

Ethical Guidelines for Sustainable Business Practices.

Requirements for own operations and the supply chain at Unger Fabrikker AS

Adopted by Unger Fabrikker AS Last amended (04.05.26)

Introduction

Unger Fabrikker works to maintain a sustainable business practice that respects people, society and the environment. This policy document, including principles for sustainable business practices, forms the basis for our sustainability work.

Unger Fabrikker considers sustainable business practices a prerequisite for sustainable development, which means that the needs of present generations are met without compromising the ability of future generations to meet theirs¹. At Unger, we work every day **to make everyday life cleaner, safer and more functional in a responsible society**. Our vision is: **"Unger provides products, services and concepts where we use the most environmentally friendly technology for a cleaner, safer and more functional everyday life."** We are passionate about creating products that make a difference. Our goal is to develop solutions that are safe, sustainable and create value – both for people and the environment. We take responsibility throughout the entire value chain and work to reduce our climate footprint, ensure good working conditions and contribute to a more sustainable future.

The UN Sustainable Development Goals are the world's shared action plan for sustainable development. Unger Fabrikker works actively with the Sustainable Development Goals. Our sustainability work is structured around **three pillars; Climate footprint, Respect for people and Innovative and environmentally friendly solutions**. Within each focus area, we work with measures both globally and locally. We have identified some key focus areas for our sustainability work where we, together with our stakeholders, believe we can make a significant difference. These can be linked to **five of the UN Sustainable Development Goals; 3, 8, 9, 12, and 17**.

Unger Fabrikker is committed to actively working with due diligence assessments for sustainable business practices². Due diligence is a risk-based approach to respecting and safeguarding people, society and the environment in our own operations and throughout the supply chain. We expect our suppliers and business partners to follow the same approach.

Requirements for own operations

Unger Fabrikker shall carry out due diligence assessments for sustainable business practices. This means: conducting our own risk assessments of negative impacts on people, society and the environment, and stopping, preventing and mitigating such impacts. The measures are monitored and their effectiveness assessed, and communicated to those affected. Where our activities cause or contribute to negative impacts on people, society or the environment, we shall stop the activity and seek to remediate the harm. Where the supplier is responsible for the negative impact or harm, the supplier is also responsible for remediation:

¹ Brundtland Commission, "Our Common Future", 1987

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

Due diligence assessments

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Responsible procurement practices

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

Freedom of association and worker representation

Unger Fabrikker supports the right to freedom of association and other forms of democratically elected worker representation. We shall involve worker representatives and other relevant stakeholders in our work on sustainable business practices.

Supplier development and partnerships

In dialogue with suppliers, we will, where necessary, consider contributing relevant capacity building or resources that enable our suppliers to comply with Unger Fabrikker's requirements for conditions in the supply chain. In this way, we lay the foundation for good cooperation with suppliers that demonstrate particular willingness and ability to work with positive development for people, society and the environment in the supply chain.

Anti-corruption

Unger Fabrikker, including all employees, shall never offer or receive illegal or improper monetary gifts or other benefits in order to obtain business-related or private advantages for themselves or advantages for customers, agents or suppliers.

Countries under trade embargo

Unger Fabrikker, including our suppliers and business partners, shall avoid trading partners that have activities in countries subject to trade embargoes imposed by the UN and/or Norwegian authorities.

Requirements for conditions in the supply chain

We expect our suppliers and business partners to work in a targeted and systematic manner to comply with our supplier guidelines, including principles for sustainable business practices, which cover basic requirements related to human rights, labour rights, anti-corruption, animal welfare and the environment. Our suppliers shall:

- Follow the supplier guidelines ([Unger Supplier Code of Conduct](#)), including principles for sustainable business practices.
- Actively work with due diligence, meaning: carry out their own risk assessments of negative impacts on people, society and the environment, and stop, prevent and mitigate

³ OECD National Contact Point for Responsible Business Conduct, "OECD Due Diligence Guidance for Responsible Business Conduct – an introduction", 2018.

such impacts. The measures must be monitored and their effectiveness assessed, and communicated to those affected. Where the supplier is responsible for the negative impact or harm, the supplier is also responsible for remediation⁴.

- Demonstrate willingness and ability for continuous improvement for people, society and the environment through cooperation.
- At the request of Unger Fabrikker, be able to document how they themselves, and any sub-suppliers, work to comply with the guidelines.

If the supplier, after repeated inquiries, does not demonstrate willingness or ability to comply with the supplier guidelines, termination of contract may occur.

Principles for sustainable business practices (Code of Conduct)

These principles for sustainable business practices are based on UN and ILO conventions and indicate minimum, not maximum, standards. Legislation at the place of production shall be respected. Where national laws and regulations cover the same subject as these guidelines, the highest standard shall apply.

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

- 1.1. There shall be no occurrence of any form of forced labour, slavery or involuntary labour.
- 1.2. Workers shall not be required to provide deposits or identity papers to the employer and shall be free to terminate their employment with reasonable notice.

2. Freedom of association 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 choosing and to bargain collectively. The employer shall not interfere with, hinder or oppose unionisation or collective bargaining.
- 2.2. Trade union representatives shall not be discriminated against or prevented from carrying out their trade union work.
- 2.3. Where the right to freedom of association and/or collective bargaining is restricted by law, the employer shall facilitate, and not hinder, alternative mechanisms for free and independent organisation and bargaining.

3. Child labour (UN Convention on the Rights of the Child, ILO Convention No. 138, 182 and 79, ILO Recommendation No. 146)

- 3.1. The minimum age of workers shall not be less than 15 years and in line with the national minimum age for employment, or the minimum age for compulsory schooling, whichever is higher. Where the local minimum age is set at 14 years in accordance with the exception in ILO Convention 138, this may be accepted.
- 3.2. No new recruitment of child labourers in violation of the above minimum age shall take place.
- 3.3. Children under the age of 18 shall not perform work that is harmful to their health, safety or morals, including night work.
- 3.4. Action plans shall be established for the prompt phasing out of child labour in violation of ILO Conventions 138 and 182. The action plans shall be documented and communicated to relevant personnel and other stakeholders. Arrangements shall be made for support schemes

⁴ OECD National Contact Point for Responsible Business Conduct, "OECD Due Diligence Guidance for Responsible Business Conduct – an introduction.

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 the UN Convention on the Elimination of All Forms of Discrimination against Women)

- 4.1. Efforts shall be made to ensure workers a safe and healthy working environment. Hazardous chemicals and other substances shall be handled responsibly. Necessary measures shall be implemented to prevent and minimise accidents and health injuries as a result of, or related to, conditions in the workplace.
- 4.2. Protection shall be established against sexually intrusive, threatening, offensive or exploitative behaviour, and against discrimination or termination on unreasonable grounds, e.g. marriage, pregnancy, parental status or HIV status.

5. Harsh treatment (Universal Declaration of Human Rights/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 shall be made to ensure workers a safe and healthy working environment. Hazardous chemicals and other substances shall be handled responsibly. Necessary measures shall be implemented to prevent and minimise accidents and health injuries as a result of, or related to, conditions in the workplace.
- 6.2. Workers shall receive regular and documented training in health and safety. Health and safety training shall be repeated for new and reassigned workers.
- 6.3. Workers shall have access to clean sanitary facilities and clean drinking water. Where relevant, the employer shall also ensure access to facilities for safe storage of food.
- 6.4. If the employer provides accommodation, this shall be clean, safe, adequately ventilated and have access to clean sanitary facilities and clean drinking water.

7. Wages (ILO Convention No. 131)

- 7.1. Wages paid to workers for a normal working week shall at a minimum be in accordance with national minimum wage regulations or industry standards, whichever is higher. Wages shall always be sufficient to cover basic needs, including some savings.
- 7.2. Wage conditions and payment of wages shall be agreed in writing before work commences. The agreement shall be understandable to the worker.
- 7.3. Deductions from wages as a disciplinary measure are not permitted.

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

- 8.1. Working hours shall be in accordance with national laws or industry standards and shall not exceed working hours in accordance with applicable international conventions. Normal working hours per week shall generally not exceed 48 hours.
- 8.2. Workers shall have at least one day off per 7 days.
- 8.3. Overtime shall be limited and voluntary. The recommended maximum overtime is 12 hours per week, i.e. a total working time of 60 hours per week. Exceptions to this may be accepted if regulated by a collective agreement or national law.
- 8.4. Workers shall always receive overtime pay for working hours exceeding normal working hours (see point 8.1 above), at a minimum in accordance with applicable laws.

9. Regular employment

9.1. Obligations to workers, in accordance with international conventions, national laws and regulations on regular employment, shall not be circumvented through the use of short-term engagements (such as the use of contract workers, casual labour and day labourers), subcontractors or other employment relationships..

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

9.3. Apprenticeship programmes shall be clearly defined with regard to duration and content.

10. Marginalised population groups

10.1. Production and use of natural resources shall not contribute to the destruction of the resource and income base of indigenous peoples or other marginalised population groups, for example by appropriating large land areas, irresponsible use of water or other natural resources on which the population groups depend.

11. Environment

11.1. Negative environmental impact shall be reduced throughout the value chain. In line with the precautionary principle, measures shall be implemented to continuously minimise greenhouse gas emissions and local pollution, the use of harmful chemicals and pesticides, and to ensure sustainable resource extraction and management of water, oceans, forests and land, and the conservation of biological diversity.

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

11.3 In order to comply with the EU Deforestation Regulation (EU) 2023/1115, suppliers of products that have been fed with or produced using relevant commodities; cattle, cocoa, coffee, palm oil, rubber, soy and wood, shall ensure, and verify, that the relevant goods and products meet these conditions and are in compliance with the EU Regulation:

- They are deforestation-free
- They are produced in accordance with relevant legislation in the country of production

12. Corruption

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

13. Animal welfare

13.1. Animal welfare shall be respected. Measures should be implemented to minimise negative impacts on the welfare of production animals and working animals.

13.2. National and international animal welfare legislation and regulations shall be complied with.