

APPENDIX 7 TO THE FRAMEWORK AGREEMENT

between

REMA 1000 Norge AS («REMA 1000»)

on behalf of REMA Distribusjon Norge AS/ REMA Distribusjon Import AS

and

(«The Supplier»)

SOCIAL CODE OF CONDUCT FOR SUPPLIERS

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Supplier Code of Conduct (SCoC) to REMA 1000 Norge AS

1. Introduction

- a) At REMA 1000, we promote responsible and sustainable supply chains. The goods we purchase from suppliers and sell to consumers and other customers should be produced with consideration for people, animals, the environment, and local communities. We follow the UN Guiding Principles on Business and Human Rights, which set expectations for states and companies on how to prevent and address business-related human rights impacts. We want all workers in our supply chains to have decent working conditions.
- b) Furthermore, the environment and surrounding communities should be protected and considered during the production of goods we sell in our stores. This is a fundamental part of our business idea of “Discount with attitude”, which means that “Customers choose us because we always have the lowest price on high-quality goods – produced and sold responsibly.” It is also a key element in our work to promote the UN Sustainable Development Goals.
- c) At REMA 1000, we believe that the best way to achieve a responsible supply chain is to work closely with our business partners and suppliers. We have therefore developed this Supplier Code of Conduct (SCoC) to clarify our position on ethical trade and our requirements and expectations for our suppliers. The SCoC outlines several requirements covering fundamental human rights, workers’ rights, the environment, and anti-corruption. We have also developed our guide “Supplier Code of Conduct – Guideline”, available on our website or from your REMA contact, where we describe our work process, audit principles, and method for working with suppliers and business partners on ethical trade.
- d) REMA 1000 is a member of Ethical Trading Initiative Norway (ETI Norway). ETI Norway is a membership organization for organizations, private and public entities, and is a driving force and resource center for ethical trade. REMA 1000 reports to ETI Norway on the progress of our work with ethical trade, and this report is publicly available.

2. Requirements for Due Diligence Assessments

- a) REMA 1000 continuously works with due diligence assessments, an internationally recognized method for identifying, preventing, mitigating, and accounting for how businesses address potential negative impacts on people, animal, society, and the environment in their own operations and supply chains.
- b) REMA 1000 expects our suppliers to work with due diligence assessments as a method.
 - i. For suppliers subject to the Norwegian Transparency Act (Norw. “åpenhetsloven” act of 18 June 2021 no 99) on transparency and work in relation to basic human rights and decent labour environment and the Norwegian Environmental Information Act (Norw. “miljøinformasjonsloven”, act of 9 May 2003 no 31), this means that the Supplier must at least comply with the mentioned legislation and be able to document this to REMA 1000.
 - ii. For foreign suppliers (or other suppliers) not subject to the mentioned Norwegian legislation,

this means that the Supplier must at least comply with applicable legislation where the products and its ingredients are produced or manufactured, including the EU directive 2019/633 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain, as well as OECD guidelines, and be able to document this to REMA 1000. By OECD guidelines, we mean the OECD Guidelines for Multinational Enterprises, as further described (generally) in the OECD Due Diligence Guidance for Responsible Business Conduct and (specifically for agricultural and food products) in the OECD-FAO Guidance for Responsible Agricultural Supply Chains, and any guidelines that may come in these areas.

- c) The above requires, inter alia, that work on human and labor rights, society, and the environment is anchored in the Supplier's business through governance documents, etc., that the risk of negative impacts on people, animals, society, and the environment is identified and prioritized, and that measures are implemented based on this assessment – and that this can be documented to REMA 1000. In addition, our suppliers must ensure or contribute to remediation where they have caused or contributed to harm to people, animals, society, and the environment. Appendix 8, “Supplier Code of Conduct – Guidelines”, contains further guidance on the Norwegian Transparency Act/OECD's requirements for due diligence assessments.
- d) REMA 1000 expects our suppliers to comply with the requirements stated in this SCoC. This is done by continuously working with due diligence assessments and measures. Suppliers must inform their own subcontractors about the requirements, who in turn must inform their subcontractors, etc., and actively work to ensure that the requirements are implemented through due diligence assessments. Consequently, this SCoC describes the ethical requirements for the entire supply chain.

3. Requirements Related to Own Practices

- a) As part of our work with due diligence assessments, REMA 1000 continuously evaluates and improves our guidelines and purchasing practices to support our suppliers' and subcontractors' compliance with the SCoC. REMA 1000 will inform suppliers of any such updates or corrections to the SCoC and provide our suppliers and business partners with reasonable advance notice if new requirements arise. We believe that a constructive and open dialogue is essential in our supply chain work.
- b) REMA 1000 believes that a constructive and open dialogue is essential in our supply chain work. We aim to be a sparring partner in suppliers' work with due diligence assessments and compliance with our requirements, when needed.
- c) Neither REMA 1000 nor any of its employees shall ever offer or accept illegal or unlawful monetary gifts or any other forms of remuneration to secure business-related or private benefits, or benefit for customers, agents, or suppliers.
- d) REMA 1000 and REMA 1000's suppliers shall avoid partners operating in countries subject to international boycotts by the UN and/or Norwegian and Danish authorities.
- e) For a full description of our responsible supply chain procedures, see Appendix 8, “Supplier Code of Conduct – Guidelines”.

4. Procedures for Monitoring Compliance with the Ethical Guidelines

- a) Upon request, suppliers and its sub-suppliers, must be able to document their work with the ethical requirements defined in this SCoC (the Norwegian Transparency Act for Norwegian suppliers and the OECD guidelines for foreign suppliers).
- b) Follow-up can be conducted through conversations, written documentation, visits/on-site inspections at the supplier, at producers, and their suppliers throughout the supply chain. REMA 1000 has the right to perform on-site inspections/audits and document checks at the Supplier and throughout the entire supply chain, and it is the Supplier's responsibility to ensure such inspection rights and access with their subcontractors. If REMA 1000 wishes to map all subcontractors, the Supplier is required to provide all relevant contact information.
- c) Once this SCoC has been communicated to a specific supplier, it shall be considered a contractual document, and an integral part of any contract entered into between the relevant Reitan Retail company and the supplier. In the event the supplier deviates from the SCoC, REMA 1000 and the supplier will jointly set up a plan to rectify the deviation. The supplier shall do its utmost to implement corrective actions within the agreed timeframe and inform REMA 1000 of all such actions.
- d) If (i) a supplier is unwilling or unable to perform corrective actions that REMA 1000 deems necessary to comply with this SCoC, or (ii) the supplier or any of its subcontractors has committed a significant breach or repeated breaches of the requirements in the SCoC, REMA 1000 is entitled to terminate the business relationship and any contract(s) with the supplier. Such termination shall be effective from the date specified in a written termination notice from REMA 1000. This provision is without prejudice to any additional rights and obligations REMA 1000, or the supplier may have pursuant to other contractual documents.
- e) For a full description of our responsible supply chain procedures, see Appendix 8, "Supplier Code of Conduct – Guidelines".

5. Requirements to supply chain conditions for all suppliers

- a) REMA 1000's Supplier Code of Conduct are based on key conventions and documents from the UN and the International Labour Organization, and describe minimum requirements, not maximum requirements. National laws must be respected. Where provisions of law and this SCoC address the same issue, the highest standard shall apply.

6. Forced and compulsory labour

(ILO Conventions Nos. 29 and 105)

- a) There shall be no forced, bonded, involuntary, or prison labor. Workers shall be free to leave the work area at the end of the day.
- b) Workers shall not be required to pay deposits or surrender identity papers to the supplier's company (their employer) and shall be free to leave their employer after reasonable notice.

7. Freedom of Association and the Right to Collective Bargaining

(ILO Conventions Nos. 87, 98, 135 and 154)

- a) Every worker shall have the right to join or form trade unions of their own choosing and to bargain collectively. The supplier shall not interfere with the formation of associations or collective bargaining.
- b) Worker representatives shall not be discriminated against and shall have access to carry out their representative functions in the workplace.
- c) Where the right to freedom of association and/or collective bargaining is restricted by law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free worker representation and negotiation.

8. Child Labour

(UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO-recommendation no. 146)

- a) The minimum age for workers shall not be under 15 and shall comply with (i) the national minimum age for employment, or (ii) the age for completing compulsory schooling, whichever is higher. If the local minimum is set at 14 years in accordance with exceptions for developing countries under ILO Convention 138, this lower age may apply.
- b) There shall be no recruitment of child labor, defined as any work performed by a child younger than the age(s) specified above.
- c) No person under 18 years shall be engaged in work that is hazardous to health, safety, or morals, including night work.
- d) Policies and procedures for the remediation of child labor prohibited by ILO Conventions Nos. 138 and 182 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 schooling. REMA 1000 must be made aware of all such cases for discussion.
- e) The supplier shall have a certified copy of an official document showing the worker's date of birth. In countries where this is not possible, the supplier shall implement an appropriate method for assessing the age of its workers.

9. Discrimination

(ILO Convention Nos. 100 and 111 and the UN Convention on Discrimination against Women)

- a) There shall be no discrimination in the workplace in hiring, compensation, access to training, promotion, termination, or retirement based on ethnic background, nationality, language, religion, caste, age, disability, gender, marital status, sexual orientation, union membership, or social or political affiliation or any other opinion or belief.
- b) Measures shall be established to protect workers from sexually intrusive, threatening, abusive, or exploitative behavior, and from discrimination or termination of employment on unjust grounds, such as marriage, pregnancy, parenthood, or HIV status.

10. Harsh or Inhumane Treatment

(UN International Covenant on Civil and Political Rights art. 7)

- a) Physical abuse or punishment, or threats of physical abuse, sexual or other harassment, and verbal abuse, as well as other forms of intimidation, are prohibited.

11. Health and Safety

(ILO Convention No. 155 and ILO Recommendation No. 164)

- a) The working environment shall be safe and hygienic considering the current knowledge of the industry and any specific hazards. Hazardous chemicals and other substances shall be handled carefully. Adequate steps must be taken to prevent accidents, fires, and health damage arising from, associated with, or occurring during work, by minimizing, as far as reasonably practicable, the causes of hazards inherent in the working environment.
- b) Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers. Periodic training should be provided to workers in hazardous areas.
- c) Access to clean toilet facilities and to drinking water and, if appropriate, sanitary facilities for food storage shall be provided.
- d) Accommodation, where provided, shall be clean, safe, and adequately ventilated, and shall have access to clean toilet facilities and drinking water.

12. Wages

(ILO Convention No. 131)

- a) Wages and benefits paid for a standard working week shall meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some savings.
- b) All workers shall be provided with a written and understandable contract outlining their wage conditions and method of payment before entering employment.
- c) Deductions from wages as a disciplinary measure are not permitted.

13. Working Hours

(ILO Convention Nos. 1 and 14)

- a) Working hours shall comply with national laws and industry standards, and not exceed the applicable international standards. The regular work week shall not exceed 48 hours on a regular basis.
- b) Workers shall be provided with at least one day off for every seven (7) day period.
- c) Overtime shall be voluntary and limited. The recommended maximum overtime is 12 hours per week, meaning that the total workweek including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.
- d) Workers shall always receive overtime pay for all hours worked beyond the normal working hours (see point 13 a) above), at a minimum in accordance with relevant legislation.

14. Regular Employment

(ILO Convention Nos. 95, 158, 175, 177 and 181)

- a) Obligations to employees under international conventions, national law, and regulations for permanent employment shall not be avoided through the use of short-term contracts (such as contract labor, casual labor, or day labor), subcontractors, or other labor relationships.
- b) All workers are entitled to an employment contract in a language they understand, outlining their wage conditions and method of payment, before entering employment.
- c) The duration and content of apprenticeship programs shall be clearly defined.

15. Marginalised Population

(UN International Covenant on Civil and Political Rights art. 1 and 2)

- a) The production and use of natural resources shall not contribute to the destruction of resources and the livelihoods of marginalized populations, such as claiming large areas of land, using water, or other natural resources that these populations depend on.

16. Environment

- a) Measures to minimize adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimizing pollution, promoting 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.
- b) National and international environmental legislation and regulations shall be respected, and relevant emission permits obtained.

17. Corruption

- a) The supplier shall comply with applicable laws on bribery, corruption, fraud, and all other prohibited business practices. The supplier shall not offer, promise, or give any improper advantage, favour, or incentive to any public official, international organization, or any other third party.
- b) The supplier shall not, directly or indirectly, offer gifts to REMA 1000 employees or persons representing REMA 1000 or anyone closely related to them, unless the gift is of insignificant value. Hospitality, such as social events, meals, or entertainment, may be offered if there is a legitimate business purpose involved, and the cost is kept within reasonable limits. Travel expenses for individuals representing REMA 1000 shall be paid by REMA 1000. Hospitality, expenses, or gifts shall not be offered or received in situations involving contract tenders, negotiations, or awards.

18. Animal welfare

- a) For products based on animals, careful consideration of animal welfare shall be ensured throughout the value chain. At a minimum, the supplier shall comply with local legislation.

19. Management systems of suppliers

The management system is central to the implementation of the SCoC. REMA 1000 emphasizes the importance of suppliers having systems that support such implementation. The expectations in this regard are summarized in the following measures:

- › The supplier should appoint a centrally placed employee responsible for the implementation of the SCoC in the supplier's company.
- › The supplier must make the SCoC known in all relevant parts of the organization.
- › The supplier must record sufficient material to document compliance with the SCoC and be able to present reasonable information at REMA 1000's request. An investigator appointed by REMA 1000 shall, if requested by REMA 1000, be given access to records and other documentation to verify such compliance.
- › The supplier shall obtain REMA 1000's consent before outsourcing production or parts of production to a subcontractor, if this has not been agreed upon in advance.
- › When suppliers engage subcontractors for the delivery of products to REMA 1000, each product and its ingredients must be traceable through every part of the production and distribution chain, including the final production site. At REMA 1000's request, the supplier shall inform REMA 1000 of all relevant subcontractors and production sites and provide relevant contact information.

20. Competition law

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

This appendix is in two copies, one for each party.

_____,
Place/date

_____,
Place/date

For the Supplier:

For REMA 1000 Norge AS: