

Supplier Code of Conduct

The Olav Thon Group (“OTG”) works systematically towards sustainable business practices that show respect for people, society and the environment. Collaboration in the supply chain is a prerequisite for responsible business practices in accordance with the OECD Guidelines for Responsible Business Conduct (“OECD Guidelines”). To supplement our separate *Policy for Responsible Business Practices*, we have prepared this document: *Supplier Code of Conduct*. It clarifies what we expect from our suppliers and business partners when it comes to sustainable business practices, and what they can expect from us. The expectations cover the fundamental requirements for human rights, labour rights, the environment and anti-corruption in the supply chain.

OTG’s requirements for our own activities

OTG shall respect the fundamental requirements for human rights, labour rights, the environment and anti-corruption in our own activities and in our supply chains. As a group covered by the Transparency Act, OTG is obliged to work systematically and continuously to promote respect for human rights, decent working conditions and the provision of a living wage in our supply chains. Our *Policy for Responsible Business Practices* forms the basis for this work.

OTG works continuously to improve its own policies and practices, including purchasing practices, in order to act in accordance with the OECD Guidelines. Our suppliers and partners can expect our business and purchasing practices to support, not undermine, their ability to meet the expectations set out in our *Supplier Code of Conduct*.

OTG always strives for transparency and collaboration as a starting point. Nevertheless, we will terminate the business relationship or other cooperation if our supplier or partner, despite repeated request, fails to meet our expectations for sustainable business practices.

Expectations of practice in the supply chain

We expect our suppliers and partners to work purposefully and systematically to ensure compliance with our *Supplier Code of Conduct*.

Our suppliers are expected to:

- Follow the Supplier Code of Conduct, including the Principles for Sustainable Business Practices, as listed at the end of the document.
- Demonstrate willingness and the ability to continuously improve for people, society and the environment through cooperation.
- Work with due diligence assessments in line with OECD Guidelines, i.e.: Conduct their own risk assessments of adverse impacts on people, society and the environment, as well as stop, prevent and mitigate such adverse impacts. The measures must be monitored, their effectiveness assessed and communicated to those affected. Where the supplier is responsible for adverse impacts/harm, the supplier is also responsible for restoration.



OLAV THON GRUPPEN

- Have a well-functioning system for handling complaints related to human rights, labour rights, the environment and corruption. The supplier shall ensure that such complaints can be made by workers and external parties, including local communities and civil society organisations.
- Avoid trading partners that are active in countries where trade sanctions have been imposed by the UN and/or Norwegian authorities.
- At OTG's request, document how they themselves, and any subcontractors, work to comply with the Code of Conduct.
- Distribute this Code of Conduct, or at least an equally comprehensive code of conduct, to its subcontractors and help ensure its compliance.

Expected follow-up from the Olav Thon Group

Supplier follow-up is a central part of OTG's work with due diligence assessments in accordance with the Transparency Act and OECD Guidelines. Suppliers can therefore expect their work with human rights and due diligence assessments to be an ongoing topic for dialogue and cooperation with OTG. Furthermore, OTG will use tools such as questionnaires, follow-up interviews and/or surveys of working conditions at production sites. If OTG wishes to assess subcontractors on their compliance with the requirements for ethical trading, the supplier is obliged to permit such an assessment and provide the relevant names and contact details.

The responsibility to respect human rights applies to all companies. That said, the expectations set out in the OECD Guidelines are different for different companies, depending on size, sector, operational context, ownership and structure, as well as the severity of companies' connection to any human rights abuses. If the supplier believes that OTG has imposed a disproportionate workload on the supplier in relation to any of these factors, the supplier must inform OTG.

So our cooperation runs smoothly, suppliers are expected to inform OTG should they discover any actual human rights abuses in the supply chain, challenges in complying with our *Supplier Code of Conduct*, or if our business practices undermine, and do not support, the supplier's sustainability work.

In the event of a breach of the requirements, the supplier shall, in collaboration with OTG, prepare a plan for rectifying the failure. Rectification shall take place within a reasonable time, although OTG may also set a deadline for rectification.

Principles for sustainable business practices

Our suppliers and contractual partners shall respect the fundamental requirements on human rights, labour rights, the environment and anti-corruption, as expressed in the principles below. The requirements are based on the OECD Guidelines for Multinational Enterprises, UN Conventions, ILO Conventions and national labour laws at the production site. Where national laws and regulations cover the same subject as this Code of Conduct, the highest standard shall apply.

1. Respect human rights (OECD Guidelines for Multinational Enterprises IV. 1-6)

- 1.1. Human rights shall be respected. Enterprises shall avoid infringing on the human rights of others and shall address adverse impacts they are involved with.
- 1.2. The supplier shall not cause or contribute to adverse impacts in the area of human rights in its own operations and shall address such impacts when they occur.



- 1.3. The supplier shall prevent or mitigate adverse impacts of human rights infringements that are directly linked to its own business operations, products or services through business relationships.

2. Forced labour/slave labour (ILO Convention Nos. 29 and 105, OECD Guidelines for Multinational Enterprises V. 1d)

- 2.1 There shall be no form of forced, slave or involuntary labour.
- 2.2 Workers shall not be required to provide deposits or identity papers to the employer and shall be free to terminate the employment relationship with reasonable notice.
- 2.3 The supplier shall contribute to the elimination of all forms of forced labour and take adequate measures to ensure that forced labour does not occur in their business.

3. Trade unionism and collective bargaining (ILO Convention Nos. 87, 98, 135 and 154)

- 3.1 Without exception, workers shall have the right to join or establish unions of their choice, and to bargain collectively. The employer shall not interfere with, obstruct or oppose the establishing of local trade unions or collective bargaining.
- 3.2 The employer shall not discriminate against trade union representatives, or prevent them from carrying out their union work.
- 3.3 If the right to free organisation and/or collective bargaining is limited by law, the employer shall facilitate and not impede alternative mechanisms for free and independent organisation and negotiation.

4. Child labour (United Nations Convention on the Rights of the Child, ILO Convention Nos. 138, 182 and 79, ILO Recommendation No. 146, OECD Guidelines for Multinational Enterprises V. 1c)

- 4.1 The minimum age for workers shall not be less than 15 years and in line with
 - i) the national minimum age for employment, or
 - ii) the minimum age for compulsory schooling,with the highest age as applicable. If the local minimum age is set at 14 years in accordance with the exception in ILO Convention 138, this may be accepted.
- 4.2 New recruitment of child labourers in contravention of the aforementioned minimum age shall not take place.
- 4.3 Children under the age of 18 shall not perform work that is detrimental to their health, safety or morals, including night work.
- 4.4 Action plans shall be established for the speedy phasing out of child labour that is in contravention of ILO Conventions 138 and 182. The action plans shall be documented and communicated to relevant staff and other stakeholders. Support schemes shall be facilitated where children are given the opportunity to study until the child is no longer of school age.
- 4.5 This shall contribute to the effective elimination of child labour and take effective measures to ensure that the worst forms of child labour are prohibited and eliminated as soon as possible.

5. Discrimination (ILO Convention Nos. 100 and 111 and UN Convention on Discrimination against Women, OECD Guidelines for Multinational Enterprises V. 1e)

- 5.1 There shall be no discrimination in terms of employment, remuneration, training, promotion, dismissal or retirement based on ethnicity, caste, religion, age, disability, gender, marital status, sexual orientation, trade unionism or political affiliation.



- 5.2 Protection shall be established against sexually intrusive, threatening, abusive or exploitative behaviour, as well as against discrimination or dismissal on unfair grounds, e.g. marriage, pregnancy, parenthood or HIV status.

6. Violent treatment (UN Convention on Civil and Political Rights, Art. 7)

- 6.1 Physical abuse or punishment, or threat of physical abuse, is prohibited. The same applies to sexual or other abuse and other forms of humiliation.

7. Health, Environment and Safety (ILO Convention No. 155 and Recommendation No. 164)

- 7.1 Efforts shall be made to ensure workers a safe and healthy working environment. Dangerous chemicals and other substances shall be handled with care. Necessary measures shall be taken to prevent and minimise accidents and damage to health as a result of, or related to, conditions in the workplace.
- 7.2 Workers shall receive regular and documented training in health and safety measures. Health and safety training shall be repeated for newly hired and relocated workers.
- 7.3 Workers shall have access to clean sanitation facilities and clean drinking water. If relevant, the employer shall also provide access to facilities for the safe storage of food.
- 7.4 If the employer provides lodging, this shall be clean, safe and adequately ventilated, and with access to clean sanitation facilities and clean drinking water.

8. Wages (ILO Convention No. 131)

- 8.1 Wages of workers for a normal working week shall at least be in line with national minimum wage regulations or industry standards, whichever is higher. Wages shall always be sufficient to cover basic needs, including some savings.
- 8.2 Wage conditions and payment of wages shall be agreed in writing before work commences. The agreement shall be understandable to the worker.
- 8.3 Deductions from wages as a disciplinary action shall not be allowed.

9. Working hours (ILO Convention Nos. 1 and 14)

- 9.1 Working hours shall be in accordance with national laws or industry standards and not exceed working hours in accordance with applicable international conventions. Normal working hours per week shall usually not exceed 48 hours.
- 9.2 Workers shall have at least one day off in every 7 days.
- 9.3 Overtime shall be limited and voluntary. The recommended maximum overtime is 12 hours per week, i.e. total working hours of 60 hours per week. Exceptions to this may be accepted if regulated by a collective agreement or national law.
- 9.4 Workers shall always receive overtime pay for working hours over and above normal working hours (see section 8.1 above), minimum in accordance with applicable laws.

10. Regular employment (ILO Convention Nos. 95, 158, 175, 177, 181, OECD Guidelines for Multinational Enterprises V. 5)

- 10.1 Obligations to workers, in line with international conventions, national laws and regulations relating to regular employment shall not be circumvented through the use of short-term contracts (such as the use of contract workers, casual workers and day labourers), sub-contractors or other labour relations.
- 10.2 All workers are entitled to an employment contract in a language they understand.
- 10.3 Any apprenticeship programme shall be clearly defined in terms of duration and content.
- 10.4 As far as possible, local workforce shall be used and trained to improve their qualifications.



11. Employees in other countries (OECD Guidelines for Multinational Enterprises V. 4)

- 11.1 Standards of employment and relations between employer and employee shall not be less favourable than those observed by comparable employers in the host country.
- 11.2 Multinational companies operating in developing countries, where comparable employers do not exist, shall provide the best possible wages, benefits and conditions of work within the framework of government policies.
- 11.3 Adequate steps shall be taken to ensure occupational health and safety in their operations.

12. Marginalised populations (UN Convention on Civil and Political Rights, Art. 1 and 2)

- 12.1 Production and use of natural resources shall not contribute to the destruction of resources and income base for marginalised population groups, for example, by seizing large areas of land, irresponsible use of water or other natural resources on which the population groups depend.

13. Environment

- 13.1 Measures to reduce negative effects on health and the environment throughout the value chain shall be implemented through the minimisation of emissions, the promotion of efficient and sustainable use of resources, including energy and water, and the minimisation of greenhouse gas emissions in production and transport. The local environment at the production site shall not be exploited or harmed by pollution.
- 13.2 National and international environmental legislation and regulations shall be complied with and relevant emission permits obtained.
- 13.3 The supplier undertakes, at its own expense, to provide environmental information that is necessary for the Olav Thon Group to fulfil its reporting obligation in accordance with the Danish Accounting Act. For companies in the Olav Thon Group that are Eco-Lighthouse certified, the supplier is obliged to ensure that all parts of the delivery comply with the requirements set by the certification.
- 13.4 Suppliers who deliver packaged goods are required to be members of a return company scheme, such as Grønt Punkt Norge, or be affiliated with or themselves operate another equivalent approved scheme for the collection and recycling of packaging waste. If the supplier claims that the business does not pursue such activities that require membership of a return company scheme, the Olav Thon Group may require a written declaration from the supplier.

14. Corruption

- 14.1 Any form of bribery is unacceptable, such as the use of alternative channels to ensure illegitimate private or work-related benefits to customers, agents, contractors, suppliers or their employees, as well as any government officials.
- 14.2 Upon request, the supplier shall present its policies on gifts and hospitality etc., as well as its procedures for reporting misconduct.
- 14.3 The Olav Thon Group does not discriminate in its selection processes, nor shall the supplier with respect to its subcontractors.
- 14.4 The supplier shall clearly distinguish between business and employee, and unless otherwise agreed, this agreement shall not obligate the supplier to employees of the Olav Thon Group. The Olav Thon Group will never make the supplier's willingness to offer favourable rates to the Olav Thon Group's employees a condition of continuing an agreement.

15. Animal welfare



OLAV THON GRUPPEN

15.1 In the production of animal products, animal welfare must be ensured along the entire value chain.