

Code of Conduct – Supplier Commitment



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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 purposefully and systematically to comply with our supplier guidelines, including our Code of Conduct, which covers fundamental requirements for human rights, labor rights, anti-corruption, animal welfare and the environment. Our suppliers shall:

- Follow our supplier guidelines, including ethical guidelines.
- Conduct due diligence analyses for responsible business conduct. This involves assessing risks to identify potential negative impacts on people, society and the environment, as well as having measures in place to stop, prevent and reduce such impacts. The effect of the measures shall be monitored and evaluated, and the affected parties shall be informed. The supplier is responsible for offering remedies if they are responsible for the negative impact/damage.
- Demonstrate the will and ability to continuously improve for people, society and the environment through collaboration.
- Allow Sverre W Monsen AS to document, upon request, how suppliers and potential subcontractors are working to comply with the guidelines.
- Be certified according to SA 8000 or WRAP or be followed up according to BSCI's code of conduct by a third party. All our suppliers must respect our follow-up program, which involves auditing in line with Amforis' requirements (BSCI's code of conduct). Suppliers who are monitored according to the BSCI Code of Conduct must agree to contact Sverre W. Monsen AS on the Amforis Sustainability Platform.

- Work towards the goal that all our textiles will have environmental certification according to the EU Ecolabel and Made in Green by oekotex by 2025.
- Work towards the goal that all suppliers will have a formal environmental management system to monitor their environmental performance.
- It is an absolute requirement that all suppliers in our supply chain comply with the list of restricted substances (REACH).

If the supplier, after repeated requests from Sverre W Monsen AS, does not demonstrate the will or ability to comply with the supplier guidelines, the contract may be cancelled.

Principles of responsible business conduct (code of conduct)

These principles of responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum, standards. It is important to respect the relevant legal framework at the production site. If national laws and regulations cover the same topics as these guidelines, the strictest rules shall be followed.

The Sverre W Monsen AS's suppliers and each of its factories are expected to conduct their activities in respect of human rights as set out in The United Nations Universal Declaration of Human rights and Labour Standards are based on the Conventions of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights. In the text below, reference is made to specific conventions. Where clarifications of ILO Conventions are required, the standards follow ILO Recommendations and existing jurisprudence. The standards apply to all worker categories in the factory (migrant workers, temporary workers, etc.).

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 Harsh or Inhuman Treatment (UN Convention 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 threats, are prohibited.

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

6.1. 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.

6.2. 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 (ILO Conventions No. 1 and 14)

8.1. 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.

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

8.3. 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.

8.4. Workers shall always receive overtime pay for all hours worked beyond regular working hours (see 8.1 above), at a minimum in accordance with relevant legislation.

9 Permanent Employment (ILO Conventions No. 95, 158, 175, 177, and 181)

- 9.1. 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.
- 9.2. All workers have the right to a work contract in a language they understand.
- 9.3. The duration and content of apprenticeship programs shall be clearly defined.

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

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.

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 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 into the 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.

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.

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.*

Sverre W Monsen AS- what we do

Due diligence analyses

SVERRE W MONSEN AS conducts due diligence analyses for responsible business practices. This involves; conducting risk assessments to identify potential negative impacts on people, society and the environment and to stop, prevent and reduce such impacts. The measures that have been implemented are monitored and the effect is evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative impacts on people, society or the environment, we will stop the activities and seek to create. If our supplier is responsible for the negative impact, the supplier is responsible for remediation.

Sustainability strategy

We have developed a sustainability strategy that takes into account the UN Global Compact and other relevant issues related to sustainability. In our work, we have prioritized the UN Sustainable Development Goals 8,12,13 and 17 in our work, but we embrace all the sustainability goals.

Collaboration

We encourage our suppliers to collaborate and share best practices for responsible business conduct.

Transparency

We place great importance on transparency in the supply chain and therefore encourage our suppliers to disclose information about their suppliers, subcontractors and supply chain practices.

Continuous improvement

We promote continuous improvement and want to be a supportive partner for our suppliers in their work to implement effective improvement measures.

Environmental certification goals

We have set a goal for all our suppliers to achieve recognized environmental labels such as EU-Ecolabel or Made in Green by Oeko-Tex by the year 2030.

Environmental management system

Sverre W Monsen has its own environmental certification and has set a requirement that all our suppliers must establish a formal environmental management system to monitor and manage their environmental performance.

Improvement

If there are matters that require financial or other compensation, a public apology or that harm must be remedied in any other way because of the company's activities, SWM will take responsibility and ensure that such redress takes place. If necessary, the company will seek external advice and expertise on what would be considered fair and appropriate redress.

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 all 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: -----

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