

Appendix 8

NorgesGruppen's ethical guidelines for suppliers

INTRODUCTION

NorgesGruppen is aware of its social responsibilities. Our aim is to combine sound business operations with a clear responsibility for the community and environment.

An important aspect of social responsibility is the work situation for employees that participate in the production of the goods sold by NorgesGruppen.

In order to clarify our attitude towards our suppliers, our own employees and other cooperating partners, NorgesGruppen has drawn up ethical guidelines for suppliers. These guidelines are based on internationally acknowledged standards concerning employment and human rights, as well as other separate ethical and environmental standards.

NorgesGruppen's suppliers shall act in accordance with our ethical guidelines for suppliers.

NorgesGruppen also expects that our suppliers ensure that any subcontractors in connection with the agreed assortment, including suppliers and subcontractors further back in the distribution chain, act in accordance with our ethical guidelines for suppliers.

If deviations from these guidelines occur, it is expected that initiatives are taken in order to improve the situation. The timeframe for implementation of measures will be agreed between the supplier and NorgesGruppen.

In the event of repeated deviations, or if the supplier does not show a willingness to improve the situation, NorgesGruppen will consider terminating its customer relationship with the supplier.

Our objective is to contribute positively in the work on human rights, employment rights, animal welfare and protection of the environment, both within our own Group and in respect of our trading partners.

As a general rule, suppliers and our suppliers' subcontractors must follow their respective countries' laws and regulations. In cases where there is a conflict between relevant laws and regulations and NorgesGruppen's ethical guidelines for suppliers, the most stringent rule shall apply.

CONDITIONS IN THE WORKPLACE

1. Enforced labour/slavery (*ILO Convention no. 29 and 105*)

- 1.1 There shall be no form of enforced labour, slavery or involuntary work.
- 1.2 Workers shall not be obliged to provide a deposit or hand over identification papers to employers and must be free to terminate their employment with reasonable notice.

2. Union organisation and collective negotiations (*ILO Convention no. 87, 98, 135 and 154*)

- 2.1 Without exception, workers shall have the right to join or establish trade unions according to their own wishes, and to negotiate collectively.
- 2.2 Employers shall not discriminate against trade union representatives, or prevent them from carrying out their trade union work.
- 2.3 If these rights are limited by law, the employer shall arrange for, and not under any circumstances prevent, parallel mechanisms for free and independent organisation and negotiation.

3. Child labour (*UN Children's Convention, ILO Conventions no. 79, 138, 182 and ILO Recommendation no. 146*)

- 3.1. The minimum age for workers must not be less than 15 years and in line with
 - i) The national minimum age for employment, or;
 - ii) The minimum age for mandatory schooling, with the highest age as the determining factor.

If the local minimum age is set at 14 years, in line with the exception in the ILO Convention 138, this can be accepted.

- 3.2. New recruitment of child labour in conflict with the above stated minimum age shall not take place.
- 3.3. Children under the age of 18 years must not carry out work that is detrimental to their health, safety or morals, including night work.
- 3.4. Action plans must be drawn up for the speedy phasing out of child labour that is in contravention of the ILO Conventions 138 and 182. The action plans must be documented and communicated to relevant personnel and other interested parties. Arrangements must be paid for support schemes where children are given the opportunity for education until the child is no longer of mandatory school age.

4 Discrimination (*ILO Conventions no. 100 and 111 and UN Convention on Discrimination against Women*)

- 4.1 There shall be no form of discrimination in the workplace based on ethnic background, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political association.
- 4.2 Protection shall be established against sexually oppressive, threatening, insulting or exploitative conduct and against discrimination or termination on an unjustifiable basis, e.g. marriage, pregnancy, parental status, status as HIV infected.
- 4.3 Workers with the same experience and qualifications shall receive the same wages for the same type of work.

5 Brutal treatment

- 5.1 Physical mistreatment or punishment, or threats of physical mistreatment shall be forbidden. The same applies to sexual mistreatment or other maltreatment and all forms of humiliation.

6. Health, safety and the environment (*ILO Convention no. 155 and Recommendation no. 164*)

- 6.1 Workers shall be entitled to a safe and healthy working environment. Necessary measures shall be taken to prevent and minimise the risk of accidents and health hazards as a result of, or related to circumstances within the workplace.
- 6.2 Workers must have regular and documented training in health and safety. Health and safety training shall be repeated for new employees.
- 6.3 Workers must have access to clean sanitary facilities and clean drinking water. If relevant, employers must provide for access to facilities for the proper hygienic storage of food.
- 6.4 If the employer provides accommodation, this must 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 Wages paid to workers must as a minimum be in line with national minimum wage regulations or industry standards, the highest rate shall apply. Wages must always be sufficient to cover basic needs, including some savings.
- 7.2 Wage details and payment of wages must be agreed in written form before work commences.
The agreement must be able to be understood by the worker.
- 7.3 Deductions from wages as a disciplinary sanction shall not be permitted.

8. Working hours (*ILO Convention no. 1 and 14*)

- 8.1 Working hours must be in line with national legislation or industry standards and must not exceed working hours in accordance with applicable international conventions. Normal working hours per week shall not normally exceed 48 hours.
- 8.2 Workers shall have at least one free day every seven days.
- 8.3 Overtime must be limited and voluntary. The recommended maximum amount of overtime is 12 hours per week, i.e. total working hours 60 hours per week. Exceptions from this rule can be accepted if this is regulated by a collective agreement or national law.
- 8.4 Workers must always be paid a supplement for overtime, for work carried out outside of normal working hours (see Item 8.1 above), as a minimum in line with applicable laws.

9. Normal employment

- 9.1 Obligations in respect of workers, in line with international conventions and/or national laws and regulations concerning normal employment shall not be avoided by the use of short-term engagements (e.g. contract workers, casual workers and day workers), subcontractors or other working relationships.
- 9.2 All workers have the right to have an employment contract, in a language that he/she understands.
- 9.3 Apprenticeship programmes must be clearly defined in regard to duration and content.

CIRCUMSTANCES OUTSIDE OF THE WORKPLACE

10. Use of resources and influence on the local environment

- 10.1 There shall be no form of environmental crime or overexploitation of resources and the local environment.
- 10.2 The local environment at the production site must not be damaged by pollution. Harmful chemicals and other substances must be managed in a proper manner.
- 10.3 In the event of a conflict with the local community concerning the use of land areas or other natural resources, the involved parties shall secure respect for individual and collective rights to areas and resources through negotiations, based on custom and usage/common usage, also in cases where these rights are not formalised.
- 10.4 Production, and the extraction of raw materials for production, shall not contribute to any damage to resource and income basis for marginalised social groups, for example by claiming large land areas or other natural resources, on which these social groups depend.

ENVIRONMENT AND ANIMAL ETHICS

11. National and International environmental laws and regulations

- 11.1 Production must not be in conflict with national or international legislation and regulations concerning the environment.
- 11.2 Relevant emissions permits must be obtained where this is necessary.
- 11.3 Measures to reduce negative effects on health and the environment throughout the entire value chain must be implemented, through the minimisation of emissions, the promotion of effective and sustainable use of resources, including energy and water, and the reduction of greenhouse gas emissions in production and transport. The local environment at the production site must not be subjected to overexploitation or harmed by pollution.
- 11.4 Animal ethics considerations
In the production of animal products, animal ethics issues must be considered throughout the entire value chain.

CORRUPTION

12. Zero tolerance

- 12.1 NorgesGruppen has zero tolerance concerning corruption and has implemented standards for employees and suppliers that overrule all previous practice.
- 12.2 All transactions with NorgesGruppen must be based on contracts, legal and of a regular businesslike nature. Employees of NorgesGruppen must never be offered or give bribes, gifts, payments, services or other additional emoluments; nor must they demand, offer or provide these themselves.
- 12.3 The Group's guidelines for anti-corruption stipulate that NorgesGruppen and companies within NorgesGruppen shall only do business with serious operators. This means that background checks may be carried out on suppliers and cooperating partners and that these may be requested to provide an account of their systems and routines for anti-corruption, internal control and risk control.

GIFTS

13. Gifts, product samples, presents

Exceptionally, representational gifts can be exchanged with a value under NOK 300, with the givers company logo on the gift and if each recipient receives only one example. Such gifts or flowers, e.g. after one has held a presentation or similar, are acceptable.

The only objective of product samples is to allow NorgesGruppen to examine and to acquire knowledge of the product. The supplier is responsible for ensuring that the number of units and recipients is as required for the purpose. Product samples beyond this will be considered gifts and this is not acceptable.

The supplier shall only invite employees of NorgesGruppen to events that have a specific and clear professional primary content. Dining and moderate social activities in this context can be accepted.

NorgesGruppen's employees and employee representatives must always cover their own costs for travel and accommodation in connection with events organised by the supplier or where the supplier invites to such events. The supplier must never offer to cover travel and accommodation expenses.

NorgesGruppen accepts that employees are offered/invited to dinners/lunches with established business relations to a reasonable extent in regard to value and frequency.

The above requirements overrule all previous practice and are the same that are required of NorgesGruppen's employees in the Group's internal ethical guidelines. If the supplier, his employees are representatives experience that NorgesGruppen's employees act in conflict with these, the supplier must immediately make NorgesGruppen aware of the fact. This duty to notify is mutual.

Queries, dilemmas or challenges in connection with following these standards must be taken up with NorgesGruppen.

