

Coop Norge SA's ("Coop") ethical guidelines for suppliers and partners (the "Guidelines")

Coop shall be a responsible purchaser and conduct its business in a responsible way, and Coop shall therefore seek to promote decent working conditions, human rights, and reduce environmental impact in its value chain.

Our social responsibility concerns the rights, health, decency and safety of workers and local societies involved in all of our supply chains. Our environmental responsibility concerns measures to preserve natural resources, including sustainable use of natural resources in our supply chain. Our ethical responsibility means honest and fair business conduct throughout the supply chain.

The Guidelines are adopted on the basis of Ethical Trade Norway's principles for sustainable business practices. These principles adopt current legislation, international conventions, declarations and guidelines for companies and global value chains, including the UN's guiding principles for business and human rights (UNGPs), the International Labor Organization's (ILO) conventions and recommendations, the UN Global Compact, the OECD guidelines for multinational companies and UN's Sustainable Development Goals (SDG).

These Guidelines sets out Coop's requirements for all of Coop's suppliers, business partners and collaboration partners, collectively referred to as "suppliers". By contracting with Coop, all suppliers undertake to comply with the Guidelines themselves. The suppliers also undertake to ensure that these Guidelines are complied with accordingly by their direct and indirect subcontractors. In this way, the Guidelines will affect the entire value chain.

1. Compliance with applicable regulations

The supplier must comply with all applicable legislation at all times as well as internationally recognised conventions. In cases where one or more sets of rules and/or the Guidelines regulate the same matter, the strictest shall apply.

2. Responsible procurement and Production

The supplier shall ensure that goods and services delivered to Coop are produced and delivered in accordance with these Guidelines.

The supplier must carry out due diligence assessments in accordance with the Guidelines, including in accordance with the Transparency Act and the OECD's Guidelines for Multinational Companies.

In case of a breach, or a qualified suspicion of a breach of, these Guidelines then supplier shall notify Coop.

3. Compliance in the Supply Chain

The supplier shall ensure that the supplier itself, and its direct or indirect sub suppliers, commit to, and comply with, these Guidelines or other guidelines with similar and adequate obligations.

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Hereunder shall contract workers, day laborers, casual workers and migrant workers be informed of and trained in ethical principles corresponding to these Guidelines.

4. Auditing

For a supplier situated in or delivering a product that undergoes processing¹ or which is cultivated (e.g. fresh produce and vegetables) in an amfori BSCI defined risk country² it is required that the site of processing or primary production has a valid amfori BSCI audit, or a valid audit pursuant to one of the following standards:

- Social Accountability International (SAI) Member companies (SA8000)
- Global G.A.P. Risk Assessment on Social Practice (Global G.A.P. GRASP)
- Initiative for Compliance Sustainability (ICS)
- MPS-Socially Qualified (MPS-SQ) on farm level
- Sustainability Initiative of South Africa (SIZA)
- Sedex Members Ethical Trade Audit (SMETA), 4 pillar and annual audits
 - Exclusively for fresh fruit and vegetables, SMETA 2 pillar can be accepted
- Rainforest Alliance, UTZ and Fairtrade (by FLOCERT) on farm level
- ICTI (International Council of Toy Industries)

Coop only accepts audits conducted by an accredited audit company.

Coop nevertheless reserves the right to require an audit of the supplier's business should Coop have information which give reason for concern regarding the supplier's value chain, products or production. The supplier shall cover all costs related to audits, memberships and certification processes.

5. Documentation of Compliance and Inspection

Coop can require the supplier to document compliance with the Guidelines, not only with regard to its own operations, but also the operations of the supplier's direct and indirect sub suppliers.

In order for Coop to be able to assess the supplier's compliance with the Guidelines, the supplier must, upon request, give Coop or Coop's representatives access to all relevant data as well as production sites and units at both the supplier itself and its sub suppliers.

6. Deviations

In case of a breach of these Guidelines, or should the supplier fail to produce documentation on its/their compliance, then Coop can require the supplier to develop and implement a plan to rectify such breaches, including a timeframe for the improvement process.

7. Sanctions, corruption and anti-money laundering

¹ Coop defines processing as the production of the main ingredients and components of the finished product

² Coop adheres to the BSCI Country Risk Classification.

The Supplier shall ensure compliance with economic, trade and financial sanctions, laws, regulations, embargoes or restrictive measures enacted or administrated by authorities in the EU (including individual member states), United States, United Kingdom and Norway, as well as by the United Nations (UN).

Furthermore, the supplier undertakes to conduct its business in compliance with anti-corruption laws applicable in any country in which the supplier purchases, manufactures, or sell goods, and to distance itself from and to implement relevant measures to prevent money laundering.

The supplier undertakes not to engage in any activity that would violate any of the above laws, rules or principles, and the supplier confirms that the supplier is – neither in the past nor present – sanctioned under any of the above sanction regimes. The obligations imposed, and the undertakings and confirmations provided by the supplier, in this section shall apply similarly to anyone acting for or on behalf of the supplier, including its directors, affiliates, sub suppliers and shareholders, whether direct or indirect.

8. Conduct of conduct principles

The supplier shall be especially aware of the principles set out below.

These principles 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 Nos. 29 and 105)

- 1.1. There shall be no forced, bonded or involuntary prison labour.
- 1.2. 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 Nos. 87, 98, 135 and 154)

- 2.1. 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.
- 2.2 Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.
- 2.3 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 Nos. 138, 182 and 79, and ILO Recommendation No. 146)

- 3.1. The minimum age for workers shall not be less than 15 and comply with the national minimum age for employment, or; 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.

- 3.3. There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.4. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
- 3.5. 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 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.
- 4.2. 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)

- 5.1. 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)

- 6.1. 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.
- 6.2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.
- 6.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 6.4. 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)

- 7.1. 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.
- 7.2. All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.
- 7.3. Deductions from wages as a disciplinary measure shall not be permitted.

8. Working Hours (ILO Convention No. 1 and 14)

- 8.1. 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.
- 8.2. Workers shall be provided with 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 are accepted when regulated by a collective bargaining agreement.
- 8.4. 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)

- 9.1. 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.
- 9.2. All workers are entitled to a contract of employment in a language they understand.
- 9.3. 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)

- 10.1. 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

- 11.1. 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.
- 11.2. National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.

12. Corruption

12.1. 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

13.1 Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals.

13.2 National and international animal welfare legislation and regulations shall be respected.

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