



Supplier Code of Conduct

Polarfeed strives to conduct business in a responsible manner, based on the duty to respect human rights, labour rights, protect health, safety and the environment, prevent corruption and in general, apply sound business practices.¹

In order to make Polarfeed's position clear to our suppliers¹, we have set up this Code of Conduct (hereinafter referred to as "CoC").

Polarfeed will, when selecting suppliers, in addition to other quality elements and commercial aspects, consider compliance with this CoC. The CoC outlines a minimum standard of conduct. We expect that our suppliers always try to exercise good judgement, care and consideration by following both the requirements and the intentions of the CoC. Furthermore, we expect our suppliers to be transparent and have an open dialogue with us about challenges which they encounter as part of their operations.

When this CoC has been communicated to a specific supplier, it shall be regarded as a contract document and as an integral part of any contract entered into between Polarfeed and the supplier in question.

In addition to adherence to this CoC, Polarfeed expects all suppliers to comply with applicable national and international laws and standards.

II – REQUIREMENTS

1. LABOUR STANDARDS

1.1 There shall be no forced, bonded or involuntary labour. Workers shall be free to leave the workplace premises at the end of the day.

1.2 Workers shall not be required to lodge deposits or identity papers with the supplier's company (their employer) and shall be free to leave the company after reasonable notice.

1.3 The supplier ensures that throughout the hiring process and employment period, no deposits (monetary or otherwise) are collected from employees, including temporary, seasonal and migrant labour and employees provided by agencies, recruiters or brokers. In cases where a fee was collected in violation of this guideline, the supplier shall promptly pay, as appropriate, all such fees either

¹ Definitions: Supplier is the contractual partner responsible for the product or service supplied to Polarfeed and any of its subsidiaries. Subcontractor is a business entity in the supply chain directly or indirectly providing the supplier with goods and/or services integral to and utilized in/for the production of the supplier's goods and/or services.

directly to labour contractors/ agencies or other providers of labour, or promptly reimburse the effected worker².

1.4 Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. Workers' representatives shall not be discriminated and shall have access to carrying out their function of representation in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

1.5 Child labour³ shall be prohibited. Suppliers shall take the appropriate measures to ensure that no child labour occurs at their own place of production or operations or at their sub-contractors' sites of production or operations.

Young persons under the age of 18 shall not be engaged in work that is hazardous to their health or safety, including night work.

Policies and procedures for remediation of child labour 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.

The supplier shall have a certified copy of an official document which shows the worker's date of birth. In countries where this is not possible, the factory shall implement an appropriate method for evaluating the age of its workers.

1.6 Wages and social benefits shall meet, at a minimum, national legal standards or industry standards, whichever is higher. Wages should be enough to meet basic needs. Social benefits shall at least be in accordance with national law or the prevailing industry standard, whichever is highest.

All workers shall be provided with a written contract of employment in a language they understand outlining their wage conditions and method of payments before entering employment. Deductions from wages as a disciplinary measure shall not be permitted.

1.7 Workers shall be granted annual leave and sick leave, to which they are entitled according to national legislation, without any form of negative sanctions. In case of pregnancy, female workers shall be given maternity leave in accordance with the national legislation.

Working hours and breaks shall comply with national laws and industry standards, whichever affords greater protection. It is recommended that working hours do not exceed 48 hours per week. Workers shall be provided with at least one day off for every 7 day period.

Overtime shall be voluntary and limited. 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

² If fees are charged to workers by a third-party recruitment agency, these must be to cover the cost of secondary expenses only, such as travel expenses. Supplier should ensure that such fees are reasonable and should not provide workers with a loan or wage advance to cover the cost of fees paid by any worker to a recruitment agency.

³ Child labour is defined as work conducted by children, which interferes with a child's right to healthy growth and development and denies him or her the right to quality education. The minimum age for workers shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years (14 in certain countries according to ILO convention 138).

accepted when regulated by a collective bargaining agreement. Workers shall receive overtime pay. The pay shall, as a minimum, be in accordance with requirements in applicable law.

1.8 There shall be no discrimination in hiring, compensation, access to training, promotion or termination of work based on ethnic background, religion, caste, age, disability, gender, marital status, pregnancy, sexual orientation, union membership or political affiliation.

All workers with the same experience and qualifications should receive equal pay for equal works. 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.

1.9 Physical or mental abuse or punishment, or threats of physical or mental abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, shall be prohibited.

1.10 Obligations towards employees based on international conventions and social security laws, and regulations arising from the regular employment relationship, shall not be avoided through the use of short-term contracting (such as contract labour, day labour, sub-contractors or other labour relationships.)

1.11 The duration and content of apprenticeship programmes shall be clearly defined.

2. OCCUPATIONAL HEALTH AND SAFETY

2.1 The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents, fires and injuries arising out of, associated with, or occurring in, the course of work, by minimising, the causes of hazards inherent in the working environment.

Access to clean toilet facilities and to drinkable water and, if appropriate, sanitary facilities for food storage shall be provided.

2.2 Workers shall receive relevant and documented health and safety training, and such training shall be repeated on a regular basis.

2.3 Accommodation, where provided, shall be clean, safe and adequately ventilated, and be equipped with clean toilet facilities and clean water supplies.

3. ENVIRONMENT

3.1 Measures to minimize adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimizing pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimizing greenhouse gas emissions in production and transport. The local environment at the production site shall not be exploited or degraded. Relevant discharge permits shall be obtained where required.

3.2 The supplier shall establish a plan for reduction of environmental impacts, as well as follow-up and document the work. This include the use of resources; e.g. raw materials, energy and water, as well as emissions from the operations.

3.3 The supplier shall establish a system for documenting the use of hazardous chemicals⁴, and other substances. This system includes an evaluation and possible substitution of the substances, as well as a procedure for handling, storage, safe use and training of employees.

3.4 The supplier shall establish a system for adequate waste management.

3.5 For relevant materials, the Polarfeed Zero-Deforestation Policy should be adhered to.

4. BUSINESS INTEGRITY

4.1 The supplier shall comply with applicable laws concerning bribery, corruption, fraud and any other prohibited business practices. The supplier shall not offer, promise or give any improper benefit, favour or incentive to any public official, international organisation or other third party.

4.2 The supplier shall not, directly or indirectly, offer gifts to Polarfeed employees or persons representing Polarfeed or anyone closely related to these, unless the gift is of insignificant value. Hospitality, such as social events, meals or entertainments may be offered if there is a legitimate business purpose involved, and the cost is kept within reasonable limits. Travel expenses for the individual representing Polarfeed shall be paid for by Polarfeed. Hospitality, expenses or gifts shall not be offered or received in situations of contract bidding, negotiations or award.

4.3 The supplier shall under no circumstance cause or be part of any breach of general or special competition regulations and laws, such as illegal cooperation on pricing or illegal market sharing.

4.4 Production and extraction of raw materials for production shall not contribute to the destruction of the resources and income base for marginalised populations, such as in claiming large land areas or other natural resources on which these populations are dependent.

5. MANAGEMENT SYSTEM

5.1 The supplier shall take positive actions to respond to the requirements of this CoC and to incorporate the principles of the CoC into its operations. The supplier must also take steps to follow-up on these requirements to their own suppliers and sub-suppliers.

5.2 The supplier shall periodically and systematically review how its own operations match the requirements of this CoC.

5.3 The supplier shall have grievance systems in place enabling anonymous reporting of unfair treatment and/or other complaints.

5.4 The supplier shall obtain Polarfeed's consent prior to out-sourcing production or parts of the production, to a sub-supplier. 5.5 When the supplier uses sub-suppliers in connection with a delivery to Polarfeed, all links shall be traceable concerning the manufacturing location with respect to any delivery to Polarfeed. If requested by Polarfeed, the first tier supplier shall inform Polarfeed about all second tier (in some cases also third tier) suppliers and their manufacturing locations.

III – COMPLIANCE WITH THIS CODE OF CONDUCT – IMPROVEMENTS

1. AUDITING AND MONITORING

⁴ By chemicals we mean chemical substances and products, e.g. oil, diesel, glue, lacquer, solvents, paints, dyes, hardeners, stains, waxes, acids, additives etc.

In order to evaluate compliance with this CoC, Polarfeed may conduct on-site audits of suppliers and their production sites. The supplier shall maintain appropriate records to demonstrate compliance and shall be able to provide reasonable information when requested by Polarfeed. We reserve the right to monitor compliance by inspections, conducted by Polarfeed personnel or independent, third party auditors. An auditor appointed by Polarfeed shall, if requested by Polarfeed, be given access to the records and to other information in order to verify such compliance. Suppliers may also be requested to do self-assessment evaluations⁵ of their own business based on this CoC.

Audits will be carried out in accordance with the methodology of international standards, such as latest version of SMETA, SA8000 and ISO14001, in order to check against the requirements of this CoC. The type(s) of audit(s) which will be conducted shall, if possible, be agreed between Polarfeed and the supplier in advance.

1. NON-COMPLIANCE – CORRECTIVE ACTIONS – TERMINATION OF THE CONTRACT

This CoC sets the standard expected to be met by all our suppliers throughout the value chain. If the requirements in this CoC are not met by a supplier, the parties will discuss corrective actions through an open dialogue. The supplier shall do its utmost to implement corrective actions as soon as possible, and it shall inform Polarfeed about any such actions.

If it is established that (i) a supplier is unwilling or unable to carry out corrective actions which Polarfeed finds necessary in order to comply with this CoC, or (ii) the supplier or any of its sub-suppliers has committed a substantial breach or repeated breaches of the requirements in this CoC, Polarfeed is entitled to terminate the business relationship and any contract(s) with the supplier. Such termination shall be effective from the time stated in a written termination notice from Polarfeed.

2. EVALUATION AND IMPROVEMENTS

Polarfeed expects that the suppliers continuously and systematically evaluate their compliance with this CoC. We furthermore expect that improvement measures, whenever needed, are implemented by the suppliers. Polarfeed will also continuously evaluate and, if needed, improve our own policies and purchasing practices in order to facilitate the suppliers' and their sub-suppliers' compliance with this CoC.

IV – BOYCOTT OF AND SANCTIONS AGAINST CERTAIN COUNTRIES, INDUSTRIES AND/OR COMPANIES

Polarfeed will avoid buying from a country when there is a broad international consensus to boycott the country, or when sanctions against the country have been implemented by the United Nations. Polarfeed will avoid engaging with industries or companies when there is a broad consensus to boycott due to the negative social, environmental or ethical effects of the products, services or companies. We expect our suppliers to implement a similar policy.

⁵ Supplier self assessment evaluations may be conducted ad hoc or systematically via either Polarfeed internal or external systems we find most relevant for the supplier.

List of references to international conventions and declarations:

The Universal Declaration of Human Rights (UN 1948)

Freely Chosen Employment

ILO Conventions Nos. 29, 105 and 181

Regular Employment

ILO Conventions Nos. 95, 158, 175, 177 and 181

Freedom of Association and the Right to Collective Bargaining

ILO Conventions Nos. 87, 98, 135 and 154

No Child Labour

UN Convention on the Rights of the Child

ILO Conventions Nos. 138, 182 and 79

ILO Recommendation No. 146

Marginalized Populations

UN Covenant on Civil and Political Rights, art. 1 and 2

No Discrimination

ILO Conventions Nos. 100 and 111

UN Convention on Discrimination Against Women

Safe and Hygienic Working Conditions

ILO Convention No. 155

ILO Recommendation No. 164

Adequate Wages

ILO Convention No. 131

No Excessive Working Hours

ILO Convention No. 1 and 14

Harsh or Inhumane Treatment

UN Covenant on Civil and Political Rights, Art. 7