

BAMA's Code of Conduct for Suppliers and Business Partners

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1. INTRODUCTION

Operating sustainably and with respect for people, society and the environment is important for BAMA's business practice. We conduct our business in a responsible and transparent manner, through dialogue with our business partners and with all our relationships founded on honesty and mutual respect. BAMA considers cooperation to be a prerequisite for responsible business conduct and vital for reaching the United Nations Sustainable Development Goals (SDGs). We have therefore drawn up a set of ethical guidelines that we and our employees must abide by. BAMA's internal Code of Ethics and Business Conduct is available from bama.no.

In addition, BAMA has prepared this present code of conduct for our suppliers, business partners and other business associates including their employees, board members and contract staff, as well as third-party consultants engaged by suppliers of goods and services to BAMA. In this document, these undertakings and individuals are referred to collectively as **Suppliers**. All Suppliers are required to abide by BAMA's Code of Conduct for Suppliers and Business Partners. BAMA is a member of Ethical Trade Norway (ETN) and has pledged to comply with ETN's Declaration of Principles, on which the guidelines in this Supplier Code of Conduct are based.

BAMA expects all Suppliers to work purposefully and systematically to comply with the prevailing provisions of its Supplier Code of Conduct, and actively promote them within their own operations and supply chains. Suppliers must also ensure, and be able to document, that their subcontractors, both downstream and upstream, and business partners are working to comply with BAMA's Supplier Code of Conduct or equivalent standards.

BAMA actively performs due diligence assessments in accordance with the OECD's Guidelines for Multinational Enterprises on Responsible Business Conduct¹, and continuously assesses the risk of adverse impacts on people, society and the environment in both its own operations and its supply chain. We follow up all instances where our activities cause or contribute to adverse impacts on people, society or the environment. Through dialogue and cooperation, we will implement and follow up initiatives and, where necessary, seek remediation. If the Supplier is responsible for the adverse impact, the Supplier is also responsible for remedying the situation. BAMA expects its Suppliers to work correspondingly actively with respect to their own due diligence assessments.

In certain cases, national legislation and/or political or cultural circumstances may make it difficult to meet specific standards, or to identify or make contact with all subcontractors. In such cases, Suppliers must seek alternative ways to achieve the established goals, in agreement with BAMA.

2. GUIDELINES FOR SUSTAINABLE BUSINESS PRACTICE – SUPPLIER CODE OF CONDUCT

The ethical guidelines set out in BAMA's Supplier Code of Conduct are based on UN and ILO conventions and set minimum, not maximum, standards. Where national laws and regulations cover the same topics as this Supplier Code of Conduct, the highest standard shall apply.

In connection with their business relationship with BAMA, it is expected that Suppliers comply with all applicable laws and regulations, including, but not limited to, the points listed below. It is further expected that Suppliers notify BAMA if they suspect violation of, or other failure to comply with, the Supplier Code of Conduct in their own or their subcontractors' operations. See Chapter 4 below.

¹ OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

2.1. Forced labour²

No form of forced or involuntary labour shall take place.

Workers must not be obliged to pay a deposit or surrender their identity papers to their employer and must be at liberty to terminate the employment relationship after a reasonable period of notice.

2.2. Trade union membership and collective bargaining³

Without exception, workers must be entitled to join or establish a trade union as they see fit, and to engage in collective bargaining. The employer must not interfere in, prevent or subvert employees' freedom to unionise or collective bargaining processes.

If the employees' right to unionise and/or engage in collective bargaining is restricted by law, the employer must take steps to facilitate and not prevent alternative mechanisms for free and independent organisation and negotiations.

Trade union representatives must not be discriminated against or prevented from performing their union-related tasks, and must have the opportunity to exercise their role as elected representatives of the employees at the workplace.

2.3. Child labour⁴

The minimum working age must not be less than 15 and must comply with

- (i) the national minimum working age, or
- (ii) the minimum school-leaving age, whichever is the higher.

If the local minimum working age is set to 14, in accordance with the ILO convention No. 138's exception for developing countries, this age may be accepted.

The recruitment of new child labourers in contravention of the above-specified minimum age is prohibited.

No one under the age of 18 may perform work that is harmful to their health, safety, moral wellbeing or education. This includes night work. When individuals under the age of 18 perform work, the employer must regularly assess the risks they are exposed to, including any inappropriate strain the work may entail.

An action plan must be drawn up for the rapid phasing out of child labour that violates ILO conventions Nos. 138 and 182. Such action plans must be documented and communicated to relevant members of staff and other stakeholders. Initiatives must be put in place to provide children with the wherewithal to feed and clothe themselves and attend school until the statutory school leaving age.

The Supplier must have on file official documentation (digital or physical) verifying each worker's date of birth. In countries where this is not possible, the Supplier must implement a suitable method for verifying the age of its workers.

² ILO conventions Nos. 29 and 105

³ ILO conventions Nos. 87, 98, 135 and 154

⁴ The United Nations Convention on the Rights of the Child, ILO conventions Nos. 138, 182 and 79, and ILO recommendation No. 146

2.4. Discrimination⁵

Discrimination in the employment relationship⁶ on the basis of ethnicity⁷, caste, religion, age, disability, gender, civil status, sexual orientation, trade union membership/work or political affiliation is prohibited.

Systems must be established to protect employees from sexually inappropriate, threatening, abusive or exploitative behaviour, and from discrimination or unfair dismissal on grounds such as marriage, pregnancy, parental status or HIV infection.

2.5. Brutal or inhumane treatment⁸

Physical maltreatment or punishment, or the threat of physical maltreatment, is prohibited, as is sexual or other types of harassment/abuse and humiliating treatment. Harassment is any unwanted behaviour towards another person that creates a hostile, frightening, humiliating, degrading or offensive working environment, and therefore impacts a co-worker's dignity or mental wellbeing.

2.6. Occupational health, safety and environment (HSE)⁹

Efforts must be made to provide workers with a safe and healthy working environment, with reference to prevailing knowledge about the industry and any known risks. Hazardous chemicals and other substances must be handled safely. Necessary measures must be implemented to prevent and minimise accidents and injuries arising from, associated with or occurring during the work. This must be done by minimising, to the extent possible, the cause of hazards that are a result of or relating to the workplace.

Workers must receive regular and documented health and safety training. Health and safety training must be repeated for new-hires and workers who have been redeployed.

Workers must have access to clean sanitation facilities and clean drinking water. If relevant, the employer must also provide access to facilities for the safe storage and preparation of food.

If the employer provides lodgings, these must be clean, safe, adequately ventilated and with access to clean sanitation facilities, clean drinking water and facilities for the safe storage and preparation of food.

2.7. Pay¹⁰

Pay and other employment terms and conditions for a normal working week must, at the very least, comply with national minimum wage provisions, industry standards and/or generally applied collective agreements, whichever is the highest. Pay levels must always be sufficient to meet the employee's basic needs, including some savings.

Workers' terms and conditions relating to pay and the payment of wages must be agreed in writing before they start work. The agreement must be comprehensible to the worker. Disciplinary action in the form of wage deductions is not permitted.

⁵ ILO conventions Nos. 100 and 111, and the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)

⁶ The employment relationship encompasses the advertisement of situations vacant, recruitment and hiring, redeployment and promotion, training and competence development, pay and employment terms, and the termination of employment.

⁷ Ethnicity means, for example, national origin, descent, skin colour and language.

⁸ International Covenant on Civil and Political Rights, Article 7

⁹ ILO convention No. 155 and ILO recommendation No. 164

¹⁰ ILO convention No. 131

2.8. Working hours¹¹

Working hours must comply with national laws or, if relevant, industry standards or generally applied collective agreements. Working hours must not exceed prevailing international conventions. A normal working week must not normally exceed 48 hours.

Workers must have at least one day off in every seven. Overtime must be limited and voluntary. The recommended maximum amount of overtime per week is 12 hours – in other words, a maximum of 60 hours' work per week. Exceptions to this may be accepted if regulated by a collective agreement or national law.

Workers must always receive an overtime supplement if they work more than normal working hours. The amount payable must, at the very least, comply with the prevailing legislation.

2.9. Requirements with respect to transport

Cabotage and international transport

Suppliers of transport services must familiarise themselves with and comply with relevant rules relating to cabotage, both locally and internationally. Under no circumstances may drivers be ordered to operate vehicles in contravention of the rules on cabotage.

Traffic safety

A driver may not be ordered to operate a vehicle whose condition or cargo puts their lives, or the lives of other traffic users, at risk. Local and international requirements must be met.

2.10. Regulated employment¹²

The requirement to offer regulated employment, in line with international conventions, national laws and regulations, must not be circumvented through the use of short-term engagements (such as the use of contract workers, casual workers or day labourers), subcontractors or other employment relationships.

All workers are entitled to an employment contract in a language they understand.

Apprenticeship programmes must be clearly defined in terms of duration and content.

2.11. Marginalised population groups¹³

The production and exploitation of natural resources must not contribute to the destruction and/or degradation of the resources and sources of income on which Indigenous people or other marginalised population groups rely for their livelihoods. Examples include the appropriation of large swathes of land or the use of water or other natural resources on which these population groups depend.

In the event of conflicts with local communities over the use of land or other natural resources, the parties must, through a process of negotiation, ensure respect for individual or collective rights on the basis of custom and practice. This also applies in cases where such rights have not been formalised.

¹¹ ILO conventions Nos. 1 and 14

¹² ILO conventions Nos. 95, 158, 175, 177 and 181

¹³ International Covenant on Civil and Political Rights, Articles 1 and 2, ILO convention No. 169

2.12. Environment and climate

Adverse impacts on the environment must be reduced along the entire supply chain. In line with the precautionary principle, measures must be implemented to continuously minimise greenhouse gas emissions, local pollution, the use of harmful chemicals and pesticides. The sustainable extraction of resources must be secured, while energy, water, forests, land and ocean spaces must also be managed sustainably and biodiversity conserved.

Suppliers of consumer goods must implement measures to reduce food spoiling/going to waste, both after harvesting and in the supply chain. This also entails ensuring proper waste management. All packaging must be optimised.

Suppliers must strive to make environment-friendly choices throughout the supply chain. This includes transport solutions and seeking to make use of environment-friendly technology. Environment-related national and international laws and regulations must be complied with, and relevant emission permits obtained.

2.13. Animal welfare

Animal welfare must be respected. Animals must be treated well and protected from the risk of unnecessary stress and strain. Measures must be implemented to minimise adverse impacts on the welfare and wellbeing of livestock and working animals.

National and international laws and regulations on animal welfare must be complied with.

2.14. Corruption and bribery

BAMA has zero tolerance for any form of corruption, bribery or facilitation payments. All transactions with BAMA must be regulated by contract, lawful and of a normal commercial nature.

With regard to BAMA, public officials, international organisations or any other third party in the public or private sector, Suppliers must not offer, give, solicit, accept or receive any form of bribe, facilitation payment or improper advantage, benefit or service. This provision may not be circumvented through the use of intermediaries or alternative channels.

In exceptional cases, “courtesy gifts” and advertising merchandise of modest value may be acceptable. Gifts of money or gift tokens that may be converted into cash are never acceptable as “courtesy gifts”. Samples may only be offered if the purpose is to let BAMA examine and learn more about the product. Suppliers are responsible for ensuring that the number of sample units and recipients is appropriate and necessary for the purpose. Samples in excess of this will be defined as gifts and will not be accepted.

Hospitality in the form of meals, social events and entertainment may be offered only in connection with legitimate business activities, must be of limited financial value and kept within reasonable bounds. Travel and accommodation expenses incurred by BAMA’s employees and representatives must always be covered by BAMA.

2.15. Conflict of interest

BAMA expects that Suppliers will immediately disclose and manage situations where there is a real, potential or perceived conflict of interest. For example, a conflict of interest may exist if a person’s personal and/or financial interests run counter to the Supplier’s interests.

2.16. Fair competition

Suppliers must support free and fair competition, and must not enter into, seek to enter into or in any other way participate in agreements, arrangements or activities that would breach prevailing competition laws and regulations. This includes illegal price fixing or illegal market sharing. Suppliers must not disclose competitively sensitive information about BAMA to BAMA's competitors or vice versa.

2.17. Money laundering and tax evasion

Suppliers must refrain from all forms of money laundering, financing of terrorism, tax evasion or other illegal activities. They must take all necessary steps to prevent their own financial transactions being abused by others for the purpose of money laundering, financing of terrorism or tax evasion.

2.18. Sanctions

Suppliers must comply with the EU's rules relating to sanctions (restrictive measures) and other relevant sanctions regulations that may apply to the Supplier's business or the Supplier's deliveries to BAMA. Suppliers must take the steps necessary to avoid violating any such legally binding sanctions regimes.

2.19. Privacy

Suppliers must comply with the prevailing data protection legislation. If the Supplier processes personal data on behalf of BAMA, a written data processing agreement must be entered into.

3. REPORTING (WHISTLEBLOWING) MECHANISMS

Suppliers must establish reporting mechanisms and administrative procedures to enable employees and other affected stakeholders to report suspected wrongdoing and raise their concerns.

Suppliers must make it possible for censurable conditions to be reported without risk of reprisal.

4. MANAGEMENT SYSTEM, DUTY TO DOCUMENT AND DISCLOSE

Suppliers must have satisfactory management systems through which to monitor and document compliance with laws, regulations and guidelines, product quality and other business processes.

Suppliers must be able to document how they are working to comply with the Supplier Code of Conduct, and must be able to produce appropriate information at BAMA's request. This may be achieved through follow-up meetings or by the Supplier submitting written answers to a questionnaire from BAMA within a specified deadline.

Suppliers must notify BAMA immediately if they become aware of any failure to comply with the Supplier Code of Conduct, or any other material changes in the operation's risk assessments relating to matters covered by the Supplier Code of Conduct.

Furthermore, Suppliers must reply to any query from BAMA relating to the goods and services the Supplier delivers to BAMA. This includes queries relating to potential or actual adverse impacts on matters covered by the Supplier Code of Conduct, and how these are being dealt with. Complete and comprehensible answers must be submitted in writing no later than two weeks after BAMA's query has been received. If national law provides legal grounds for denying BAMA's request for information, the Supplier must explain this.

BAMA must also be able to request information about the country of origin of all raw materials/ingredients used in the products BAMA purchases from the Supplier. Each product and its ingredients must therefore be traceable. Upon request, Suppliers must also disclose the name and contact details of their subcontractors and business partners, unless this is prohibited by law or contract.

5. INSPECTIONS AND BACKGROUND CHECKS

Suppliers must make available all the information BAMA needs to ensure that the obligations set out in this Supplier Code of Conduct have been met. They must also facilitate and contribute to audits and checks.

The right to perform checks means that BAMA is also entitled to perform onsite inspections and background checks on the Supplier and those subcontractors and business partners that are involved in the delivery of goods and services to BAMA, to ensure compliance with the Supplier Code of Conduct. It is expected that Suppliers will cooperate in connection with inspections/checks. As far as possible, any onsite inspections must be carried out in normal working hours and after prior written notice has been given.

BAMA may use its own personnel or external consultants to perform such inspections/checks. Suppliers must inform BAMA or its consultants of, and grant them access to, any premises in which the Supplier performs work. They must also produce any documents relevant to this Supplier Code of Conduct. The information and documentation supplied to BAMA or BAMA's external consultants will be used to assess compliance with the Supplier Code of Conduct and to fulfil BAMA's statutory obligations. It will not be used for any other purposes. Suppliers must, furthermore, provide such assistance as is needed to ensure that they or BAMA can perform equivalent inspections and checks on and at the premises of their subcontractors and/or business partners.

6. CONSEQUENCES OF VIOLATING THE SUPPLIER CODE OF CONDUCT

Serious or repeated violation of the Supplier Code of Conduct may be deemed a material breach of contract and entitle BAMA to terminate existing or future contracts with the Supplier concerned and/or terminate the business relationship or other forms of collaboration. However, BAMA may instead choose to continue working with the Supplier with a view to making improvements. This includes the remedy of wrongs suffered by affected parties. Engagement and efforts to satisfy these requirements will be a prerequisite for continued collaboration with BAMA.

7. AMENDMENT

BAMA is at liberty to amend the Supplier Code of Conduct at any time. The prevailing version of the Supplier Code of Conduct will always be available from bama.no

8. CHOICE OF LAW AND DISPUTE RESOLUTION

The choice of law and dispute resolution mechanism applicable to questions concerning compliance with the Supplier Code of Conduct shall be regulated by the contract entered into between BAMA and the Supplier. In cases where the choice of law and dispute resolution mechanism are not contractually regulated, matters relating to compliance with the Supplier Code of Conduct will be governed by Norwegian law and disputes resolved in the ordinary courts of law, with Oslo District Court as the agreed legal venue.