

## Ethical guidelines for suppliers and business relationships

### 1. Introduction

In connection with work with the Transparency Act, Aasen Shipping AS and its subsidiaries (hereinafter "the Company") has prepared guidelines for its own internal affairs, suppliers, business and collaboration partners.

The Company's suppliers, business and collaboration partners (hereinafter "Suppliers") are central to the ability to carry out our business. We want our business relationships to be based on trust and transparency, and that our suppliers share the Company's attitude to ethics and compliance.

The Company works to promote good working and environmental conditions in the supply chains, in close cooperation with our suppliers, business and collaboration partners. The company's ethical guidelines for suppliers (hereinafter "Ethical Guidelines") express our expectations and set out our requirements for all Suppliers.

Our Ethical Guidelines are based on current laws and regulations, key UN conventions and ILO conventions. The Company expects our Suppliers to follow applicable legislation, respect internationally recognized human rights, and follow ethical standards that correspond to the substantive content of our Ethical Guidelines when they work for and/or together with the Company. Suppliers must also ensure that the same is passed on to subcontractors who contribute to work for the Company.

### 2. Laws and regulations

The company respects all international and nationally recognized human rights, including the UN Universal Declaration of Human Rights (1948) and its related conventions, as well as Norway's Act on strengthening the position of human rights in Norwegian law (Human Rights Act) of 21 May 1999.

The Company undertakes to carry out due diligence assessments in accordance with the OECD's guidelines for multinational companies, which involve mapping, preventing, limiting and reporting on how the company handles existing and potential negative consequences of its operations.

Our Suppliers play an important role in helping us realize these commitments and goals. It is expected that our Suppliers have guidelines that live up to the Company's Ethical Guidelines, internationally recognized conventions, and relevant national legislation in countries where the Supplier operates. The supplier's business must be legal.

Suppliers should particularly focus on those most vulnerable to negative impacts on human rights and the requirements for a decent working life.

This document describes standards that the Company's Suppliers are encouraged to follow.

### 3. Human and employee rights

#### 3.1 *Freedom of organization and the right to collective bargaining*<sup>1</sup>

The Company's Suppliers must ensure and recognize the right to freedom of association and collective bargaining. Suppliers must respect the employees' right to establish or join trade unions or employee organizations.

Employees must have the right to bargain collectively, without fear of threats or reprisals. Suppliers must not discriminate against employee representatives or trade union members, who must have access to perform their work as representatives in the workplace.

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<sup>1</sup>See ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organize (1950), Convention No. 98 on the Right to Organize and Conduct Collective Bargaining (1951), Convention No. 135 on the Protection of Employee Representatives in Companies and Their Opportunities to carry out their activities (1973), as well as Convention No. 154 on the Promotion of Collective Bargaining (1983).

In cases where freedom of association and collective wage negotiations are limited by national legislation, Suppliers must ensure that employees can freely choose their own representatives.

### **3.2 Forced labour<sup>2</sup>**

Suppliers must not use any form of coercion in connection with employment or working conditions. Suppliers must ensure that the working relationship between the employee and the Supplier is based on voluntariness and without threats of any kind.

In addition, the Suppliers must ensure that all employees are free to leave the workplace or terminate the employment relationship after notifying the Supplier of this in a reasonable manner.

Employees shall not need to deposit money, identity papers or the like in order to be employed or to maintain an employment relationship.

### **3.3 Terms of employment and working hours<sup>3</sup>**

Suppliers must comply with the working environment regulations in the country of production, including paying their employees in accordance with any national legal standard for minimum wages. The salary must be agreed in writing and transferred to the employees at the agreed upon time.

Suppliers must ensure that all employees have written employment agreements that describe the terms of employment in a language that the employee understands.

Suppliers must provide all workers with compensation, insurance and social arrangements that correspond to statutory minimum standards, nationwide collective agreements and internationally recognized human rights standards of equal pay for male and female workers of equal value. As a minimum, such compensation includes wages and paid leave that allows for an adequate standard of living.

We expect our Suppliers to refrain from imposing too many working and overtime hours that unreasonably affect the right to private and family life. Working hours must not endanger the individual worker's health and safety. National working time regulations must be observed. Workers must be able to refuse excessive overtime without risk of discrimination or reprisals.

Suppliers must comply with national requirements for regular employment, including employment contracts.

### **3.4 Equality, diversity and inclusion<sup>4</sup>**

We expect our suppliers to have plans and strategies for working with diversity, equality and inclusion.

Suppliers must promote equality in employment and must have zero tolerance for direct and indirect discrimination on the basis of, but not limited to, gender, race, skin colour, religion, ethnic, national or social origin, marital status, sexual orientation, political or other beliefs, trade union membership, nationality, reduced ability to work or age. Suppliers must prevent termination on unfair grounds.

Suppliers must treat all employees fairly and strive for gender balance, diversity and inclusion throughout the business and at all management levels. Suppliers must act actively if deviations from this are observed.

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<sup>2</sup> Cf. ILO Convention No. 29 on Forced Labor (1932) and Convention No. 105 on the Abolition of Forced Labor (1959).

<sup>3</sup> Cf. ILO Convention No. 1 on the 8-hour day (1921) and Convention No. 14 on weekly rest in industrial enterprises (1923).

<sup>4</sup> Cf. ILO Convention No. 100 on equal pay for male and female workers for work of equal value (1953) and Convention No. 111 on discrimination in employment and occupation (1960).

No employees or workers shall be exposed to physical, sexual or psychological harassment, humiliation or abuse.

### **3.5 Child labour<sup>5</sup>**

Suppliers must not use child labor or any form of work that deprives children of their childhood, potential or dignity, which may be dangerous or an obstacle to the child's education, or harmful to the child's health or physical, psychological, spiritual, moral or social development. By "child" shall be understood a person who is under 15 years of age, under the minimum age for completion of compulsory schooling or under the legal employment age in the country in question. The highest of the aforementioned age options shall apply. If national regulations set a higher age limit, this limit applies.

If the Supplier uses workers under the age of 18, the Supplier must be able to document that the worker does not perform health-damaging or dangerous work, including overtime and night shifts.

## **4. Health, environment and safety**

Health, environment and safety are very important to the Company. Suppliers must ensure and maintain a safe working environment in accordance with current legislation and encourage good practice in health and safety.

Suppliers are expected to establish appropriate measures to prevent accidents and occupational diseases, including taking out all statutory insurance. Work-related accidents must be reported to the relevant authorities, investigated and preventive measures must be introduced.

Suppliers are expected to have a written policy, personnel handbook, statement or similar covering health and safety and which is communicated and made available to all employees and available stakeholders.

## **5. Climate and environment**

We expect our business partners to work actively and systematically to minimize negative effects on the climate and environment, including reducing greenhouse gas emissions. We expect business partners to take measures to reduce the negative impact on valuable species and natural diversity in our projects.

The business partners must comply with all statutory environmental standards, including national regulations for climate and environment, requirements for the protection of biological diversity, area protection and pollution. Relevant emission permits must be obtained where necessary.

## **6. Ethical business operations**

### **6.1 Business Integrity**

The company's suppliers are expected to act ethically, responsibly, fairly and professionally at all times. Suppliers must respect the laws that regulate their business and must avoid harming people, the environment and the Company's reputation. It is also expected that this will be strived for using any subcontractors in the supplier's delivery to the Company.

### **6.2 Anti-corruption**

The company has zero tolerance for corruption and influence peddling, and bribery must not occur between us and our business partners. The company's Suppliers must actively distance themselves from all forms of corruption and must comply with laws and regulations relating to bribery, corruption, anti-money laundering, fraud and other illegal business activities.

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<sup>5</sup> Cf. UN Convention on the Rights of the Child and ILO Convention No. 79 on Night Work for Youth (Non-Industrial Occupations) (1950), No. 138 on Minimum Age for Access to Employment (1976), Convention No. 182 on Prohibition of and Immediate Measures to abolish the worst forms of child labor (2000) and ILO Recommendation No. 146 on the minimum age (1973).

Suppliers shall not offer, solicit, promise, receive or give any form of undue advantage, favor or inducement to anyone for the purpose of obtaining personal or business advantage. This applies regardless of whether this benefit is offered directly or indirectly through others.

Suppliers are expected to develop and implement anti-corruption guidelines, internal control measures and training that are proportionately adapted to their business.

### ***6.3 Anti-money laundering and tax/fee etc.***

The company's suppliers must distance themselves from all forms of money laundering and establish reasonable measures to prevent and deal with the business being used for money laundering and terrorist financing. Suppliers must follow the applicable tax rules and not contribute to tax and duty evasion, or otherwise appropriate public funds unlawfully.

All accounting information must be correct, registered and recorded in accordance with national regulations. Suppliers must fulfill their obligations to pay taxes and duties in the state in which they are established, and/or in Norway.

### ***6.4 Competition***

The company's suppliers must comply with competition legislation and must not cause or be part of a breach of competition legislation, such as by illegal collusion on price, illegal market collusion or other forms of behavior that lead to a breach of competition legislation.

### ***6.5 Conflicts of interest***

Suppliers must avoid conflicts of interest while working on assignments for the Company. Suppliers' business decisions must not be motivated or influenced by personal circumstances or interests.

The Company's Suppliers shall, without undue delay, inform the Company of conditions that may cause problems for the Supplier's independence, or which may create, or appear to be, a conflict of interest when carrying out the assignment.

### ***6.6 Privacy and information security***

Suppliers must comply with the personal protection and information security legislation in force at all times when collecting, storing, transferring, sharing or other processing of personal data.

Suppliers must have proportionate routines and systems that ensure that there is no unlawful acquisition, use or sharing of data, information or material. Suppliers must implement the necessary technical and organizational measures to protect personal data and confidential information.

### ***6.7 Notification of objectionable conditions***

The company's suppliers are expected to have a notification process that is known to the employee and where employees must be able to report their concerns without fear of reprisals. Suppliers must ensure the protection of whistleblowers and for the appropriate investigation, handling and clarification of notified cases.

If the Company's Suppliers discover a breach of these guidelines, in the Company or among subcontractors, the Suppliers must notify the Company without undue delay.

### ***6.8 Intoxication***

The company has zero tolerance for the use of all drugs in the workplace. The influence of drugs (alcohol or illegal drugs) in work situations is not tolerated.

## **7. Inspections and reports**

As part of the Company's follow-up of Suppliers, the Company reserves the right to check Suppliers' and subcontractors' compliance with these guidelines throughout the duration of the contract through audits or inspections at the Supplier or subcontractor, itself or via a third party. Each of the parties covers its own costs for such checks.

Suppliers are expected to be helpful in carrying out follow-up interviews, audits and inspections, including providing the necessary documentation within a reasonable time. The company can require this documentation in the form of:

- Self-declaration from Suppliers
- Own or independent third-party control

Suppliers can themselves choose to document follow-up of the requirements through adequate certification of the business.

## **8. Breach of ethical guidelines**

In the event of non-compliance or breach of the material requirements in the Ethical Guidelines for Suppliers, the Company will preferably ask the Supplier to remedy the situation and document this within a set deadline. In the event of non-rectification or gross violations, the Company reserves the right to apply all available contractual powers, for example suspension of delivery, termination of the contract and claims for compensation, etc.