

CATHRINE HAMMEL®

Internal Code of Conduct

Principle of the Code: How we do business and how we behave.

At Cathrine Hammel AS we have a strong focus on sustainable principles and aim to combine sound business practice with responsible and ethical behaviour. We acknowledge that we operate in an industry that can have negative impacts on human beings, society and the environment. Therefore, we implement measures to minimize negative impacts in line with our Code of Conduct. The Code of Conduct and our values are the foundation of how we do business and describes the main principles for the way we want to work, the standards for how we should behave and how we should make our decisions. When we do the right things and behave in the right way, our customers will trust and value us. And we in return can take pride in the company we represent.

Cathrine Hammel AS considers responsible business conduct to be a prerequisite for sustainable development, meaning that today's generation get their needs covered without compromising the ability of future generations to meet their own needs¹. The UN Sustainable Development Goals (SDGs) is the world's joint action plan for sustainable development. Cathrine Hammel AS works actively with the Sustainable Development Goals.

The Cathrine Hammel Code of Conduct is based on the relevant legal requirements and internationally agreed upon standards, primarily the United Nations Universal Declaration of Human Rights, The UN Global Compact, The United Nations Guiding Principles on Business and Human Rights (UNGPR), and the International Labour Organization's Conventions (ILO).

Cathrine Hammel values and goals

Since the very beginning of the brand, the value of making timeless pieces in natural fabrics has been our philosophy. The concept of having as few garments, and garments that can be used for many occasions and generations has always been the focus since Cathrine Hammel's very start in 1997. This has always been our core values, and will continue to be so.

Cathrine Hammel AS aims to be responsible, transparent, traceable and sustainable in all our work, with respect for human beings, animals and the environment.

Our values are the foundation for all our business and further success. It is important we have a common understanding of how we work within Cathrine Hammel AS and how we act towards each other. Our customers are always top of mind. We appreciate getting feedback from our customers and handle complaints in a timely, just and reliable way. We provide honest information to our customers. We keep the highest focus ensuring the products we sell are of good quality and do not pose any harm or risk for the consumer.

Cathrine Hammel AS became member of Ethical Trade Norway October 2018. As we know the main challenge in the work for ethical trade is to have sufficient transparency and traceability in the supply chain, we have chosen Ethical Trade Norway for their competence and resources as a support in our long-term work for ethical trade.

The Cathrine Hammel brand works with only a few selected suppliers, and some suppliers have been with us from the very beginning. Our long-term goals are to have a good long-term relation with our suppliers, to secure improved working conditions and environmental conditions in our supply chain, and to increase the awareness on ethical trade in general. In dialogue with suppliers we will consider, if needed, to contribute with capacity building or resources that enable our suppliers to comply with Cathrine Hammel AS's requirements related to responsible business conduct. This way we lay the foundation for collaboration with suppliers that show the willingness and ability to work on positive development for people, society and the environment in the supply chain.

¹ *The Brundtland commission, «Our Common Future», 1987*

The code of conduct applies to all people working for Cathrine Hammel AS

All people working for Cathrine Hammel AS, whether permanent or temporary employed, subcontractors, consultants or volunteers, are all subject to our Code of Conduct.

The Code of Conduct applies in all countries which Cathrine Hammel AS operates and to all staff working for Cathrine Hammel, including subcontractors. We are all expected to comply with applicable laws and regulations.

In case of divergence between national laws and regulations and the Cathrine Hammel Code of Conduct, the strictest standard shall apply.

All employees are introduced to the Cathrine Hammel values and code of conduct.

Managers in Cathrine Hammel AS should lead by example and encourage a culture that stands for common sense and ethical conduct in all situations.

The Code of Conduct is approved by the board of directors and is available for employees at Cathrine Hammel AS.

We are brand ambassadors and communicate truthfully

All Cathrine Hammel employees are all brand ambassadors that represent our company.

We recognize the effect our individual actions, in real life, online and on social media, have on Cathrine Hammel's reputation.

We are honest and have good intentions with our communication; we do not deliberately mislead or deceive others.

We communicate with our stakeholders and take their concerns into account.

We care for the environment

We work to ensure that our products are manufactured in a responsible manner, are safe and do not contain hazardous substances.

We aim to minimize the environmental impact of our products through their whole life cycle.

We work to reduce the environmental footprint of our operations and in our value chain.

We embrace and support the digitalization of the value chain, and technological advances and new development that can bring social and environmental benefits.

We respect animal welfare in accordance with The Five Freedoms for animals.

Support and respect for human rights

We support and respect fundamental and internationally recognized human rights in all areas of our value chain.

If we discover a breach of human rights directly or indirectly involving Cathrine Hammel's operations, we are committed to take action to set right adverse human rights impacts.

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.

We are committed to take voluntary action in order to support the protection and fulfilment of human rights, paying special attention to the rights of vulnerable groups. We work to minimize the risk of human rights abuses in our value chain.

We make great effort in acting responsibly in all areas touched by our business to ensure that the production of our goods does not negatively affect individuals working in our value chain.

Support and respect for labour rights

We ensure that our employees have written employment contracts and that terms of employment are provided in a language they understand.

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.

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

Our employees are paid a mutual agreed and fair wage, in a timely manner. 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.

All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.

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

Employees will be free to leave in accordance with established rules.

We respect the upper limits on regular and overtime hours allowed by the local laws and legislation. Working hours shall comply with national laws and benchmark industry standards, and not more than prevailing international standards.

We respect and recognize, in accordance with the laws of the country in which employees are employed, the right to freedom of association and collective bargaining.

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.

Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

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.

We uphold the effective abolition of child labour, i.e. labour performed by children or minors under the minimum working age.

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.

There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.

No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.

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.

We do not accept any form of forced labour or modern slavery in our value chain.

There shall be no forced, bonded or involuntary prison labour.

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.

We respect a healthy and safe working environment.

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.

Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.

Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

Support and respect for civil rights

We work to ensure that 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.

Support and respect for the right to privacy

We collect and process personal and customer data reasonably, lawfully and transparently for appropriate business purposes.

We are compliant with our legal and reporting obligations to use the minimum principle when we collect, process and transfer data and information during the different processes.

We respect individuals' right to be in control of what data they share with us and for what purposes, within the limitations of legal requirements.

Our commitment to privacy remains also after the relationships with employees and customers have ended.

Support and respect for animal welfare

We commit to take ethical aspects into consideration when choosing suppliers for animal fiber (e.g wool, silk), and for leather, down and feather.

We encourage all suppliers to follow the European Convention for the Protection of Animals kept for Farming Purposes.

There shall under no circumstances occur any inhumane treatment of animals.

- **Mulesing**; this shall not occur in our supply chain with regards to the production of wool products.
- **Fur**; we only accept synthetic fur in its products.
- **Leather**; leather products are only to be made from utility animals as pigs, sheep and cattle, where the animal has been slaughtered for the purpose of meat production.
- **Down and feather**; down and feather used in our products shall only come from birds killed for food production. No live plucking is allowed. All down and feather shall as a minimum be traceable to the farm it comes from.
- **Animal testing**; Cathrine Hammel AS is against animal testing and under no circumstances should animal testing be done for any product delivered to Cathrine Hammel AS, this includes all components used for our product.

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

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

No tolerance for discrimination

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.

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.

No tolerance for any corruption or bribery

Neither Cathrine Hammel AS nor any of its employees shall ever offer or accept illegal or unlawful monetary gifts, or any other form of remuneration, in order to secure a business related or private benefit, or for the benefit of their customers, suppliers or business partners.

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.

Countries affected by trade boycott

Cathrine Hammel AS, including all our suppliers and partners, shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

Commitment to manage risk in our value chain

We commit to conduct due diligence on our most significant risks in own operations and in our supply chain. 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 are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy.²

We commit to respect responsible purchasing practices.

We commit to a worker engagement approach where workers are listened to and their concerns are addressed.

We commit to hear and address all complaints against the enterprise regarding own operations regardless of how they are raised; and to hear and address measured and substantiated complaints that the enterprise has caused or contributed to in its supply chain that are raised through legitimate processes.

If our operations directly or indirectly cause harm to people or the environment, we commit to remediation support.

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 for suppliers, 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 Supplier 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.³
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of Cathrine Hammel AS be able to document how they, and potential subcontractors, work to comply with the guidelines.

² OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.

³ OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.

If the supplier, after several requests by Cathrine Hammel AS does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.

Violation of the Code of Conduct

In Cathrine Hammel AS we live by our values and follow the Code of Conduct. Appropriate action is taken towards employees who violate the Code of Conduct, other internal rules, laws or regulations. Breaches may result in reactions like reprimands, written warnings or in severe cases, termination or dismissal.

Suspicion of crime is reported to the authorities. A concern about a possible violation must be addressed as soon as possible. Failure to raise a concern can lead to Cathrine Hammel AS being exposed to unacceptable operational risks, as well as reputational risk.

Unethical behavior, serious breaches, concerns or notifications can be reported in different ways. If possible, the first point of contact for a notification is the nearest manager. All concerns will be evaluated for further inquiry or investigation and handled with due care and according to national laws. A notice shall be processed on the basis of a balance between the confidentiality of the notifier and the right of defense for the notified party. The notifier is given a protection against retaliation in connection with proper notification.