



CODE OF CONDUCT

Supplier's Declaration for Sustainability in
Procurement

COMMITMENT TO THE CODE OF CONDUCT

YES-EU AS (Ltd) (YES-EU) endeavours to be recognised as an organisation committed to the highest ethical standards in business. We aspire to be a role model in conducting business honestly and fairly. We are proud of the quality of our employees and of the professional reputation and market image built by their work.

The purpose of the Code of Conduct (the 'Code') is to ensure that YES-EU's suppliers conduct business in accordance with our sustainability standards. YES-EU's Supplier Code of Conduct is part of our framework to manage that YES-EU's business partners, act lawfully, respectfully, and responsibly. Our Code was adopted by YES-EU in August 2021 and last amended by the board in January 2022. The Code reflects our high standards of professional conduct and ethics in dealing with all our stakeholders. YES-EU considers stakeholders as employees, shareholders, creditors, customers, suppliers, contractors, governmental and non-governmental organisations, the communities where YES-EU operates and other parties that have influence over or are influenced by YES-EU.

It goes without saying but remains important to underline; we shall comply with laws, regulations, and agreements. These comprise both external and internal regulations, such as laws, provisions, policies, standards, instructions, processes, routines/procedures, and agreements. This includes, but is not limited to, compliance with the following international legal instruments: the ILO Convention, the UN Convention (and following UN conventions) as well as national labour laws at the place of production.

In addition to this Code, YES-EU complies with all provisions of the Norwegian Public Procurement Act (*Lov om offentlige anskaffelser*, LOV-2016-06-17-73), and all other applicable rules and legislation.

The supplier shall always follow relevant legislation. In the case, where the Code is in direct conflict with national legislation, national legislation shall prevail, however if the Code sets out stricter requirements than national legislation, the Code of Conduct shall prevail.

YES-EU expects that all customers, contractors, and suppliers of the company respect the basic requirements for the environment, human rights, and ethical trade. The expectation of fulfilment of the basic requirements, human rights and ethical trade takes place in close cooperation and dialogue with our customers and business partners.

YES-EU expects that all customers and business partners redistribute these requirements to their respective suppliers and contractors, and contribute to compliance with them, in addition to working towards compliance on their own behalf.

All customers and suppliers will at any time keep informed about and follow the current norms, rules and principles for sustainability, human rights, and ethical trade. This includes all international conventions for climate and the environment, human rights, social responsibility, ethical trade, as well as compliance with governmental requirements in laws and regulations.



1. HIGHLIGHTED AREAS OF RESPONSIBILITY

1.1 Social Responsibilities

We support human rights consistent with the Universal Declaration of Human Rights and YES-EU respects those rights in conducting the operations of the company around the world.

We look for opportunities to support positive efforts to promote broader understanding of human rights values, especially where they assist the YES-EU's local communities.

Our efforts to safeguard important social responsibilities is to closely comply with standards enumerated by the ILO Conventions and Recommendations, UN Convention on the Rights of the Child, the UN Convention on the Elimination of all forms of Discrimination against Women (CEDAW), the UN Convention on Civil and Political Rights.

These conventions and legal instruments include rights dealing with forced and/or child labour, trade unions, collective rights, any form of discrimination, physical abuse and/or punishment, protection of health, environment, and safety as well as proper working hours, wages, and employment. It also includes protection of marginalized populations.

1.2 Environmental Protection

YES-EU respects the environment and protects our natural resources. Wherever possible we prevent or otherwise minimise and mitigate harmful effects of the operations on the environment.

Compliance with all environmental laws and regulations is the foundation on which we build our environmental performance.

YES-EU supports the United Nations Sustainable Development Goals and endorsed international standards in key areas such as international human rights, business ethics and labour conditions. YES-EU expects its business partners to uphold similar standards and to require the same from its own set of business partners, especially those that conduct business for YES-EU.

Business Partners are furthermore encouraged to develop and implement an environmental policy and to operate in compliance with all applicable laws and regulations addressing environmental protection. YES-EU encourages business partners to develop and use environmentally friendly technologies, products, and services.

Yes-EU expects immediate notification from existing business partners of any suspicion or concern of breaches, or any other non-compliance with the standards set out in this document, allowing for joint verification of facts and remediation. This applies to both YES-EU's Business Partners and their subcontractors.

1.3 Fair and Ethical Trade

YES-EU wants to assure its stakeholders and business partners that the company fully complies with the principles of fair and ethical trade.

We strictly prohibit anti-competitive agreements or conduct, including fixing prices, restricting the supply of goods or services, bid rigging and market sharing. We require our business partners to commit to free and fair competition and to abide by relevant competition laws and regulations.

We expect our business partners to uphold the highest standards of business ethics, to respect local laws and not to engage in any form of corruption, bribery, fraud, facilitation payments, kickbacks, illegal gratuities, or extortion. YES-EU considers facilitation payments as a form of corruption and has a zero-tolerance policy for such payments.

YES-EU conducts business with high integrity and within the limits of laws and regulations. We will not allow our business partners to condone or support money laundering in any form in any location on behalf of our company.

1.4 Measures Against Corruption, Bribery, Money Laundering and Conflicts of interest

At YES-EU, we act ethically and consciously in every aspect of our business activities. This is because it is the only way to build and expand a company that is both attractive and sustainable and can benefit society at large. We shall be a safe company for customers and a reliable business partner that recognises the importance of sustaining a healthy and white economy. Consequently, the company will to its utmost to combat and prevent counter forces in this area.

We are responsible for ensuring that our operations are not exploited for illegal acts through our services. This includes combating corruption, money laundering, bribery, and handling conflict of interests in a responsible and conscientious manner. For our procurement processes and customer relationship to stand the light of day, we must be transparent and clear about our attitude to these topics with respect to both customers and business partners.

2. REQUIREMENTS FOR SUPPLIERS

2.1 Human Rights and Working Conditions:

2.1.1 Forced or Slave Labour (ILO Convention no. 29 and 105)

- 2.1.1.1** No form of forced labour, slave labour or compulsory may occur.
- 2.1.1.2** Workers shall not need to submit a deposit or identity papers to the employer and may freely choose to end the employment at any time with a reasonable notice period.

2.1.2 Right to Organise and Collective Bargaining (ILO Convention no. 87, 98, 135 and 154)

- 2.1.2.1** Workers without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation. Employers shall not in any way interfere with, hinder, or undermine the establishing or joining of trade unions or collective bargaining and agreements.
- 2.1.2.2** Representatives of trade unions shall not be discriminated against or hindered in their work as a union representative.
- 2.1.2.3** If the rights to establish and join organisations and collective bargaining are limited by law, the employers shall facilitate and not hinder alternative mechanisms for free and independent organising and negotiation.

2.1.3 Child Labour (UN Convention on the Rights of the Child, ILO Convention no- 138, 182 and 79, ILO Recommendation no. 146)

- 2.1.3.1** Minimum age for workers shall not be less than 15 years, and in accordance with i) minimum age for employment, or ii) minimum age for compulsory schooling, with the highest age being applicable A minimum age of 14 may be accepted if the local minimum age is set to 14 years in accordance with the exception in the ILO Convention 138.
- 2.1.3.2** Recruitment of child labourers in violation of the above-mentioned minimum age shall not occur.
- 3.1.3.3** Children under 18 years must not perform work which is in danger to their health, safety, or morale, including night work.
- 2.1.3.4** Action plans shall be established for rapid phasing out of child labour in violation with the ILO Conventions 138 and 182. The action plans shall be documented and communicated to the relevant personnel and other

interested people. Arrangements shall be made for support schemes where children are given opportunities for education until the child is no longer in the age of compulsory schooling.

2.1.4 Discrimination (ILO Convention no. 100 and 111 and UN Convention on the Elimination of All Forms of Discrimination Against Women)

2.1.4.1 There shall be no discrimination regarding employment, remuneration, training, promotion, dismissal, or retirement based on ethnicity, caste, religion, age, disability, gender, marital status, sexual orientation, trade union work or political affiliation.

2.1.4.2 Protection shall be established against sexually intrusive, threatening, insulting or exploitative behaviour and against discrimination or dismissal on unreasonable grounds, e.g., marriage, pregnancy, parenthood, or status as infected with HIV.

2.1.5 Cruel, Inhuman or Degrading Treatment (UN Convention on Civil and Political Rights, article 7)

2.1.5.1 No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment. The same applies for sexual misconduct or any other forms of misconduct or humiliations.

2.1.5.2 The supplier shall treat all employees with respect and dignity and protect workers' right to integrity and privacy. Any form of psychological, physical or verbal abuse, intimidation, threat or harassment must not be tolerated.

2.1.6 Occupational Safety and Health (ILO Convention no. 155 and Recommendation no. 164)

2.1.6.1 Work shall be done to secure workers a safe and healthy work environment. Dangerous chemicals and other substances shall be handled properly and carefully. Necessary measures shall be implemented to prevent and minimise accidents and injuries related to the workplace.

2.1.6.2 Risk assessments shall be conducted regularly to identify occupational hazards followed by implementation of measures to prevent identified hazards. The supplier shall for example ensure that there is sufficient fire protection in the work facility, that machinery is equipped with safeguards and that personal protective equipment is provided to employees at company cost. All facilities must be constructed and maintained in a safe manner and be equipped with adequate lighting, a pleasant temperature and well-functioning ventilation systems.

2.1.6.3 Workers shall receive regular and documented training in health and safety. Health and safety training shall be repeated for newly recruited or relocated workers.

2.1.6.4 Workers shall have access to clean sanitary facilities and clean drinking water. If relevant, the employer shall also provide access to facilities for safe storage of food.

2.1.6.5 If the employer is offering boarding or lodgings, shall these be clean, safe, sufficiently ventilated and with access to clean sanitary facilities and clean drinking water.

2.1.7 Remuneration (ILO Convention no. 131)

2.1.7.1 Workers' wages for a normal working week shall at least be in accordance with national minimum wage regulations or industry standard, the highest standard being applicable. The remuneration shall always be sufficient to cover basic needs, including some savings.

2.1.7.2 Wage conditions and payment must be agreed upon in writing before the employment starts. The agreement shall be understandable for the worker.

2.1.7.3 Deductions in salary as a disciplinary action is not accepted.

2.1.8 Hours of Work (ILO Convention no. 1 and 14)

2.1.8.1 Work hours shall be in accordance with national laws or industry standards, and not exceed hours of work in accordance with current international conventions and collective bargaining agreements. Normal work hours per week shall normally not exceed 48 hours.

2.1.8.2 Workers shall have at least one day off per 7 days.

2.1.8.3 Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. combined work hours of 60 hours per week. Exceptions from this may be accepted if it is regulated by a collective agreement or national law.

2.1.8.4 Workers shall always have overtime pay when working over the normal work hours, and minimally in accordance with current and applicable laws.

2.1.9 Regular Employment (ILO Convention no. 95, 158, 175, 177 and 181)

2.1.9.1 Commitments to workers, in accordance with international conventions, national laws and regulations for regular employment shall not be avoided through the use of short time commitments, such as the use of contract workers, 0-hour contracts or day workers, subcontractors or other work relations.

2.1.9.2 All workers are entitled to an employment contract in a language they understand.

2.1.10 Marginalised peoples (UN Convention on Civil and Political Rights, article 1 and 2)

2.1.10.1 Production and use of natural resources shall not contribute to destruction or deprivation of means of subsistence for marginalised peoples, such as seizing large areas of land, unsustainable use of water or other natural resources which these peoples are reliant upon.

2.1.10.2 In cases when land rights of communities might be impacted, suppliers must ensure proper dialogue and consultation with local communities and affected stakeholders is initiated. Even if a governmental permit has been obtained for the operation, community engagement shall always be carried out. Community engagement should be carried out in an inclusive, equitable, culturally appropriate, gender-sensitive, and rights-compatible manner.

3.1 Environmental protection:

3.2.1 We expect that our suppliers install measures to reduce and minimise negative effects on health and the environment in the entire supply chain. YES-EU expects our suppliers to work with environmental issues from a strategic perspective and in a systematic manner. Our common goal is to minimise emissions, promote efficient and sustainable use of resources, including energy and water, and minimise emissions of greenhouse gases in production and transport. Unnecessary packaging shall be avoided. The local environment in the place of production shall not be preyed upon or damaged by pollution, hazardous chemicals, or waste.

3.2.2 We expect that all our suppliers comply with all applicable environmental legislation. National and international environmental protection laws and regulations shall be kept, and relevant emission and discharge permissions must be obtained.

3.2.3 Suppliers shall actively contribute to accomplishing the 17 Sustainable Development Goals (SDGs) by the United Nations. Suppliers are also expected to develop and implement plans to reduce their carbon footprint according to the 1.5-degree scenario presented by the UNFCCC Paris Agreement.

3.2.4 YES-EU's suppliers shall to the greatest extent possible use products which can be reused and have a life cycle with the lowest possible environmental impact.

3.2.5 YES-EU demand that suppliers do not use substances with potential to cause serious health injuries such as cancer, mutations, reproductive issues, and other environmentally damaging substances. Chemicals and hazardous substances shall be eliminated when possible or kept to an absolute minimum. When using chemical or hazardous substances, the supplier shall ensure safe handling, storage, and disposal of the substances. All substances should be properly marked and substances that have been restricted or

regulated by the European Union directives REACH and RoHS are to be respected.

- 3.2.6** Our suppliers shall identify their own environmental risks and implement actions to mitigate these. This means that our suppliers should have an environmental management system in place for their business operation and be prepared to declare full material content of products delivered to YES-EU. Environmental certification in accordance with ISO 14001 or equivalent is viewed favourably. We also expect our suppliers to have a management representative appointed to ensure that environmental legal requirements are fulfilled.
- 3.2.7** Our suppliers are expected to use fuel-efficient and low-emission vehicles when transporting goods or providing services for YES-EU. Our suppliers must be prepared to provide information about environmental aspects of transportation of goods to YES-EU, for example mode of transport, emissions of the modes of transport, packaging material and production locations.
- 3.2.8** We expect our suppliers and sub-suppliers to comply with the OECD Due Diligence Guidance for Responsible Business Conduct. We furthermore expect that suppliers provide YES-EU with products made from materials that are sourced responsibly and verified as ‘conflict free’ in accordance with the OECD Due Diligence Guidance.

3.2 Fair Trade and Competition:

- 3.3.1** We expect our suppliers to follow and implement the *10 Principles of Fair Trade* promoted by the World Fair Trade Organization in their business activities and in their supply chain(s).
- 3.3.2** Suppliers must adhere to all applicable regulations regarding trade, export and import that apply to their activities.
- 3.3.3** The supplier shall respect free market regulations, meaning it is strictly forbidden to take part in cartels for price adjustments, market distortion or beneficiary services. The supplier shall ensure that all taxes are paid in all local countries of operation, and that transfer pricing manipulation or abusive transfer pricing do not occur.
- 3.3.4** The supplier shall not pay or accept kickbacks or facilitation payments and must prevent direct or indirect financial crime such as money laundry, fraud, or embezzlement, by having a process in place for identifying and handling such incidents.
- 3.3.5** It is unacceptable to use alternative channels to secure illegitimate private or work-related benefits to customers, agents, contractors, suppliers, or their employees, as well as public servants.

3.3.6 YES-EU's suppliers shall avoid trading partners who have activities in countries that are subject to Supplier's Declaration on Sustainability Trading Boycott by the UN and/or Norwegian authorities. YES-EU expects transparency from suppliers, amongst others related to exchange of information regarding the climate and the environment, social responsibilities, and ethical trading. YES' suppliers shall not evade taxes and shall follow tax regulations and international conventions in the countries the suppliers are doing business. YES-EU's suppliers shall comply with rules, regulations, and internal guidelines, as well as act in accordance with good practices for business, to invite trust in the business.

3.3 Corruption, bribery, money laundering and conflicts of interest:

3.3.1 Combatting the facilitation and financing of corruption and bribery

Suppliers must conduct business honestly, fairly, and free from any corruption or bribery. Suppliers must only offer gifts or hospitality in an open and transparent way and gifts must never be illegal. Where gifts or hospitality are offered, these should not be intended or interpreted as an attempt to improperly influence business decisions. Our suppliers shall not offer or receive any illegal or inappropriate gifts, money, or other remuneration, to achieve commercial or personal advantages.

YES-EU will actively oppose both facilitation and financing of corruption. We are obliged to do what we can to protect the company, its stakeholders and business partners from being exploited and the dangers this entails for loss of reputation, trust, and financial means. Suppliers must not offer or make facilitation payments.

YES-EU supports the *UN Convention against Corruption*, as the only legally binding and universal anti-corruption instrument. The Convention's far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem. Most of the UN Member States have signed the Convention.

By setting such strict requirements and having a zero-tolerance policy for corruption, YES-EU takes a clear stand in contributing to a sustainable social development.

3.3.2 Money laundering

Money laundering is a societal problem that both Norwegian and international legislation require us to work actively to counteract.

We hereby refer to the Norwegian Money Laundering Act from 2018 (*Hvitvaskingsloven*, LOV-2018-06-01-23). This Act provides an extensive framework of statutory requirements intended to prevent our operations being used for, or being subject to, money laundering activities.

In addition to properly comply with formal legal requirements, we do our utmost to maintain constant vigilance to prevent our customers or business partners falling victim to financial crime. We are fully aware that this approach can contribute to added value for our customers and business partners.

3.3.3 Conflicts of interests

Suppliers must conduct business free from conflicts of interest or mitigate appropriately any such conflicts if they arise. Business decisions shall not be motivated or influenced by personal relationship, interests, or divided loyalties. The supplier shall not enter into a commercial relationship (or any other relationship) with a party that creates or gives the appearance of a conflict of interest. Suppliers must also avoid the appearance of, as well as actual, conflicts of interest in both their performance of duties for the company and in their outside activities.

The supplier shall identify where conflict of interest could arise, document such situations as well as measures for handling identified situations. In case of a conflict of interest, the Supplier must take precautionary action and inform YES-EU about the situation.

4. CHOICE OF SUPPLIERS

YES-EU will emphasise the supplier's commitment to the ideals of the Code of Conduct when choosing suppliers. On request YES may demand that suppliers provide documentation on their environmental performance and their environmental leadership system through third-party verification or certificates. When evaluating a tender offer, YES will emphasise whether the supplier has an environmental management- and leadership system.

5. REVISION AND AUDIT

This Code of Conduct defines the minimum standards that YES-EU asks suppliers to respect when conducting business with YES-EU. YES-EU reserves the right to revise the Code of Conduct when it is needed.

The supplier is responsible for ensuring that suppliers in their supply chain adhere to responsibilities set out in the Code. On request by YES-EU the suppliers must document how they themselves, as well as any subcontractors or sub-suppliers, work to comply with the guidelines described in this and other documents, hereunder compliance with requirements for internal control. If YES-EU wishes to map subcontractor's compliance with the guidelines, the suppliers are obliged to allow such a mapping and provide the names and contact information of the subcontractors. We hereby refer to the *Compliance Procedure* which further outlines the obligation for suppliers to follow-up the Code of Conduct.

If a supplier does not comply one or more of the guidelines detailed in this document, YES may demand improvements. It will be regarded as a breach of contract if improvements are not possible, or the breach of guidelines is serious, and YES will re-evaluate the terms and conditions of the agreement. This may lead to the order being reduced, or the agreement being terminated without a right to any form of compensation. YES' suppliers must have a well working system for handling complaints related to the environment, social responsibility, and ethical trading. The

suppliers shall ensure such complaints can be put forward by workers and external parties as well as local communities and civil organisations. This declaration is in addition to previous agreement documents and replaces “Standard Appendix on Corporate Social Responsibility”.

Place and date:

18-03-2022

Name of Supplier

Benedikt G. Submundsson
(Signed by signatory)

