

Introduction

Felleskjøpet Agri SA (hereinafter “FKA”) shall have a sustainable business practice that respects people, society and the environment. This policy document, including Principles for sustainable business practices, is part of our sustainability strategy and forms the basis of our overall sustainability efforts.

In order to secure future generations, today’s generation must ensure a sustainable practice. In FKA, we contribute to this aim by strengthening the members' finances on short and long term and making sure that the products and services¹. FKA provide to the member, are results of a sustainable production and supply chain.

Through our membership in Etisk Handel Norge, FKA works actively with due diligence assessments in our business and our supply chains, to ensure sustainable business practices². A due diligence assessment is a risk-based approach to ensure fundamental rights and working conditions for the human resources involved and taking appropriate measures to avoid unnecessary negative impact on the society and the environment. We expect our suppliers and partners to follow the same approach.

Requirements for Felleskjøpet and our suppliers

FKA recognizes that our business practices may have a possible negative impact on people, society and the environment. FKA seeks to use this situation as an opportunity to have a positive impact on the people, the society and the environment that are involved in FKAs business. Based on this aspiration and commitment, FKA has drawn up the following principles and requirements for our own business:

Due diligence assessments

All FKA employees should conduct a risk assessment that includes the potential negative impact on people, society and the environment before entering into a contract. All FKA employees also have a duty to take necessary measures to stop, prevent and reduce any potential or proven negative impact. These measures should be monitored, and their impact assessed. Their impact and the results shall be communicated to those affected. Where our activities cause or contribute to a negative impact on people, society or the environment FKA shall seek to restore the damage and, as a last resort, discontinue the activity. The supplier is responsible for the negative impact/damage the supplier is also responsible for recovery³.

Responsible purchasing practices

FKA considers responsible purchasing practices to be one of our most important tools in our work for sustainability business practices and we shall adapt our own procurement practices so that we strengthen, and not undermine, suppliers' ability to deliver on the requirements we set to ensure good conditions for people, society and the environment. We shall strive for long-term supplier relationships with suppliers who demonstrate willingness and ability to work with positive development in the supply chain.

1 The Brundtland Commission, "Our common future", 1987

2 UN OHCHR, Guiding Principles on Business and Human Rights (UNGP)", 2011; OECD, "Due Diligence Guidance for Responsible Business Conduct", 2018.

3 OECD's contact point for responsible business, "OECD's guide for due diligence assessments for responsible business - an introduction", 2018.

Free trade union organization and worker representation

FKA supports the right to engage in trade union organizations and other forms of democratically elected worker representation. We will involve relevant stakeholders in our work with sustainability business practices and we will work for free trade union organization in our supply chains.

Supplier development and partnership

In dialogue with suppliers, we will if necessary, consider contributing with relevant skills development or resources that enable our suppliers to comply with the FKA's requirements for conditions in the supply chain. In this way, we lay the foundation for good cooperation with suppliers who show willingness and ability to work towards positive development for people, society and the environment in the supply chain.

Anti-corruption

FKA, including all employees, shall never offer or receive illegal or improper monetary gifts or other remuneration to obtain business or private benefits for oneself or benefits for customers, agents or suppliers.

Countries under trade boycott

FKA, including our suppliers and partners, must avoid trading partners who have activities in countries that have been subject to a trade boycott by the UN and/or the Norwegian authorities.

Requirements for conditions in the supply chain

We expect our suppliers and partners to work purposefully and systematically for compliance with our guidelines for suppliers, including principles for sustainability business practices, which cover basic requirements for human rights, labor rights, anti-corruption, animal welfare and the environment. Our suppliers must:

- Follow guidelines for suppliers, including principles for sustainable business practices.
- Work actively with due diligence assessment: do your own risk assessments for negatives impact on people, society and the environment, and to stop, prevent and reduce such impact. The measures must be monitored and assessed for their effect and communicated to those affected. There the supplier is responsible for the negative impact/damage, the supplier is also responsible for recovery⁴.
- Show willingness and ability to continuously improve for people, society and the environment through cooperation.
- At the request of FKA, be able to document how they themselves and their subcontractors, works to comply with the guidelines. If the supplier, after repeated inquiries, does not show the will or ability to comply guidelines for suppliers, termination of the contract may occur.

Lillestrøm 03. 03. 22



⁴ OECD's contact point for responsible business, "OECD's guide for responsible due diligence assessments business - an introduction", 2018

Principles for sustainable business practices (Code of Conduct)

These principles of sustainable business practice are based on UN and ILO conventions and state minimum and not maximum standards. The legislation at the place of production must be respected. Where national laws and regulations cover the same topic as these guidelines, the highest shall prevail the standard applies.

1. Forced labour/slave labor (ILO Convention No. 29 and 105)

- 1.1. There must not be any form of forced labour, slave labor or involuntary labour.
- 1.2. Workers shall not have to deliver a deposit or identity papers to the employer and shall freely terminate the employment relationship with reasonable notice.

2. Trade union organization and collective bargaining (ILO Convention No. 87, 98, 135 and 154)

- 2.1. Workers shall, without exception, have the right to join or establish trade unions of their own accord desire, and to negotiate collectively. The employer must not interfere with, prevent or oppose trade union organization or collective bargaining.
- 2.2. Trade union representatives must not be discriminated against or prevented from carrying out their duty union work.
- 2.3. If the right to free organization and/or collective bargaining is limited by law, the employer must facilitate, and not prevent, alternative mechanisms for time off and independent organization and negotiation.

3. Child labor (UN Convention on the Rights of the Child, ILO Convention No. 138, 182 and 79, ILO recommendation no. 146)

- 3.1. The minimum age for workers must not be less than 15 years and in line with national minimum age for employment, or minimum age for compulsory school attendance, with maximum age as applicable. If the local minimum age is set at 14 years in line with the exception in the ILO convention 138, this can be accepted.
- 3.2. New recruitment of child workers in violation of the above-mentioned minimum age shall not take place.
- 3.3. Children under the age of 18 must not perform work that is harmful to their health, safety or morale, including night work.
- 3.4. Action plans must be established for the rapid phasing out of child labor that is in breach of ILO Conventions 138 and 182. The action plans must be documented and communicated to relevant staff and other stakeholders. Arrangements must be made for support schemes where children are given the opportunity for education until the child is no longer of compulsory school age.

4. Discrimination (ILO Convention no. 100 and 111 and UN Convention on Discrimination against Women)

4.1. There must be no discrimination in terms of 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.

4.2. Protection must be established against sexually intrusive, threatening, insulting or exploitative behavior, and against discrimination or dismissal on unfair grounds, e.g., marriage, pregnancy, parentage or HIV status.

5. Brutal treatment (Human Rights Declaration/UDHR)

5.1. Physical abuse or punishment, or the threat of physical abuse, is prohibited. The same applies to sexual or other abuse and other forms of humiliation.

6. Health, environment and safety (ILO Convention No. 155 and Recommendation No. 164)

6.1. Efforts must be made to ensure workers a safe and healthy working environment. Hazardous chemicals and other substances must be handled properly. Necessary measures must be taken to prevent and minimize accidents and health damage as a result of, or related to, conditions at the workplace.

6.2. Workers must have regular and documented training in health and safety. Health and safety training must be repeated for new hires and redeployed workers.

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

6.4. If the employer offers accommodation, this must be clean, safe, adequately ventilated and access to clean sanitary facilities and clean drinking water.

7. Salary (ILO Convention No. 131)

7.1. Wages for workers for a normal working week must at least be in line with national minimum wage regulations or industry standard, whichever is higher. Salary must always be sufficient to cover basic needs, including some savings.

7.2. Pay conditions and payment of wages must be agreed in writing before work is started. The agreement must be comprehensible to the worker.

7.3. Deductions from wages as a disciplinary reaction are not permitted.

8. Working time (ILO Convention No. 1 and 14)

8.1. Working hours must be in line with national laws or industry standards, and not exceed working hours in accordance with applicable international conventions. Normal working hours per week should not normally exceed 48 hours.

8.2. Workers must have at least one day off per 7 days.

8.3. Overtime must be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e., total working hours of 60 hours per week. Exceptions to this can be accepted if there are regulated by a collective agreement or national law.

8.4. Workers must always receive overtime pay for working hours beyond normal working hours (see point 8.1 above), minimum in line with applicable laws.

9. Regular employment

9.1. Obligations towards workers, in line with international conventions, national laws and rules on regular employment must not be circumvented using short-term engagements (such as the use of contract workers, temporary workers and day workers), subcontractors or other working relationships.

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

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

10. Marginalized population groups

10.1. The production and use of natural resources shall not contribute to the destruction of resources and income base for indigenous people or other marginalized population groups, for example by seizing large areas of land, irresponsible use of water or other natural resources such as the population groups depend on.

11. Environment

11.1. Negative environmental impact must be reduced throughout the value chain. In line with the precautionary principal measures must be implemented for the correct use of pesticides, continuously to be minimized emission of greenhouse gases and local pollution, use of harmful chemicals and to ensure sustainable resource extraction and management of water, sea, forest and land, and biological conservation diversity.

11.2. National and international environmental legislation and regulations must be complied with, and relevant emission permits must be obtained.

12. Corruption

12.1. All forms of bribery are unacceptable, such as the use of alternative channels to secure illegitimate private or work-related benefits to customers, agents, contractors, suppliers or their employees as well as public officials.

13. Animal welfare

13.1. Animal welfare must be respected. Measures should be implemented to minimize negative impact on the welfare of production animals and working animals.

13.2. National and international animal welfare legislation and regulations must be observed.

Confirmation

Code of Conduct for Felleskjøpet Agri SA

This document confirms that

(name, capitol letters)

(title, capitol letters)

On behalf of

(company name, capitol letters)

(company stamp, if available)

Has read and understood the terms of
Code of Conduct for Felleskjøpet Agri SA

(signature)

(place)

(date)

Please print, fill in, and return by e-mail to your contact person.