



**INCENTRA SA
SUPPLIER CODE OF
CONDUCT**

INTRODUCTION

Incentra SA strives to conduct business in a responsible manner, based on the duty to respect human rights, labor rights, the environment, animal welfare and to prevent corruption.¹

In order to make Incentra's position clear to our suppliers², we have set up this Code of Conduct (hereinafter referred to as "CoC"). This CoC is based on the United Nations Global Compact's principles³, to which Incentra is committed. These guidelines for suppliers have been developed as a complement to our Policy for Responsible Business Conduct. To achieve responsible business conduct we wish to work in close partnership with our suppliers and business partners. Incentra considers collaboration to be a prerequisite for responsible business conduct, and key achievement of the UN Sustainable Development Goals.

Requirements - own business - Incentra

Our policy for responsible business conduct forms the basis for our sustainability work, including the supply chain. We seek to improve our policy and practice when relevant. Our suppliers and partners can expect from Incentra that our purchasing practices strengthen, and do not undermine, their opportunity to deliver on our requirements related to people, society, the environment and animal welfare. Incentra always seek collaboration in order to achieve responsible business conduct.

When this CoC has been communicated to a supplier, it shall be signed as an integral part of the contract entered into between Incentra SA and the supplier in question.

¹ Reference in this Code of Conduct to **Incentra SA** should be understood as the members of Incentra SA and/or any of the members' subsidiaries

² Definitions: **Supplier** is the contractual partner responsible for the product or service supplied to the Incentra members and any of its subsidiaries. **Subcontractors** is a business entity in the supply chain directly or indirectly providing the supplier with goods and/or services integral to and utilized in/for the production of the supplier's goods and/or services.

³ As derived from the International Bill of Human Rights, International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, and made operational by the United Nations Guiding Principles on Business and Human Rights.

1 REQUIREMENTS 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, animals and the environment through collaboration.
- At the request of Incentra be able to document how they, and potential subcontractors, work to comply with the guidelines.
- If the supplier, after several requests, does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.
- Have a system in place to manage complaints related to human rights, labour rights, the environment, animal welfare and corruption.
- Avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

¹ OECD, «*Due Diligence Guidance for Responsible Business Conduct*», 2018.

2 PRINCIPLES AND STANDARDS

These principles for responsible business conduct are based on UN and ILO conventions and provide minimum 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 No. 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 No. 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 No. 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
 - i) the national minimum age for employment, or;
 - ii) 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.
- 3.2. There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.3. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
- 3.4. 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 No. 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 or national law.

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.

11. Environment

11.1. Negative impact on the environment shall be reduced throughout the value chain. In line with the precautionary principle, measures shall be taken to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans, forest and land, and the conservation of biodiversity.

11.2. National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.

12. Corruption

12.1. Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials.

13. Animal welfare

13.1. Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals.

13.2. National and international animal welfare legislation and regulations shall be respected.

3 COMPLIANCE WITH THIS CODE OF CONDUCT - IMPROVEMENTS

3.1 AUDITING AND MONITORING

At the request of Incentra the supplier must be able to document how they, and any potential subcontractors, work to comply with the CoC. This may be done through audit, self-assessment evaluations and follow-up meetings. An auditor appointed by Incentra shall be given access to the records and to other information in order to verify such compliance.

3.2 NON-COMPLIANCE – CORRECTIVE ACTIONS — TERMINATION OF THE CONTRACT

This CoC sets the standard expected to be met by all our suppliers throughout the value chain. If the requirements in this CoC are not met by a supplier, the parties will discuss corrective actions through an open dialogue. The supplier shall do its utmost to implement corrective actions as soon as possible, and it shall inform Incentra about any such actions.

If a supplier is unwilling or unable to carry out corrective actions which Incentra finds necessary in order to comply with this CoC, or the supplier or any of its sub-suppliers has committed a substantial breach or repeated breaches of the requirements in this CoC, Incentra is entitled to terminate the business relationship and any contract with the supplier. Such termination shall be effective from the time stated in a written termination notice from Incentra.

3.3 EVALUATION AND IMPROVEMENTS

Incentra expects that the suppliers continuously and systematically evaluate their compliance with this CoC. We furthermore expect that improvement measures, whenever needed, are implemented by the suppliers. Incentra will also continuously evaluate and, if needed, improve our own policies and purchasing practices to facilitate the suppliers' and their sub-suppliers' compliance with this CoC.