

Elements Productions AS

Code of Conduct

The provisions in this document describe Elements Productions AS's (Buyer's) requirements for Suppliers to comply with applicable legislation in addition to Elements Productions AS's additional requirements within the areas addressed in this agreement.

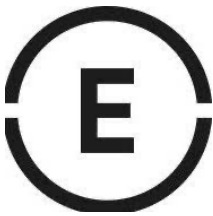
The provisions of this document shall form part of the terms and conditions between the Parties.

Elements Productions AS will hereinafter be referred to as "**Buyer**".

[Our policy for sustainable](#) business practices form the basis for our work on sustainability - also in the supply chain. We strive to improve our own policies and practices where relevant. You can find more information about our sustainability work here www.elements-production.no/

Our suppliers and partners can expect our business and procurement practices to enhance, not undermine, their ability to deliver on our demands on people, society, and the environment.

***Elements Production AS* always strives for cooperation as a starting point. However, we will terminate a business relationship or other cooperation if our supplier or partner does not meet our expectations for sustainable business practices.**



1 General obligations

1.1 The Supplier's obligations pursuant to the Code of Conduct shall not limit the Contractor's obligations to comply with applicable laws and regulations and other regulations set out in the Agreement.

1.2 The Supplier shall, without undue delay, report to the Purchaser any act or omission that can reasonably be regarded as a breach of the obligations in the Code of Conduct in the execution of the Agreement. In such a case, the Supplier shall grant the Purchaser access to all documents which, in the opinion of the Purchaser, may be relevant in determining whether a breach of obligations exists, with the exception of documents the Supplier is prevented from providing by order of a public authority.

1.3 The Supplier shall implement policies and procedures that are satisfactory in order to comply with the obligations in the Code of Conduct.

1.4 The Supplier shall require that any subcontractor with whom the Contractor has entered into a contract in connection with the execution of the Agreement with the Purchaser shall have equally stringent contractual obligations in relation to the Code of Conduct as the Supplier.

1.4.1 Furthermore, the Supplier shall inform Buyer of all changes in the Chain of Materials, including replacement of the Supplier's material supplier (subcontractor) and inform Buyer of all component and raw material suppliers to Buyer's products. All suppliers are expected to be able to contribute to obtaining documentation related to the entire product cycle.

1.4.2 Furthermore, the supplier shall inform buyers in advance regarding the replacement of physical locations and sub-contracting. All changes must be approved by Buyer.

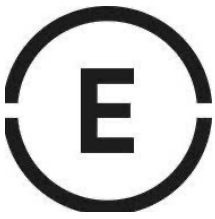
1.5 The Purchaser shall have the right to conduct inspections and inspections of the Supplier to ensure that the Supplier complies with the obligations in the Code of Conduct in relation to the implementation of the Agreement. The Purchaser shall notify the Supplier within a reasonable time prior to the inspection and inspection.

1.6 At the Purchaser's request, the Supplier shall provide a written statement to the Purchaser confirming that the Supplier complies with and has complied with the obligations in the Code of Conduct in connection with the execution of the Agreement.

1.7 The supplier undertakes to comply with the UN Declaration of Human Rights/UDHR and to implement and control these requirements in the supplier chain. Documentation of this must be forwarded upon request.

1.7.1 Physical abuse or punishment, or threat of physical abuse, as defined in Article 5 of the UDHR is prohibited. The same goes for sexual or other abuse and other forms of humiliation.

1.8 We expect our suppliers and partners to work purposefully and systematically to comply with our supplier guidelines and principles for sustainable business practices, covering fundamental requirements for human rights, labour rights, anti-corruption, animal welfare and the environment.



Our suppliers are required to have a system for handling complaints related to human rights, labour rights, the environment and corruption.

2 Anti-corruption

2.1 The Supplier warrants that; The Supplier's employees, agents, representatives, and any other entity acting on behalf of the Supplier, as well as the subcontractor's employees, agents, representatives, and anyone else acting on behalf of the subcontractor, as well as other direct or indirect representatives involved in the execution of the Agreement, have not and shall not:

- a) offer, promise, pay, give, or authorize to; financial or other benefits, or anything else of value, to any other person, entity or organization, with the intent to induce unwanted influence over the recipient, incite the recipient to breach its obligations, secure an undue advantage, or unduly reward recipients for past actions.
- b) offer, promise, pay, give, or authorize to; to solicit or receive an undue advantage, or accept such an offer, in the context of a position, company or task.
- c) request, receive or accept, for the benefit of self or others, any financial or any other benefit, or anything else of value, as a motivation or reward for breaching a loyalty obligation to the Buyer or the Supplier, or performing an act that is improperly related to the Agreement or the Buyer.

The Supplier shall immediately report to the Buyer any undue requests or solicitations for benefits as mentioned in clause 2.1.

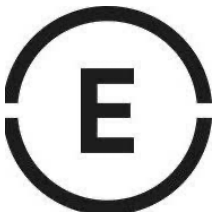
Any breach of clause 2.1 of this Agreement shall be considered a breach of contract, whereby the Buyer has the right to terminate the Agreement with the Supplier in accordance with the provisions of the Agreement.

2.2 All financial settlements, including invoices and reports submitted to the Buyer by the Supplier, shall refer to the actual actions behind the transactions and may be relied upon as complete and precise by the Buyer or its representatives.

3 Export controls and sanctions

3.1 The Supplier guarantees that in executing the Agreement, applicable export control and sanctions legislation will be followed. All relevant licenses issued by the authorities necessary for export control purposes will be obtained and followed in execution of the Agreement, including but not limited to all necessary licenses issued by a public authority in connection with the export, re-export, import or transfer of objects (goods, technology, and services).

3.2 The Supplier shall provide the Buyer with information on export-controlled objects (goods, technology, and services), including the export control jurisdiction and classification of the export-controlled objects and copies of any export/import licence supporting relevant exemptions from the licensing requirements.



3.3 The Supplier warrants that the Supplier's subcontractors and their contracting parties, and any other representative in connection with the execution of the Agreement, are subject to the same requirements for compliance with export control rules as the Supplier. If the Supplier becomes aware that the export control rules have not been complied with, the Supplier shall immediately notify the Purchaser.

3.4 Violation of the export control rules and sanctions in this clause 3 means that the Buyer may terminate the Agreement with the Supplier.

4 Anti-money laundering and terrorist financing

The Supplier warrants that the Supplier and its owners, affiliates, employees, representatives and to the knowledge of the Supplier, the subcontractor, and others in connection with the performance of the Agreement:

- a) has conducted and will conduct all activities in accordance with all applicable anti-money laundering rules, including laws and regulations.
- b) has not and will not cover up or conceal the origin, source, location, nature, movement, or ownership of property knowing that such property is the result of crime.
- c) has not and will not engage in transactions or provide resources or support to individuals or organizations associated with terrorism.

Without prejudice to any other rights or sanctions the Buyer may have, any breach of anti-money laundering rules and terrorist financing, will entail that the Buyer may terminate the Agreement with the Supplier, in accordance with the other provisions of the Agreement.

5 Tax Compliance and Tax Evasion Facilitation Prevention

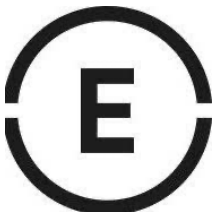
The Supplier warrants that the Supplier and its owners, affiliates, employees, representatives and, to the knowledge of the Supplier, subcontractors and others associated for the performance of the Agreement; has not and will not, itself or through anyone else, contribute to tax evasion.

6 Human rights

The supplier shall perform its contractual obligations in accordance with the United Nations Guiding Principles on Business and Human Rights (2011) (the UNGPs). The supplier shall conduct a careful assessment in order to identify, correct and, where necessary, use means to correct adverse human rights impacts.

6.1 The supplier shall:

- a) prohibit and ensure that the Supplier does not use any form of coercion in connection with labour, other forms of modern slavery, human trafficking, or child labour. The supplier shall take the necessary steps to ensure that no form of modern slavery occurs in connection with work for the implementation of the Agreement, subcontractors or anywhere else in the supply chain.



- b) Ensure that no person employed or engaged by the Supplier in connection with the performance of the Agreement has paid to be employed or employed, but that all fees and expenses have been paid by the Supplier.
- c) Do not retain identification papers, travel documents, or work permits as a condition of employment.

The Supplier shall immediately notify the supplier if there is reason to believe that there is a breach of the provisions of clauses 6.1 and 6.2, modern slavery or child labour in the workforce of the Supplier, the subcontractor or in the supply chain.

The supplier guarantees that no form of modern slavery is used and that it has taken the necessary steps to ensure that it is not present in the supply chain either.

Child labour (UN Convention on the Rights of the Child, ILO Recommendation No. 146)

The Supplier undertakes to comply with the UN & ILO Conventions on Children's Work scheduled for the following:

- Children have the right to life and health.
- Children have the right to education and development.
- Children have the right to care and protection.
- Children have the right to participation and influence.

The minimum age for work shall be respected in accordance with national legislation; in addition, no employee under the age of 18 should work with processes that could be harmful to health – e.g. working with dangerous machinery, harmful chemistry or lifting heavy burdens, or night work.

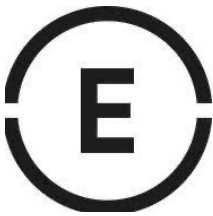
The minimum age for workers shall not be less than 15 years of age and in line with the national minimum age for employment, or; minimum age for compulsory schooling, with the highest age as applicable. If the local minimum age is set at 14 years in accordance with the exemption in ILO Convention 138, this may be accepted. New recruitment of child labour in breach of the above minimum age shall not take place.

Action plans shall be established for the early phasing out of child labour that is contrary to ILO conventions 138 and 182. The action plans shall be documented and communicated to relevant staff and other stakeholders. Support schemes shall be facilitated whereby children are given the opportunity for education until the child is no longer of school age.

ILO Conventions Nos. 100 and 111 and the UN Convention on the Elimination of Discrimination against Women)

The supplier commits itself to acting responsibly in relation to gender differences; different pay levels must not be based on gender – there must be equal pay for all employees on the same hierarchical step, regardless of gender, ethnicity, age, background, religion, or other personal factor. There must not, for any reason, be discriminated against in the employment process based on gender or gender differences, ethnicity, age, background, religion, or other personal factor.

- (a) any separation, exclusion, or preferential treatment on the basis of race, colour, sex, religion, political belief, national or social origin, resulting in the observance or deterioration of equality in respect of opportunities or treatment in employment is a considered a violation of this Code of Conduct



- (b) any other separation, exclusion or preferential treatment resulting in an infringement or deterioration of equality in respect of opportunities or treatment in employment or occupation is deemed to constitute a violation of this Code of Conduct

7 Workers rights

Salaries (ILO Convention No. 131)

Wages and benefits paid for standard work shall, as a minimum, meet the national legal standards or industrial standards, whichever is higher.

Wages should always be sufficient to meet basic needs and ensure viability and opportunities for development for employees – all employees must receive a livable wage.

All employees must have a written and understandable contract describing their salary terms and payment method before commencing employment.

Deductions or deductions from wages as a disciplinary measure are not allowed.

Freedom of association and the right to collective bargaining (ILO Conventions Nos. 87, 98, 135 and 154)

Workers shall without different rights to join or form trade unions of their choice and to bargain collectively. The employer must not interfere with, hinder the formation of trade unions or collective bargaining. This is prioritized by Buyer and will be audited and reviewed at a later stage. Employment agents must not be discriminated against and must have access to perform their representative functions at work.

Where the right to freedom of association and/or collective bargaining is restricted by law, the employer shall facilitate and not hinder the development of alternative forms of independent and free worker reunion and negotiation.

Working time (ILO Convention Nos. 1 and 14)

Working hours shall be in accordance with national legislation and benchmark industry standards and no more than applicable international standards.

The weekly worktime should not regularly exceed 48 hours.

Workers shall have at least one day off for each period of 7 days

Working overtime shall be limited and voluntary.

The recommended maximum overtime is 12 hours per week, i.e., that the total working week including overtime must not exceed 60 hours. Exceptions herein are accepted, when regulated by collective agreement.

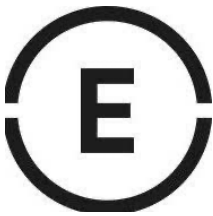
Employees shall always receive overtime pay for all working hours in excess of the normal working hours as a minimum in accordance with the relevant legislation.

Ordinary occupation (ILO Convention Nos. 95, 158, 175, 177 and 181)

Obligations to employees pursuant to international conventions, national legislation and provisions on ordinary employment must not be avoided when using short-term contracts (e.g. contracts, loose work or day work), subcontractors or other working relationships.

All workers have the right to an employment contract in a language they understand.

Apprenticeship programs must be clearly defined with regard to duration and content.



Marginalised populations (UN Convention on Civic and Political Rights, Art. 1 and 2)

The production and use of natural resources must not contribute to the destruction and/or deterioration of resources and the basis of income for marginalised populations, such as claims for large tracts of land, use of water or other natural resources, on which these populations depend.

Forced labour - ILO Conventions Nos. 29 and 195

The supplier undertakes to comply with the requirements of ILO conventions concerning the use of forced labour; Specifically defined as "forced or compulsory labour", and will, upon request, be able to document that all employees e.g., have a termination clause in their employment contract.

Suppliers should, based on social dialogue, formulate training programs for employees to increase the competence of the employees.

HSE - (ILO Convention No. 155 and ILO Recommendation No. 164)

The supplier is expected to comply with the requirements of ILO Convention No. 155 concerning the designation of specific HSE responsible for production, which monitors, manages and risk assesses the requirements of national legislation, and that there are procedure descriptions for what can be categorized as dangerous. Similarly, it is expected that all equipment is serviced and maintained as legally required to ensure a high level of safety in the working environment for the employees.

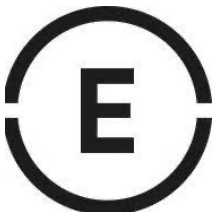
The supplier is expected to have a system for recording incidents/near misses as well as outsourced cause analysis of these to clarify the cause and implement changes in the working environment based on the findings of the cause analysis.

It is recommended that the supplier, if it has production facilities, explores the possibility of having this externally and third-party certified, e.g., using ISO 45001 or similar internationally accredited standard for HSE.

- Efforts will be made to ensure workers a safe and healthy working environment. Hazardous chemicals and other substances must be managed properly. Necessary measures shall be taken to prevent and minimise accidents and damage to health resulting from, or related to, conditions at work.
- Workers shall have regular and documented training in health and safety. Health and safety training will be repeated for new hires and redeployed workers.
- Workers should have access to clean sanitation facilities and clean drinking water. Where applicable, the employer shall also provide access to facilities for the safe storage of food.
- If the employer provides lodging, it must be clean, safe, adequately ventilated and with access to clean sanitary facilities and clean drinking water.

8 Fair competition

In its performance of the Agreement, the Supplier shall not engage in any anti-competitive activity. Anti-competitive means any action that restricts full and open competition for products and services, including price fixing, bid-rigging, market sharing or abuse of market power.



9 Privacy and information security

To the extent that the Supplier processes sensitive data on behalf of the Buyer in the execution of the Agreement, the Supplier guarantees that data is processed in accordance with national and international laws and regulations regarding the processing of such data. The Supplier shall not process the Buyer's sensitive information without the Buyer's written consent.

10 Animal welfare

The Supplier commits to the same standards of animal welfare as the Buyer. All products derived from animals must be produced in accordance with industry standards and legislation on animal welfare, including the five animal welfare freedoms set out by the World Organization for Animal Health (OIE) and the Farm Animal Welfare Committee (FAWC):

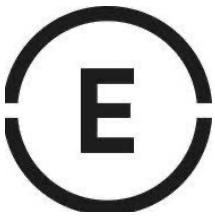
- a) Freedom from hunger, thirst, and malnutrition, in that the animals have free access to fresh water and a diet that maintains good health and well-being.
- b) Freedom from physical discomfort by keeping the animals in a suitable living environment with comfortable sleeping area and shelter from the elements.
- c) Freedom from pain, illness or injury by prevention, prompt diagnosis and treatment.
- d) Freedom to exercise normal behaviour by giving the animals enough space in suitable operating systems and contact with animals of the same species.
- e) Freedom from fear and stress by treating the animals in such a way that they avoid persistent fear and stress.

The Buyer collaborates with industry experts, consultants, and the like to support ongoing research and development of animal welfare standards and transparency in supply chains such as wool, cashmere, leather and down. The buyer supports the use of recycled animal fibers, as well as innovative and sustainable choices that offer the same quality but are of non-animal origin.

The Supplier shall prohibit and ensure that no endangered and vulnerable species are used in the production of products supplied to the Purchaser.

The Supplier guarantees that the Supplier's subcontractors and their contractors comply with the same requirements for animal welfare compliance as the Supplier. If the Supplier becomes aware that the standard for animal welfare has not been complied with, the Supplier shall immediately notify the Purchaser.

On request, suppliers are obliged to provide documentation of the origin of the products and that they meet the animal welfare requirements.



11 Environment

All local environmental legislation and permits must be complied with for all local production units, and this must be documented on request.

It is recognized that in the production of goods for purchases, raw materials and materials that may contribute to the contamination of both local and tertiary environment are used. Production shall take place with minimal chemical use and no discharge to the local environment and pollutants and environmentally classified substances.

In the production of goods for the Buyer, no classified chemical components as stated in REACH above 0.1% may be used. SVHC-classified chemical components may NOT be included in goods for the Buyer. In addition, no part of the products, including subcomponents, must contain chemical substances classified as CMR (carcinogenic, mutagenic or reproduction technical) cf. ECHA (European Chemicals Agency)

The supplier shall also be able to contribute to mapping CO2 consumption for the production of goods for purchases.

Signing:

Date:

Factory:

Signature:

By Elements Production

Date:

Signature: