

CODE OF CONDUCT

1. INTRODUCTION

The Code of Conduct (in the following referred to as “CoC”) reflects NAV Scandinavia’s general position on human rights, ethical and environmental behaviour, and we are thus committed to using our best efforts to influence people around us to commit themselves to similar standards, including, but not limited to, our business partners, production partners/suppliers and their subcontractors, agents etc. (in the following referred to as “Suppliers”)

The present CoC is a statement of NAV Scandinavia’s requirements regarding human rights, ethical and environmental behaviour in connection with our business. It was drawn up with reference to the relevant ILO and UN conventions. The CoC applies to all Suppliers who supply the goods and raw materials we use in our production for the purpose of distribution to our customers.

We seek and favour Suppliers whose standards are compatible with our own. We are willing to take cultural differences and local factors into consideration, but we will not compromise on fundamental human rights and basic requirements regarding health, safety and environment.

The CoC is designed to be ethical, achievable and auditable, and we will work with our Suppliers in respect of this statement. The employees of NAV Scandinavia are trained according to our requirements and will work together with Suppliers to achieve best possible conditions for workers working in both indoor and outdoor environments.

2. COMPLIANCE

In general, Suppliers must comply with the legal requirements and laws of countries in which they operate.

Conflicts between this CoC and the supplier country’s legal requirements and laws will be evaluated by NAV Scandinavia in cooperation with that supplier. Suppliers must be able to document their compliance, and if any conflicts are detected, Suppliers must inform NAV Scandinavia immediately.

NAV Scandinavia is entitled to conduct announced and unannounced audits at the Supplier’s sites at any time either by themselves or through 3rd parties in order to verify compliance with this CoC.

If any non-compliance with the CoC should be discovered, a plan for remediation will be drafted immediately together with the Suppliers.

NAV Scandinavia believes that by taking this approach, we can contribute more towards improving social and environmental conditions than by simply rejecting all Suppliers, who do not initially live up to or breach the CoC.

All Suppliers must, however as a minimum at all times, live up to requirements concerning fundamental human rights and basic requirements regarding health, safety and environment.

In the case of serious non-compliance with the CoC, e.g., repeated violations of the CoC, unwillingness to improve, or improvements were not carried out within the agreed deadlines, NAV Scandinavia will terminate

collaboration with the Supplier concerned and cancel all existing orders, if no other amicable solutions can be found.

3. EMPLOYMENT

3.1. General information

Suppliers must observe and fully apply local laws or regulations on employment protection. If no laws or regulations apply, the conditions imposed on workers and their legitimacy may not be less favourable than the terms generally applied in the area for workers doing the same type of work.

The workers should be granted their stipulated annual leave and sick leave without any form of repercussion. Female workers should be granted their stipulated maternity leave in case of pregnancy. Dismissal of female workers due to pregnancy is not acceptable.

3.2. Minimum wages and benefits

Payment to workers of the minimum wage prescribed by local law or the normal local industry wage must be paid regularly and on time, and must be fair in respect of work performed. Payment to workers of overtime wages should be at a rate that is higher than or equal to the ordinary overtime rate.

3.3. Working hours

Overtime must be voluntary and limited to a level consistent with humane and productive working conditions. Workers should not on a regularly scheduled basis be asked to work more than 60 hours per week (48 hours of normal work plus not more than 12 hours of overtime), and if local laws or local industry standards prescribe fewer working hours per week, then this must be respected.

Workers must, in general, be entitled to at least one day off every seven days.

3.4. Child labor

We recognize the right of children to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

The minimum age for a worker may not be less than the age of completion of compulsory schooling and, in any case, may not be less than 15 years. According to the ILO, a country whose economy and educational facilities are insufficiently developed may – after consultation with the organisations of employers and workers concerned, where such exist – initially specify a minimum age of 14 years.

It is the responsibility of each Supplier to verify the age of all workers, and this information must be accessible for audit at any time.

In the Convention on the Rights of the Child, the UN specifies that the word "child" means any human being below the age of 18, unless, under the law applicable to the child, the majority is attained earlier. With this convention in mind, we want Suppliers to consider young workers between 15 and 18 years of age an especially vulnerable group of employees and to treat them accordingly.

The Supplier should refrain from hiring workers under the age of 18 for positions that require hazardous work that could jeopardise their health, safety or morals.

3.5. Unacceptable types of labor

We will not work with Suppliers who use illegal workers, forced labor or bonded workers when producing our goods.

3.6. Disciplinary practices

We do not accept Suppliers, who threaten workers with or employ any corporal punishment, or any other form of physical or psychological disciplinary action, including sexual harassment.

3.7. Non-discrimination

Workers must be treated fairly, and should only be employed by their ability to do the job.

Workers must not be treated less favorably because of personal characteristics or beliefs, such as race, colour, sex, religion, political opinion, national extraction or social origin. Differences in cultures must be respected.

3.8. Freedom of association

Suppliers will not prevent employees from associating freely. Where national laws prohibit these freedoms, Suppliers should not oppose parallel means for independent and free associations and bargaining.

4. HEALTH AND SAFETY

4.1. General information

Generally, the working environment must be safe and healthy, and Suppliers must comply fully with local laws or regulations covering this area.

The requirements below apply to factories, but also to any accommodation provided for the workforce.

4.2. Health and safety

There must be satisfactory lighting and ventilation in the work areas and surrounding areas. The temperature in the factory must be tolerable as a working environment. Clean drinking water must be provided. Separate eating facilities should be provided. Toilet facilities must be available and clean. It is important that the factory environment is clean and pollution, if any, is minimized.

If accommodation is provided, bathing facilities and facilities for storing personal belongings must be available.

All reasonable steps must be taken to prevent accidents and injury. The Supplier shall provide the employees any necessary protection equipment and training in order to carry out the work in a safe manner.

Machines must be properly maintained and have the necessary safety mechanisms.

There must be a sufficient number of clearly marked exits and preferably emergency exits on all floors. Exits must be accessible at all times and easy to open or unlock in case of emergency.

Passageways and walking areas must be kept open and must allow unhindered passage in case of evacuation. Smoking must be prohibited in production areas and areas in which there are flammable materials. Fire alarms must be present and fire extinguishers installed and clearly marked.

All workers must be aware of emergency procedures. All types of emergency equipment must be regularly tested; evacuation drills according to documented plans are desirable.

First aid equipment must be clearly marked and available in each factory. At least one person must be responsible for the maintenance of the equipment and know how to use it. At least one person trained in basic first aid must be present when employees are working. For all other employees, Suppliers must be informed of their identity.

5. ENVIRONMENT

5.1. Environmental protection

The Suppliers shall comply with all relevant national environmental laws and regulations. The Suppliers shall maintain awareness of current environmental requirements relevant to the environmental impacts of its activities, products and services, and ensure legal compliance.

Suppliers will seek, wherever appropriate, to minimize any harmful environmental impacts of its business practices.

5.2. Hazardous substances

Suppliers will not manufacture, trade, and/or use chemicals and hazardous substances subject to international bans due to their harmful impact on the environment.

5.3. Waste and emissions

Suppliers will dispose of waste substances in compliance with national environmental laws and regulations. Suppliers will seek to minimize emissions to air, water and land relative to production output.

5.4. Use of energy and natural resources

Suppliers will seek to ensure the efficiency of their business operations in terms of consumption of natural resources including, but not limited to, water and energy.

6. SIGNATURE

By signing this document, the Suppliers confirm that they as a business have read, understood and will respect and act to fulfill this CoC.

Date and place (in capitals):

Signature:

Name and title of signatory (in capitals):

Company name (in capitals):

Company's chop: