

SOLBERG & HANSEN

KAFFE — TE

Supplier Code of Conduct

INTRODUCTION

Solberg & Hansen is aware of its social responsibility and our objective is to combine sound business operations with social and environmental responsibility. An important aspect of social responsibility is the working situation for the workers taking part in the production of the products sold by Solberg & Hansen.

Based on our commitment we have set up the Solberg & Hansen Supplier Code of Conduct to make our position clear for all our suppliers, for our own staff and for other partners. Our Code of Conduct contains internationally recognised labour-and environment requirements, as well as other ethical requirements.

Companies trading with Solberg & Hansen shall comply with the Solberg & Hansen Supplier Code of Conduct. Solberg & Hansen also expects our suppliers to ensure that all subcontractors involved in the production of products sold to Solberg & Hansen are in compliance with our Supplier Code of Conduct.

If non-compliances occur, we expect corrective actions to be taken within a reasonable time frame agreed upon between the supplier and Solberg & Hansen. In the case of repeated failures or if the supplier is unwilling to carry out corrective actions, Solberg & Hansen will consider termination of its business relationship with the supplier.

Our goal is to influence the work for respect for Human & Labour Rights and environmental protection both within the company and towards our business partners.

As a general rule the supplier and the supplier's subcontractors must follow their respective national laws. Should the provisions of national law and the requirement of our Supplier Code of Conduct differ, the highest standard shall apply.

CONDITIONS AT THE WORKPLACE

1. Forced labour/slave labour (*ILO Conventions Nos. 29 and 105*)
 - 1.1. No form of forced labour, slave labour or involuntary labour shall take place.
 - 1.2. Employees shall not be required to pay a deposit or surrender their identity papers to an employer, and they shall be free to terminate a work contract after a reasonable period of notice.

SOLBERG & HANSEN

KAFFE — TE

2. Freedom of Association and Collective Bargaining (*ILO Conventions Nos. 87,98, 135 and 154*)
 - 2.1. Employees shall without exception have the right to join or establish trade unions by their own choice, and to bargain collectively.
 - 2.2. The employer shall not discriminate against trade union representatives or prevent them from doing trade union work.
 - 2.3. If such rights are limited by law, the employer shall facilitate, and in no way hinder, parallel mechanisms for free and independent association and bargaining.

3. Child labour (*UN Convention on the Rights of the Child, ILO Conventions Nos.79, 138, 182 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 Nos. 100 and 111 and the UN Convention on Discrimination Against Women*)
 - 4.1. There shall be no discrimination in working life based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, trade union membership or political affiliation.
 - 4.2. Measures shall be established to protect employees 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.
 - 4.3. All workers with the same experience and qualifications shall receive equal pay for equal work.

5. Harsh or inhumane treatment
 - 5.1. Physical abuses or punishment or the threat of physical abuse shall be prohibited. The same applies to sexual or other abuse, and to other types of humiliation.

SOLBERG & HANSEN

KAFFE — TE

6. Occupational health and safety (*ILO Convention No. 155 and ILO Recommendation No. 164*)
 - 6.1. The working environment shall be safe and conducive to good health, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Necessary measures shall be implemented to prevent and minimise accidents, injuries and damage to health as a result of or related to conditions at the workplace.
 - 6.2. Employees shall receive regular, documented health and safety training. Health and safety training shall be repeated for new employees.
 - 6.3. Employees shall have access to clean sanitary facilities and clean drinking water. If necessary, the employer shall also ensure access to facilities for safe food storage.
 - 6.4. If the employer provides accommodation, it shall be clean, safe and adequately ventilated, and have access to clean sanitary facilities and clean drinking water.

7. Wages (*ILO Convention No. 131*)
 - 7.1. Employees' wages shall at least be in accordance with national provisions concerning minimum wages or industrial standards, whichever is higher. Wages should always be enough to cover fundamental needs, including some discretionary income
 - 7.2. Wages, as well as the modalities of how and when wages are to be paid, shall be agreed in writing before work begins. The contract shall be comprehensible to the employee.
 - 7.3. It is prohibited to use wage deductions as a disciplinary measure.

8. Working hours (*ILO Convention No. 1 and 14*)
 - 8.1. Working hours shall be in accordance with national legislation or industrial standards and shall not exceed the working hours laid down in current international conventions. Weekly working hours should not on a regular basis be more than 48 hours.
 - 8.2. Employees shall have 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 is accepted when regulated by a collective bargaining agreement.
 - 8.4. Employees shall always receive overtime pay, as a minimum in accordance with current legislation.

9. Regular employment
 - 9.1. Obligations to employees in accordance with international conventions and/or national legislation and regulations concerning regular employment shall not be

SOLBERG & HANSEN

KAFFE — TE

avoided by using short-term contracts (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.

9.2. All employees are entitled to a job contract written in a language they understand.

9.3. The duration and content of apprenticeship programmes shall be clearly defined.

CONDITIONS OUTSIDE THE WORKPLACE

10. Use of resources and impact on the local community

10.1. No form of environmental criminal activity or ruthless exploitation of resources shall take place in the local environment.

10.2. The local environment at the production site shall not be excessively exploited or degraded by pollution. Hazardous chemicals and other harmful substances shall be carefully managed.

10.3. In cases of conflict with local communities concerning the use of land or other natural resources, the parties shall, through negotiation, ensure respect for individual and collective rights to land and other resources based on common custom or tradition, including in cases where such rights have not been formally registered.

10.4. Production and the extraction of raw materials for production shall not contribute to the destruction of the resource and income base for marginalised population groups, for example by laying claim to large land areas or other natural resources upon which such population groups depend.

ENVIRONMENT AND ANIMAL WELFARE

11. National and international environmental legislation and regulations

11.1. Production shall not conflict with national or international environmental legislation and regulations.

11.2. Necessary emission and discharge permits shall be obtained where required.

11.3. Measures to minimize adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimizing pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimizing greenhouse gas emissions in production and transport. The local environment at the production site shall not be exploited or degraded.

12. Animal Welfare

12.1. When manufacturing products stemming from animals, considerations to animal welfare shall be taken in the entire value chain.

CORRUPTION

13. Corruption

SOLBERG & HANSEN

KAFFE — TE

13.1. 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.

In some cases, political or cultural circumstances may make it difficult to comply with certain standards or to obtain the identities of or contact with all subcontractors. In such cases, Solberg & Hansen will be open to discuss an alternative approach.

Date: Place:

Please sign here: