

NorgesGruppens Ethical guidelines for suppliers (Code of Conduct)

Introduction

NorgesGruppen is aware of its social responsibility and our objective is to combine sound business operations with social and environmental responsibility.

An important aspect of social responsibility is the working situation for the workers taking part in the production of the products sold by NorgesGruppen.

Based on our commitment we have set up the NorgesGruppen Code of Conduct to make our position clear for all our suppliers, for our own staff and for other partners. Our Code of Conduct contains internationally recognised labour- and environment requirements, including the OECD Due Diligence guidelines for responsible business conduct, as well as our own ethical requirements. Implementing the OECD Due Diligence guidelines, you shall carry out actions to identify, prevent, mitigate and account for how you address actual and potential adverse impacts in your own operations and in your supply chain.

Companies trading with NorgesGruppen shall comply with the NorgesGruppen Code of Conduct. NorgesGruppen also expects our suppliers to ensure that all subcontractors involved in the production of products sold to NorgesGruppen are in compliance with our Code of Conduct. If non-compliances occur, we expect corrective actions to be taken within a reasonable time frame agreed upon between the supplier and NorgesGruppen.

In the case of repeated failures or if the supplier is unwilling to carry out corrective actions, NorgesGruppen will consider termination of its business relationship with the supplier.

Our goal is to influence the work for respect for Human & Labour Rights and environmental protection both within the company and towards our business partners.

As a general rule the supplier and the supplier's subcontractors must follow their respective national laws. Should the provisions of national law and the requirement of our Code of Conduct differ, the highest standard shall apply.

Conditions at the workplace

1. Forced labour/slave labour (ILO Conventions Nos. 29 and 105)
 - 1.1 No form of forced labour, slave labour or involuntary labour shall take place.
 - 1.2 Employees shall not be required to pay a deposit or surrender their identity papers to an employer, and they shall be free to terminate a work contract after a reasonable period of notice.
2. Freedom of Association and Collective Bargaining (ILO Conventions Nos. 87,98, 135 and 154)
 - 2.1 Employees shall without exception have the right to join or establish trade unions by their own choice, and to bargain collectively.
 - 2.2 The employer shall not discriminate against trade union representatives or prevent them from doing trade union work.
 - 2.3 If such rights are limited by law, the employer shall facilitate, and in no way hinder, parallel mechanisms for free and independent association and bargaining.

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

3.1 Children under the age of 18 shall not engage in labour that is hazardous to their health or safety, including night work.

3.2 Children under the age of 15 (14 or 16 in certain countries) shall not engage in labour that may be detrimental to their education.

3.3 New recruitment of child labour in contravention of the above-named conventions is unacceptable. If such child labour already takes place, efforts shall be made to phase it out as quickly as possible. At the same time, the children concerned shall be given the possibility of earning a livelihood and acquiring an education until they are no longer of compulsory school age.

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

4.1 There shall be no discrimination in working life based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political affiliation.

4.2 Measures shall be established to protect employees 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

5.1 Physical abuses or punishment or the threat of physical abuse shall be prohibited. The same applies to sexual or other abuse, and to other types of humiliation.

6. Occupational health and safety (ILO Convention No. 155 and ILO Recommendation No. 164)

6.1 The working environment shall be safe and conducive to good health, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Necessary measures shall be implemented to prevent and minimise accidents, injuries and damage to health as a result of or related to conditions at the workplace.

6.2 Employees shall receive regular, documented health and safety training. Health and safety training shall be repeated for new employees.

6.3 Employees shall have access to clean sanitary facilities and clean drinking water. If necessary, the employer shall also ensure access to facilities for safe food storage.

6.4 If the employer provides accommodation, it shall be clean, safe and adequately ventilated, and have access to clean sanitary facilities and clean drinking water.

7. Wages (ILO Convention No. 131)

7.1 Employees' wages shall at least be in accordance with national provisions concerning minimum wages or industrial standards, and shall always be sufficient to cover fundamental needs.

7.2 Wages, as well as the modalities of how and when wages are to be paid, shall be agreed in writing before work begins. The contract shall be comprehensible to the employee.

7.3 It is prohibited to use wage deductions as a disciplinary measure.

7.4 All workers with the same experience and qualifications shall receive equal pay for equal work.

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

8.1 Working hours shall be in accordance with national legislation or industrial standards and shall not exceed the working hours laid down in current international conventions. It is recommended that working hours do not exceed 48 hours per week (8 hours per day).

8.2 Employees shall have at least one free day per week.

8.3 Overtime shall be voluntary and is recommended to be limited to maximum 12 hours per week.

8.4 Employees shall always receive overtime pay, as a minimum in accordance with current legislation.

9. Regular employment

9.1 Obligations to employees in accordance with international conventions and/or national legislation and regulations concerning regular employment shall not be avoided by using short-term contracts (such as contract labour, casual labour or day labour), subcontractors or other labour relationships.

9.2 All employees are entitled to a job contract written in a language they understand.

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

Conditions outside the workplace

10. Use of resources and impact on the local community

10.1 No form of environmental criminal activity or ruthless exploitation of resources shall take place in the local environment.

10.2 The local environment at the production site shall not be excessively exploited or degraded by pollution. Hazardous chemicals and other harmful substances shall be carefully managed.

10.3 In cases of conflict with local communities concerning the use of land or other natural resources, the parties shall, through negotiation, ensure respect for individual and collective rights to land and other resources based on common custom or tradition, including in cases where such rights have not been formally registered.

10.4 Production and the extraction of raw materials for production shall not contribute to the destruction of the resource and income base for marginalised population groups, for example by laying claim to large land areas or other natural resources upon which such population groups depend.

Environment and Animal welfare

11. National and international environmental and animal welfare legislation and regulations

11.1 Production shall not conflict with national or international environmental or animal welfare legislation and regulations.

11.2 Necessary emission and discharge permits shall be obtained where required.

11.3 Environmental aspects should be taken into consideration throughout the production and distribution chain, from the production of raw materials to the sale of end-user products and shall not be limited to the company's own operations and suppliers. As far as possible, local, regional, and global environmental issues shall be considered. Actions shall be taken to reduce negative effects on health and environment by reducing, and promote effective and sustainable use of resources, including energy, water, and CO₂ emissions.

11.4. Animal Welfare. Animals have an intrinsic value regardless of the usefulness they may have for humans. Animals shall be treated well and protected from the risk of unnecessary stress and strain. When manufacturing products stemming from animals, considerations to animal welfare shall be taken in the entire value chain and minimum according to national animal welfare legislations. Animals are to be given medical help if needed and the use of antibiotics is to be used restrictively. All animals are to be stunned before slaughter.

Corruption

12. Zero tolerance

12.1 NorgesGruppen has zero tolerance for corruption and has implemented requirements for employees and suppliers that override all previous practices.

12.2 All transactions with NorgesGruppen shall be contractual, legal and of a normal business nature. Employees of NorgesGruppen shall never be offered or given bribes, gifts, benefits, services, or other favours beyond this, nor should they demand, offer, or give this themselves.

12.3 It is enshrined in the Group's anti-corruption guidelines that NorgesGruppen and enterprises in NorgesGruppen shall only do business with serious actors. This means that background checks can be carried out on suppliers and partners and that they may be asked to explain their systems and routines for anti-corruption, internal control, and risk management

12.4. For events, employees must always cover the cost of their own travel and stay. Normal dining and moderate social activities are accepted. Courtesy gifts can in exceptional cases be exchanged with a foreseeable value of less than NOK 300. Samples shall only be handed out where the number of units and recipients is relevant and necessary for the purpose.

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