unfair influence of bribery, extortion and corruption. We support anti-corruption and bribery awareness among our employees and business relations.

We do not permit illegal payments or bribes to any government official nor do we engage in any political activity or contribution contrary to the laws in countries where we do business. The acceptance of any advantages in relation to SVERRE W MONSEN AS's business is prohibited and in breach of our brands policies. Employees are not allowed to request any advantage from suppliers/ factories or other current or future business partners. We strongly discourage the practice of giving and/or receiving gifts.

Animal welfare

Animal welfare is important to us, and no animals should be harmed in the making of our brands products.

All our suppliers 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.

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.