



Supplier Code of Conduct

The need for a Code of conduct

At HAVILA, we strive to ensure that our commitment to business integrity is reflected in our supply chain and in our relationship with business partners.

To clarify the expectations we have for our suppliers in this work, HAVILA has created the following code of conduct for ethical business. The code of conduct covers basic requirements for human rights, workers' rights and the environment, and is based on the Universal Declaration of Human Rights, and UN Global Compact's 10 principles for sustainable development. The fundamental aim behind this code of conduct is to act in the best interests of people and the environment.

The principles contained in the Supplier Code represent a summary of the integrity requirements that suppliers must comply with. The Supplier Code is to be read in conjunction with the contract entered into with the supplier, which may contain further requirements and guidelines on the business integrity issues covered by the Supplier Code.

The supplier must ensure that any sub-supplier, agent or other business partner who helps fulfil the contract, adhere to the principles of the code, and that the sub-supplier is obligated to communicate the obligations further throughout the whole supply chain. The supplier must establish adequate procedures to follow-up and audit its sub-suppliers.

The basis of our Code of conducts

We recognize that our business affects working and environmental conditions of our suppliers. We believe that long-term cooperation and continual improvement with our suppliers can create lasting changes in our supply chain and provide business advantages for both our suppliers and ourselves.

HAVILA's cooperation with suppliers should be based upon confidence, honesty and respect, and all parties should maintain an open and constructive dialogue in their collaboration.

All information from suppliers shall be treated confidentially by HAVILA, our employees and any third parties except if HAVILA is obligated to give information through law.

HAVILA's Code of conduct applies to all aspects of our business, all our suppliers and our business partners.

Social and environmental standards will be emphasized in our selection of new suppliers.

How to work with our Code of conduct

Our suppliers shall supply goods and services to HAVILA which have been produced in accordance with the code of conduct. Suppliers shall disclose and monitor compliance with the code of conduct with their sub-contractors.

A supplier must be able to document compliance with the code of conduct at HAVILA's request. Such documentation may take the form of self-declaration, follow-up meetings, and/or inspections of the working conditions at production sites. The supplier will be obliged to name and provide contact information for any sub-contractor that HAVILA wishes to inspect.

In the event of a breach of the code of conduct, the supplier shall inform HAVILA as quickly as possible so that HAVILA and the supplier can jointly prepare a plan for remedying the breach. The situation

should be remedied without undue delay. The contract may be terminated if the supplier remains unwilling to remedy the breach following repeated enquiries.

HAVILA and its suppliers shall avoid partners that operate in countries subject to international boycott by the international community.

HAVILA will continue to work on improving their own policy and practice and we will engage in regular dialogue with our suppliers to create improvements.

What we require of our suppliers

1. Sustainability

Suppliers shall operate in an environmental and socially sustainable manner.

2. Climate

Suppliers shall continuously seek to maintain a low climate footprint.

3. Environment

Suppliers must comply with international and national environmental legislation, standards, and discharge permits. Chemical and other hazardous substances are to be identified, managed, and disposed of safely and in accordance with the mentioned legislation.

Suppliers shall report on their environmental performance when asked. Such a report could include potential risks and future plans to limit environmental footprint.

4. National legislation and human rights

Suppliers must follow applicable and relevant national legislation as well as the United Nations Guiding Principles on Business and Human Rights.

Suppliers shall support and respect, within their sphere of influence, the human rights expressed in the International Bill of Human Rights¹ and the ILO core conventions². These encompass economic, social and cultural rights, civil and political rights, and fundamental principles and rights at work³.

5. Labour rights and standards

5.1 Child labour

Suppliers shall not engage in child labour or any work that deprives a child of its childhood, potential, dignity or that is harmful to its physical or mental health or development. Suppliers shall not employ or use a child as workforce if it is under the age of 15 or a higher age prescribed in applicable laws, in which case the higher age shall apply. Exceptions can only be made for light work or training if acceptable according to by the ILO Minimum Age Convention (C138). Under no circumstances shall Suppliers let a child under the age of 18 perform hazardous work, including work likely to jeopardize their health, safety or development.

¹ The Universal Declaration of Human Rights of 1948 and the two Covenants on Economic, Social and Cultural Rights and Civil and Political Rights of 1966.

² The ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work. They pertain to forced labour, child labour, freedom of association and collective bargaining, and discrimination.

³ A comprehensive list of rights and how they might be relevant to business enterprises can be found at: www.ungpreporting.org/resources/how-businesses-impact-human-rights/.

Where young workers (below 18) are subject to compulsory education laws, they may work only outside school hours.

Where child labour occurs, the supplier shall develop programmes that provide for the transition the child to be enable her or him to attend and remain in quality education until no longer a child.

5.2 Freedom of association and the right to collective bargaining

Suppliers shall ensure and recognise the right of free association and, where a significant proportion of the workforce agrees, collective bargaining of employees. Suppliers shall not discriminate against employees' representatives or members of trade unions, which shall also have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining are restricted under national law, suppliers shall allow employees to freely elect their own representatives.

5.3 Forced labour

Suppliers shall not use forced or compulsory labour. Suppliers shall ensure that the work carried out by the workforce is freely chosen and free from threats.

Furthermore suppliers shall ensure that all employees are free to leave their employment after serving an appropriate and reasonable notice.

5.4 Employment conditions

Wages paid for a normal work week shall always meet the legal or industry minimum standards.

Wages shall in any instance be sufficient to meet the basic needs of personnel and to provide some discretionary income.

In compliance with relevant national and local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates.

Deductions from wages shall not be permitted as a disciplinary measure.

The basis on which workers are paid is to be specified in a timely manner via a pay stub or similar documentation.

Furthermore working hours should not exceed the maximum set by relevant national and local law, and overtime work shall be limited and voluntary.

Obligations to employees under international conventions, relevant national law and regulations concerning ordinary employment shall not be avoided through the use of short-term contracting or other labour relationships.

Before entering employment all workers shall be provided with a written contract outlining their wage conditions and method of payments in a language they understand.

5.5 Freely chose employment

No worker shall be required to lodge government-issued identification, passports or work permits to the supplier or labour agent as a condition of employment.

6. Equality, diversity and respect

Suppliers shall work actively to create a working environment characterised by equality, diversity and mutual respect. Employees or others involved in the performance of the contract with HAVILA shall be selected and treated in a manner that does not discriminate with regard to gender, race, religion, age, disability, sexual orientation, nationality, social or ethnic origin, political opinion, union affiliation or

any other ground. Suppliers are required not to tolerate any form of discrimination or harassment in any of their workplaces.

7. Health, safety and security

Suppliers shall work actively for an injury-free and healthy working environment and to promote an open and proactive health and safety culture.

Suppliers shall plan and act to prevent injuries and work systematically to manage risks.

Suppliers shall also to the best of their ability protect their employees from being harmed from factors outside of their control, such as natural disasters and security threats. Protection from security threats must be proportional to the threat itself.

Suppliers must ensure clean and appropriate facilities for its workers, including clean toilet facilities, water fit for human consumption and eating facilities. If housing is provided or arranged, it shall meet host country safety standards.

8. Anti-corruption

Suppliers shall not tolerate and shall work against corruption in all its forms in the public and private sector. They shall not offer, request, give, accept or receive bribes or other improper advantages for business or private gain, whether directly or indirectly, for themselves or for others.

9. Business courtesies, gifts, hospitality and expenses

Suppliers shall prohibit the offer or acceptance of business courtesies – gifts, hospitality, expenses or any benefit – where they could constitute, or appear to constitute, an undue influence. Suppliers shall exercise increased caution when business courtesies involve public officials.

Furthermore suppliers shall not, directly or indirectly, offer gifts to HAVILA employees or representatives or anyone closely related to these, unless the gift is modest, and the time and place is appropriate. Hospitality, such as social events, meals or entertainments may be offered if there is a business purpose involved, and the cost is kept within reasonable limits. Travel expenses for the individual representing HAVILA shall be paid by HAVILA. During a contract negotiation, bidding or awarding period, all hospitality, gifts or expense coverage must be avoided, irrespective of value.

10. Sanctions

Suppliers shall not have business or dealings with a sanctioned country, group, organisation or individual.

11. Fair competition

Suppliers shall apply high commercial ethical standards and compete within the framework of competition rules in the markets where they operate. No supplier shall be part of any illegal price cooperation, illegal market sharing or other practice in violation of applicable competition laws.

12. Accuracy of records

Suppliers are committed to transparency, verifiability and accuracy in their dealings, while respecting their confidentiality obligations. All accounting information must be correct, registered, and recorded in accordance with laws and regulations.

13. Money laundering

Suppliers shall not take part in any form of money laundering and ensure that financial transactions are not used to launder money.

14. Confidentiality

Suppliers shall keep confidential and not misuse any information about HAVILA of a confidential nature, as may be further specified in the contract between HAVILA and the supplier.

15. Conflict of interest

Suppliers shall avoid all conflicts of interest while working for HAVILA. A conflict of interest occurs when a representative of a supplier seeks to further his/her personal interest, or that of a friend or relative, due to his/her position as a representative of the supplier.

16. Political contributions and activities

Suppliers shall not sponsor political parties or politicians in connection with the contract entered into with HAVILA.

17. Protection of property and assets

Suppliers are responsible for safeguarding and appropriately using HAVILA's assets while in their possession. HAVILA's assets must not be used for any personal benefit.

18. Intoxicating substances

While at work for HAVILA, suppliers are not permitted to be under the influence of intoxicating substances, including alcohol and drugs.

19. Information security and personal data protection

We expect suppliers who have access to sensitive information to actively protect this information against the unauthorized access, use, disclosure, disruption, modification, inspection, recording and destruction. They are therefore expected to either establish own relevant information security policies and procedures or comply with HAVILA's policies and procedures for information security, through training or familiarization, as appropriate. We also expect suppliers to comply with any relevant laws and regulations on Personal Data Protection.

20. Implementation and enforcement

20.1 Adequate procedures

The Supplier shall ensure sufficient and adequate procedures to detect and prevent breach of the principles set out in this Code of Conduct, both within the company and with regard to its sub-suppliers. This should also include performing due diligence to detect actual and potential negative impacts on human rights, labour rights, environment or business integrity within the company and with regard to its sub-suppliers.

20.2 Reporting

The Supplier shall, upon request, report on the current situation relating to human rights, labour rights and other subjects covered in the Code of Conduct, as well as potential risk factors detected in the due diligence performed by the supplier. The report should contain information on the supplier as well as any sub-supplier.

20.3 Audits

We will reserve the right to carry out audits of suppliers and expect the supplier to cooperate in an open manner.

HAVILA shall have unlimited access to any part of the premises where work under a contract is being performed, as well as books, records, and data. The supplier should also ensure the same access to any sub-contractor’s premises.

20.4 Duty to notify

Suppliers shall have an internal mechanism for reporting and handling concerns or breaches of the Supplier Code.

In the case of a suspected, potential or actual breach HAVILA should be given access to any document which may be relevant to determine whether such a breach has occurred and to assess the situation.

Suppliers shall not use any retaliatory measures against anyone for raising or helping to address a genuine business integrity concern.

20.4 Duty to act

The supplier is required to take all steps necessary, or reasonably requested by HAVILA, to ensure that a breach is properly handled. Similar duties shall be taken where a suspicion or potential risk of breach is detected.

20.4 Indemnity

The supplier must indemnify and hold Havila harmless from and against any claims, damages, liabilities (including fines or legal fees), losses, penalties, costs and expenses arising from or related to, any breach of the Code of Conduct.

Where to look for advice

If suppliers are or become unsure about the meaning of any part of the Supplier Code or about the proper course of action in accordance therewith, they shall seek advice and raise the matter with their contact person in HAVILA.

Where to report concerns or breaches of the Supplier Code

We encourage our suppliers who believe that a HAVILA employee, or anyone acting on behalf of HAVILA, has engaged in illegal or otherwise improper conduct, to report the matter to us. This also applies to any potential violation of this Code and any grievances within the company. Reports may be made through our integrity channel. Contact details are published on our website. Phone email and system.

Reporting of concerns can be made anonymously to the Whistleblowing Channel available at <https://www.havila.no/> and managed by ComplyLog.

I hereby confirm that I have read and understood HAVILA’s code of conduct and agree to abide by this.

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Company name

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Name (Block capitals) Signature Date