

CATHRINE HAMMEL®

## Supplier Code of Conduct

## Introduction

At Cathrine Hammel AS, we promote decent working and environmental standards in our supply chains. We cooperate closely with our suppliers and business partners in pursuit of this aim. Accordingly, we have prepared this code of conduct to illustrate what we expect of our suppliers and business partners. The code of conduct covers fundamental requirements for human rights, workers' rights, the environment and anti-corruption in our supply chains.

Cathrine Hammel AS is a member of Ethical Trade Norway, a membership organization for private and public enterprises and organizations. Ethical Trade Norway is a resource center and an advocate for ethical trade practises. Cathrine Hammel AS reports annually to Ethical Trade Norway. This report is made publicly available.

Cathrine Hammel AS aims to continuously improve policies and practices that supports suppliers in complying with this code of conduct.

Cathrine Hammel AS expects our suppliers to communicate the requirements of this code of conduct, or a code of conduct as extensive, to their sub-suppliers and work towards their compliance with the requirements, in addition to their own efforts to be compliant.

## Principles

Cathrine Hammel AS's suppliers are to supply goods and services that are produced in compliance with the code of conduct. Moreover, the suppliers are to communicate the code of conduct to their sub-suppliers, and to monitor implementation.

A supplier must be able to document compliance with the code of conduct at Cathrine Hammel AS'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-supplier involved in the production of goods for Cathrine Hammel AS.

In the event of a breach of the code of conduct, Cathrine Hammel AS and the supplier will jointly prepare a plan for remedying the breach. Remediation must take place within a reasonable and agreed upon timeline. The contract will only be terminated if the supplier remains unwilling to remedy the breach following repeated enquiries.

When selecting new suppliers, emphasis will be given to social and environmental standards.

## Requirements relating to own practice

Cathrine Hammel AS will continuously work to improve our own policies and practices, including our purchasing practices, to support our suppliers in complying with our code of conduct. We will do this in dialogue with our suppliers and other stakeholders.

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.

Cathrine Hammel AS and Cathrine Hammel AS's suppliers shall avoid partners that operate in countries subject to international boycott by the United Nations, European Union and/or Norwegian Authorities.

## Monitoring suppliers' compliance with the requirements

The supplier shall be able to document their efforts to secure compliance with the code of conduct, and those of their sub-suppliers, at Cathrine Hammel AS's request. Such documentation may take the form of follow-up meetings, inspections or other means of mapping the working conditions at production sites. The supplier shall be obliged to provide the name and contact information for any sub-supplier that Cathrine Hammel AS requests in order to map compliance with the requirements.

In the event of a breach of the code of conduct, Cathrine Hammel AS and the supplier will jointly prepare a contingency plan for remedying the breach. Remediation shall take place within a reasonable period of time, as mutually agreed. The business relationship will only be terminated if the supplier shows unwillingness to remedy the breach following repeated enquiries.

The supplier shall have an effective management system for handling complaints relating to human rights, workers' rights, environmental issues and corruption. The supplier shall ensure that both workers and external parties, such as local communities and civil society organisations, are able to submit complaints.

## Requirements to Supply Chain Conditions

We expect our suppliers and partners to work focused and systematically to comply with our Guidelines for Suppliers, hereunder our Code of Conduct, 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 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.<sup>1</sup>
- 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.
- 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.
- Have a system in place to manage complaints related to human rights, labour rights, the environment and corruption.
- Avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

## Principles for responsible business conduct (Code of Conduct)

These principles for responsible business conduct are based on UN and ILO conventions and 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.

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<sup>1</sup> OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.

### **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
  - 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 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.
- 6.5. The supplier shall provide and pay for all appropriate Personal Protective Equipment (PPE) to all workers in any harmful or potentially risky work area(s). The supplier must ensure that the PPE is maintained and worn when needed.
- 6.6. Machines shall have satisfactory and functional safety devices which shall be maintained on a regular basis.
- 6.7. Employees shall be given the necessary and adequate safety training before operating machines and other equipment.
- 6.8. First aid equipment is mandatory in all work areas, shall be adequately stocked and available to all co-workers.
- 6.9. The factory shall have a sufficient number of exits, and these shall remain unlocked and free from obstruction in case of fire or other emergency situations. The supplier shall have an independent and functioning evacuation alarm. Evacuation plans shall be easily visible at the entrance of the production area. Fire extinguishers are mandatory in all work areas and shall be easily visible and accessible to all workers. The supplier must ensure that the fire-fighting equipment is maintained regularly. All employees shall be informed and drilled about the evacuation plan. The supplier shall have an adequate number of employees trained to use fire-fighting equipment in each work area, covering all production shifts.
- 6.10. The lighting must be sufficient so as to ensure safe working
- 6.11. The factory shall be ventilated according to legal requirements.

## **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.
- 11.3. Hazardous chemicals and other substances shall be carefully managed and disposed of without polluting the environment.

## **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.
- 13.3 Ethical aspects should be taken into consideration when choosing suppliers for animal fiber (e.g wool, silk), and for leather, down and feather.
- 13.4 Cathrine Hammel AS encourage all suppliers to follow the European Convention for the Protection of Animals kept for Farming Purposes.
- 13.5 There shall under no circumstances occur any inhumane treatment of animals.

- i. **Mulesing**; this shall not occur in Cathrine Hammel AS's supply chain with regards to the production of wool products.
- ii. **Fur**; Cathrine Hammel AS only accepts synthetic fur in its products.
- iii. **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.
- iv. **Down and feather**; down and feather used in Cathrine Hammel AS 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.
- v. **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.

#### 14. Management systems of suppliers

The management system is key to the implementation of the code of conduct. Cathrine Hammel AS emphasises the importance of suppliers having systems that support such implementation. Cathrine Hammel AS's expectations in this regard are summed up in the following measures:

- i. The supplier should make a centrally placed employee responsible for the implementation of the code of conduct in the supplier's business.
- ii. The supplier must make the code of conduct known in all relevant parts of its organisation, in a language understood by the organisation.
- iii. The supplier must refrain from disciplining, dismissing or otherwise discriminating against any employee for providing information concerning observance of this code.
- iv. The supplier must obtain Cathrine Hammel AS's consent prior to outsourcing production or parts of production to a sub-supplier/contractor, if this has not been agreed in advance.
- v. The supplier must be able to give an account of where goods ordered by Cathrine Hammel AS are produced.
- vi. The supplier shall maintain appropriate records to demonstrate conformance to the requirements of this code, and shall be able to provide reasonable information and access to parties approved by Cathrine Hammel AS seeking to verify conformance.
- vii. The supplier will make observance of this Code of Conduct a condition of all agreements that it enters into with subcontractors. These agreements shall oblige these subcontractors to conform to all requirements of this code and participate in the supplier's monitoring activities as requested.
- viii. Regarding the use of agents, or several factories or suppliers that have sub-contractors, all links shall be traceable concerning manufacturing location with respect to the manufactured goods delivered to Cathrine Hammel AS.

#### Auditing and monitoring

To evaluate the compliance of this Code of Conduct Cathrine Hammel AS will make use of audits either by own personnel or by approved third parties. We reserve the right to monitor the compliance of this Code of Conduct by systematic, unannounced or announced inspections, conducted by Cathrine Hammel AS personnel or independent auditors.

## Corrective actions and non-compliance

Cathrine Hammel AS's Code of Conduct sets the standard expected to be met by all our suppliers and partners during operation and manufacturing. We are fully aware that all expectations can't be met immediately, but these as well as non-compliances are to be settled by corrective actions by the supplier. If repeated violations are established without any effort by the supplier to take appropriate actions, it is our duty to terminate the cooperation with such suppliers.

If you need more information regarding the above, please do not hesitate to contact us. It is important to us that you follow all above requirements, we therefore kindly ask you to sign this statement and return all pages to us.

**Please put your initial on ALL pages.**

We \_\_\_\_\_  
(company stamp + signature)

have understood and will follow the specifications above