



01.01.03 Policy Sustainable Business Conduct

and Guidelines for Suppliers

Servicegrossistene AS (SG) strives towards responsible business conduct that respects people, society and the environment in our supply chains. We want to do this in close cooperation with our business connections. To clarify what we expect from our suppliers, SG has prepared guidelines for sustainable business practices. The guidelines cover basic requirements for human rights, workers rights, and the environment. The guidelines apply to all members of SG.

SG is a member of Ethical Trade Norway (ETN). is a member based organization and resource center for sustainable trade. As a member, SG commits to actively working with sustainable trade. Due diligence assessments are a risk-based approach to respecting and safeguarding people, society, and the environment in our own business and throughout the supply chain. We expect our suppliers and partners to follow the same approach. SG reports to ETN on the progression in our work with ethical trade and this report is publicly available.

Social and environmental standards will be given weight when choosing new suppliers.

Requirements - own business

SG acknowledges that our business practices can have a potential negative impact on people, society, and the environment. At the same time, we see our potential to contribute to positive development in the supply chain. Based on this, we have prepared the following principles and requirements for our own business:

Due diligence assessments

SG will carry out due diligence assessments for sustainable business practices. That is: carry out our own risk assessments of negative impact on people, society, and the environment, and stop, prevent and reduce such impact. The measures are monitored and the effect of them is assessed, and communicated to those affected. Where our activities cause or contribute to negative impact on people, society, or the environment, we will stop this activity, and we will seek to restore the damage. Where the supplier is responsible for the negative impact/damage, the supplier is also responsible for restoration.

Responsible purchasing practices

SG considers responsible purchasing practices as one of our most important tools in the work for sustainable business practices. SG will adapt our own purchasing practices so that we strengthen, and do not undermine, suppliers ability to deliver on the requirements we set to ensure good conditions for people, society, and the environment. We will strive for long-term supplier relationships with suppliers who show particular willingness and ability to work with positive development in the supply chain.

Free trade union organization and worker representation

SG supports the right to free trade union organization and other forms of democratically elected worker representation. We will involve worker representatives and other relevant stakeholders in our work with sustainable business practices.

Supplier development and partnerships

In dialogue with suppliers, we will, if necessary, consider contributing with relevant competence enhancement or resources that enable our suppliers to comply with SG requirements for conditions in the supply chain. In this way, we lay the

foundation for good cooperation with suppliers who show particular willingness and ability to work with positive development for people, society, and the environment in the supply chain.

Anti-corruption

SGs policy for corruption, fraud, and other legal offenses does not allow employees to offer or receive illegal or unjust monetary gifts, or other remuneration to achieve business or private benefits for themselves, or benefits for customers, agents, or suppliers.

Countries under trade boycott

SG, including our suppliers and partners, should avoid trading partners who have activities in countries that are subject to trade boycott by the UN and/or Norwegian authorities.

Requirements conditions 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.
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of (companys name) 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 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.

Expected follow-up

At the request of SG the supplier must be able to document how they, and any potential subcontractors, work to comply with the Guidelines for Suppliers. This may be done through follow-up meetings and/or mapping of conditions in the supply chain. Should SG request an assessment of subcontractors compliance with the Guidelines, the supplier is required to provide the name and contact details of subcontractors.

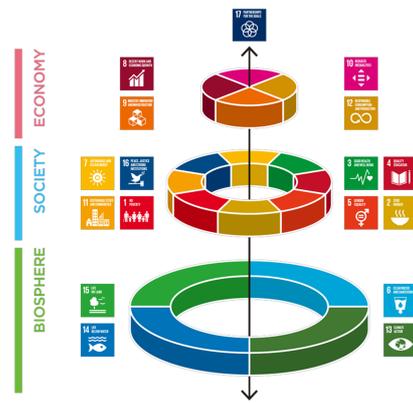
If the supplier, after repeated inquiries, does not show willingness or ability to comply with supplier guidelines, termination of the contract may occur.

Goals

Through mapping and evaluation, influence our suppliers to take responsibility throughout the entire value chain in accordance with our ethical guidelines.

1. Compliance with the principles of the UNs Global Compact
2. At a minimum, have ethical guidelines that cover:
 1. Human rights
 2. Working conditions
 3. Environment
 4. Anti-corruption
3. Accept SG Principles for responsible business conduct (Code of Conduct).

- All contract suppliers must accept SG Ethical Guidelines.



Principles for responsible business conduct (Code of Conduct)

These principles for responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum 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. There shall be no forced, bonded or involuntary prison labour.
 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)
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. Workers representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.
 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)
1. The minimum age for workers shall not be less than 15 and comply with
 1. the national minimum age for employment, or;
 2. 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.
 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. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
 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)
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.
 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)
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)

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.
 2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.
 3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
 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)
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.
 2. All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.
 3. Deductions from wages as a disciplinary measure shall not be permitted.
8. Working Hours (ILO Convention No. 1 and 14)
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.
 2. Workers shall be provided with at least one day off for every 7 day period
 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.
 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)
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.
 2. All workers are entitled to a contract of employment in a language they understand.
 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)
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
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.
 2. National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.
12. Corruption
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
1. Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals.
 2. National and international animal welfare legislation and regulations shall be respected.

Date:

Suppliers signature: