

SUPPLIER CODE OF CONDUCT

INTRODUCTION

TONO's Supplier Code of Conduct shall ensure that our suppliers respect basic human and workers rights and protect the environment and climate. Goods delivered to TONO must be manufactured under conditions that are compatible with the requirements set out in this document.

The ethical guidelines for suppliers are based on international frameworks and conventions on fundamental principles and rights in working life and other similar guidelines for the environment and climate, as well as animal welfare, These includes [The Universal Declaration of Human Rights](#), [ILO fundamental conventions](#), [the UN Guiding Principles on Business and Human Rights \(UNGPs, 2011\)](#) [OECD Guidelines for Multinational Enterprises \(2011\)](#), and the [UN Sustainable Development Goals](#).

TONO must comply with the Transparency Act¹ and the requirements for conducting due diligence assessments and accounts for these publicly, in line with [OECD Due Diligence Guidance for Responsible Business Conduct](#) (OECD 2018).

OUR EXPECTATIONS AND REQUIREMENTS FOR SUPPLIERS

The supplier is obliged to follow our ethical guidelines and comply with national legislation in the countries in which they operate and where production takes place, as well as act in accordance with internationally recognized conventions. Where conventions, laws and regulations deal with the same subject, the strictest standard shall apply. This also applies to cases where our ethical guidelines are in conflict with national legislation. Our ethical guidelines for suppliers' state minimum, not maximum requirements.

If the supplier uses subcontractors to fulfill the contract, the supplier is responsible for continuing the requirements in the supply chain.

We expect our suppliers to work focused and systematically to comply with our ethical guidelines, which cover basic requirements for human and labor rights, the environment, anti-corruption and animal welfare.

Our suppliers must:

- Follow our Supplier Code of Conduct.
- Carry out due diligence assessments in line with the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. This involves; carry out risk assessments to identify potential negative impacts on people, society, the environment and climate, and to stop, prevent and reduce such impacts. The measures that are implemented must be monitored and the effect assessed. The measures that are implemented must be communicated to affected parties. If the supplier is responsible for the negative impact / damage, they are responsible for providing for remedy.

¹ [Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions \(Transparency Act\) - Lovdata](#)



- Demonstrate the will and ability for continuous improvement for people, society and the environment through collaboration.
- At the request of TONO, be able to document how they, and potential subcontractors, work to comply with our ethical guidelines.
- If the supplier, after several requests from TONO, does not show willingness or ability to follow the guidelines for suppliers as shown below, TONO will consider cancelling the contract.

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,
- 3.2. 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.

Implementation and breach of our Code of Conduct

The supplier's implementation of the Supplier Code of Conduct shall be documented through one of the following: self-declaration form, follow-up meetings, audit reports or inspections of working conditions.

If the supplier identifies deviations or breaches of the requirements in the code of conduct, the supplier shall report this to TONO without unfounded delay. In the event of deviations, the supplier is obliged to rectify the breaches within the time limit determined by TONO, as long as this is not unreasonably short. The corrections must be documented in writing and in the manner determined by TONO.

Significant breach of contractual obligations may be invoked by TONO as a basis for termination of the contract even if the supplier corrects the circumstances. Serious and / or persistent breaches of the Code are considered material breaches. If a breach occurs in the supply chain, TONO may require the supplier to replace subcontractor(s). This will be done at no cost to TONO.

I hereby confirm to comply to this Code

Date

Supplier

Karl Vestli, adm.dir
TONO

