

Supplier Code of Conduct

I – INTRODUCTION

Log 9 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.

In order to make Log 9's position clear to our suppliers, we have set up this Code of Conduct (hereinafter referred to as "CoC"). This CoC is based on the Universal Declaration of Human Rights, the ETI Base code, and UN Global Compact's 10 principles for sustainable development, to which Log 9 is committed.

Log 9 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 will 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 the Log 9 company and the supplier in question.

In addition to adherence to this CoC, Log 9 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 Ensure that all laws relating to minimum level of wages, maximum working hours and mandatory days of rest are strictly adhered to.
- 1.3 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.
- 1.4 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 directly to labour contractors/ agencies or other providers of labour, or promptly reimburse the effected worker.

- 1.5 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 on any ground 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.

- 1.6 Child labour shall be prohibited. Suppliers shall take the appropriate measures to ensure that no child labour is used 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. The factory or other premises where labour is deployed shall implement an appropriate method for evaluating the age of its workers.

- 1.7 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.

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 minimizing, 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 includes 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 chemicals, 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 The suppliers shall ensure that it does not use prohibited substances in any equipment or package supplied and shall ensure that its sub-contractors also adhere to the same. The supplier shall support Log 9 in implementing a responsible supply chain by reducing and eventually eliminating the procurement of equipment which use tin, tantalum, tungsten or gold from conflict affected and high risk countries or zones.

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 ensure that it competes fairly in the market and supplier shall not enter into any agreements with its competitors or other third parties with the objective of distorting, or unfairly fixing prices in collusion with other entities in the market, or limiting production to bring about artificial scarcity for the goods or service. In the event that you as a supplier gather information about competitors, you shall ensure that such information is only collected from public sources which are freely available to all and under no circumstances should suppliers resort to espionage, stealing or other unlawful techniques for information gathering.
- 4.3 The supplier shall not, directly or indirectly, offer gifts to Log 9 employees or persons representing Log 9 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 Log 9 shall be paid for by Log 9. Hospitality, expenses or gifts shall not be offered or received in situations of contract bidding, negotiations or award.
- 4.4 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.
- 4.5 Production and extraction of raw materials for production shall not contribute to the

destruction of the resources and income base for marginalized 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 Log 9 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 Log 9, all links shall be traceable concerning the manufacturing location with respect to any delivery to Log 9. If requested by Log 9, the first tier supplier shall inform Log 9 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

In order to evaluate compliance with this CoC, Log 9 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 Log 9. We reserve the right to monitor compliance by inspections, conducted by Log 9 personnel or independent, third-party auditors. An auditor appointed by Log 9 shall, if requested by Log 9, 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 evaluations of their own business based on this CoC.

2. 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 Log 9 about any such actions.

If it is established that (i) a supplier is unwilling or unable to carry out corrective actions which Log 9 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, Log 9 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 Log 9.

3. EVALUATION AND IMPROVEMENTS

Log 9 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. Log 9 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

Log 9 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. Log 9 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.

If you have understood and agreed to the aforesaid terms and conditions, please return the duplicate copy of this Supplier Code of Conduct with your signature and Company seal on all pages thereon signifying your acceptance thereof.

Acknowledged and Agreed to on behalf of

Company name:

(Signature)

Name:

Designation:

Date:
