



Ethical trading guidelines for suppliers and other business partners – TINE SA

Updated June 2022.

TINE SA and its subsidiaries (hereinafter TINE) strive for sustainable business practices that respect people, society and the environment and have therefore prepared a code of conduct for TINE's supplychain and business partners¹ (collectively ²**Suppliers**) as a complement to our own policy. To ensure sustainable business practices, we want to work closely with our suppliers. TINE is a member of the Ethical Trade Initiative (IEH) and is committed to complying with IEH's declaration of principles, on which we base our guidelines.

TINE expects all Suppliers to work systematically to comply with the guidelines as they apply at all times, and to actively promote such guidelines in their own operations and supply chains. Suppliers must therefore ensure that their own subcontractors also follow the guidelines, including all subcontractors in their value chain, and their business partners.

National legislation, political or cultural circumstances, may in some cases make it difficult to meet certain standards or to identify or get in contact with all subcontractors. In such cases, the Suppliers must look for alternative ways to achieve the goals, in agreement with TINE.

1. GUIDELINES FOR RETNINGSLINJER FOR SUSTAINABLE BUSINESS PRACTICE – CODE OF CONDUCT

Headlines

The guidelines for sustainable business practices are based on UN and ILO conventions, and specifies minimum and not maximum standards. The legislation at the production site should always be respected. Where national laws and regulations cover the same topic as these guidelines, the highest standard shall apply.

¹ By TINE's supplier knowledge is meant TINE's suppliers and any subcontractor thereof, as well as their business partners as long as their input factors (raw materials, components, services, as well as transport and other) are included in the production of goods or services to TINE.

² By business partner means anyone who delivers goods and services directly to TINE, but not is covered by the definition supply chain because it does not deliver goods and services included in TINE's production, but is connected to TINE's operations in other ways.



Forced labor/slave labour³

There shall be no form of forced labour, slave labour or involuntary labour.

Workers shall not be required to submit deposits or identity papers to their employer and shall be free to terminate their employment with a reasonable notice period.

Freedom of trade association and collective bargaining⁴

Workers shall with no exception have the right to join or establish unions as they wish, and to bargain collectively. If the right to free organisation and/or collective bargaining is restricted by law, the employer shall facilitate and not impede alternative mechanisms for free and independent organisation and negotiation. The employer shall not interfere with, obstruct or oppose trade association or collective bargaining.

Trade union representatives shall not be discriminated or prevented from carrying out their trade union work.

Child labour⁵

The minimum age of workers shall not be less than 15 years and in line with the national minimum age for employment, or; minimum age for compulsory education, with the highest age as applicable. If the local minimum age is set at 14 years in accordance with the exception in ILO Convention 138, this can be accepted.

New recruitment of child workers in violation of the mentioned minimum age shall not take place.

Children under the age of 18 shall not perform work that is detrimental to their health, safety or morals, including night work.

Action plans shall be established for the swift phasing out of child labor contrary to ILO Conventions 138 and 182. The action plans shall be documented and communicated to relevant staff and other stakeholders. Support schemes shall be facilitated where children are given the opportunity to study until the child is no longer of school age.

³ ILO Conventions 29 and 105

⁴ ILO Conventions Nos. 87, 98, 135 and 154

⁵ United Nations Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, ILO Recommendation No. 146



Discrimination⁶

There shall be no discrimination in employment, remuneration, training, promotion, dismissal or retirement based on ethnicity, caste, religion, age, disability, gender, marital status, sexual orientation, trade union work or political affiliation.

Protection shall be established against sexually intrusive, threatening, abusive or exploitative behaviour, and against discrimination or dismissal on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

Brutal treatment⁷

Physical abuse or punishment, or the threat of physical abuse is prohibited. The same applies to sexual or other abuse and other forms of humiliation.

Health, Safety and Environment⁸

Efforts shall be made to ensure workers a safe and healthy working environment. Hazardous chemicals and other substances must be handled properly. Necessary measures shall be taken to prevent and minimise accidents and damage to health as a result of, or related to, conditions in the workplace.

Workers should receive regular and documented training in health and safety. Health and safety training shall be repeated for new employees and relocated workers.

Workers should have access to clean sanitation facilities and clean drinking water. Where applicable, the employer shall also provide access to facilities for safe storage of food.

If the employer offers lodging, this must be clean, safe, adequately ventilated and with access to clean sanitary facilities and clean drinking water.

Wages⁹

Wages to workers for a normal working week shall at least be in line with national minimum wage regulations or industry standards, the highest applies. Wages should always be sufficient to cover basic needs, including some savings.

⁶ ILO Conventions Nos. 100 and 111 and the UN Convention on discrimination against women

⁷ Universal Declaration of Human Rights /UDHR

⁸ ILO Convention No. 155 and Recommendation No. 164

⁹ ILO Convention No. 131



Salary conditions and payment of wages must be agreed in writing before work commences. The agreement should be understandable to the worker.

Deductions from wages as a disciplinary action are not permitted.

Working hours¹⁰

Working hours shall be in accordance with national laws or industry standards, and not exceed working hours in accordance with applicable international conventions. Normal working hours per week should usually not exceed 48 hours.

Workers should have at least one day off per 7 days.

Overtime should be limited and voluntary. The recommended maximum overtime is 12 hours per week, i.e. total working hours of 60 hours per week. Exceptions to this may be accepted if regulated by a collective agreement or national law.

Workers shall always receive overtime pay for working hours over and above normal working hours, at least in accordance with applicable laws.

Regular employments

Obligations towards workers, in line with international conventions, national laws and regulations on regular employment, shall not be circumvented through the use of short-term contracts (such as contract workers, casual workers and day labourers), sub-contractors or other labour relations.

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

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

Marginalized populations

The production and use of natural resources shall not contribute to destroying the resource and income base for indigenous peoples or other marginalised population groups, for example by seizing large areas of land, irresponsible use of water or other natural resources on which the population groups depend.

¹⁰ ILO Conventions 1 and 14



Environment and climate

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

National and international environmental legislation and regulations shall be complied with and relevant emission permits obtained.

Animal welfare

Animal welfare must be respected. Measures should be taken to minimise negative impacts on the welfare of farmed and working animals.

National and international animal welfare legislation and regulations must be observed.

Corruption

All forms of bribery are unacceptable, such as the use of alternative channels to ensure illegitimate private or work-related benefits to customers, agents, contractors, suppliers or their employees, and government officials/women.

Money laundering

It shall be refrained from all forms of money laundering and appropriate steps shall be taken to prevent financial transactions from being used by others to launder money or finance terrorism.

Trade sanctions

Relevant trade sanctions shall be observed. Avoid trading partners who have activities in countries or who are themselves subject to trade boycotts or sanctions by the UN, Norwegian authorities and/or other relevant authorities.

Competition



Applicable competition laws and regulations must be complied with.

Privacy

Applicable data protection and privacy laws shall be complied with.

2. DUE DILLIGENCE

As a purchaser of products and services, TINE is obliged on an ongoing basis to carry out due diligence assessments of fundamental human rights, decent working conditions, the environment and anti-corruption in ¹¹ its own operations and in the supply chain. A similar duty is imposed on TINE's Leverandører.

Due diligence shall be carried out in accordance with the UN Guiding Principles on Business and Human Rights (UNGPR) and the OECD Guidelines for Multinational Enterprises. This entails requirements for TINE's suppliers to:

- Anchor accountability related to fundamental human rights, decent working conditions, environment and anti-corruption in internal policies and management systems. The supplier shall, as a minimum, have:
 - A Code of Conduct or equivalent documents in its own operations and in the supply chain formally adopted and endorsed by management, which minimum include TINE's Supplier Guidelines.
 - At least one employee on management level who is responsible for ensuring that the guidelines are followed up and complied with in the company.
 - Written procedures for making the guidelines or similar documents known to subcontractors and business contacts that are part of the supply chain for the production of goods and services to TINE.
 - Routines for all stages of the due diligence, such as having a system in place to deal with complaints related to fundamental human rights, decent working conditions, environment and anti-corruption.
- Identify and assess actual and potential negative consequences for fundamental human rights, decent working conditions, the environment and anti-corruption that the business has either caused or contributed to, or that are directly linked to the enterprise's business activities, products or services through supply chains or business partners.

¹¹ Basic human rights refer to the internationally recognised human rights arising from among other things. United Nations Convention on Economic, Social and Cultural Rights from 1966, the International Covenant on Civil and Political Rights of 1966 and the ILO's core conventions on fundamental rights and principles at work.



- Implement appropriate measures to stop, prevent or limit negative consequences based on mapping and assessing risk, as well as proportionality.
- Monitor and evaluate the effect of measures taken.
- Communicate with affected stakeholders and rights holders about how negative impacts have been handled.
- Provide, or cooperate on, recovery and replacement for adverse impacts where required. Where the Supplier is responsible for the negative impact/damage, the Supplier is also responsible for recovery/replacement.

3. INFORMATION DUTYS

If the Supplier becomes aware of non-compliance with the guidelines for sustainable business practices in point 1, including negative consequences on fundamental human rights, decent working conditions, the environment and anti-corruption in its own operations or in the subcontractor chain, or otherwise significant changes in the company's risk assessments related to fundamental human rights, decent working conditions, the environment and anti-corruption, the Supplier shall report this to TINE immediately.

To ensure that TINE is able to carry out an assessment of the Supplier in accordance with the policy for TINE's own operations and applicable legislation, the Supplier must be able to document how itself, and possibly its subcontractor chain and/or business partners, work to comply with the Guidelines. This can be done through follow-up meetings or through the Supplier answering TINE's list of questions within a specified deadline if TINE so requests. The Supplier shall answer the list of questions truthfully and thoroughly.

Should TINE request an assessment of any subcontractors' and business partners' compliance with the guidelines beyond what has been received from the Supplier, the supplier is required to provide the name and contact information of subcontractors and business partners, unless this is not permitted by law or agreement.

The Supplier shall also respond to any inquiries from TINE relating to the goods or services the Supplier delivers to TINE, including questions relating to potential or actual negative impact on fundamental human rights, decent working conditions, the environment and anti-corruption, and how this is handled. Written, understandable and supplementary answers must be given no later than two weeks after the request has been received from TINE. If national law provides a legal basis for refusing the information request from TINE, the Supplier shall justify this.

It is clearly stated that Suppliers shall make sure that their subcontractors and business partners comply with these Guidelines, including but not limited to the due diligence duty and information duties as set out in the Guidelines.

4. CONTROL



The supplier accepts that TINE shall have the right to conduct revisions of the Supplier and its subcontractors and business partners to ensure compliance with these guidelines. Any revisions shall, as far as possible, be carried out within normal working hours and after written prior notice.

When carrying out such revisions, TINE may use its own personnel or external consultants. The supplier shall provide access to and inform TINE or its consultants of any premises where the Supplier performs work, and provide documents relevant to these guidelines. The information and documentation submitted to TINE or TINE's external consultants will be used to assess compliance with the guidelines and to fulfil TINE's statutory duties, and shall not be used for other purposes. A Supplier shall also assist to enable TINE or the Supplier to carry out similar revisions on its subcontractors and/or business partners.

5. VIOLATION CONSEQUENCES

In the event of serious or repeated breaches of these guidelines, TINE will have the right to terminate the relevant contract with the Supplier/or terminate business relationships or other forms of cooperation. However, TINE may choose to continue the cooperation with the Supplier with a view to making improvements, including that affected parties are restored.