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MELBYE GROUP AS

CODE OF CONDUCT





"The smartest solutions, to the benefit of all"

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Introduction

In Melby, we live by our slogan – "The smartest solutions, to the **benefit of all**". All our co-workers, all our customers, all our partners, and everyone! Why do we say everyone? We are aware of our corporate social responsibility and our environmental footprint, and as a company we want to contribute to creating a sustainable world.

Melby has a local and an international presence, and our goal is to further develop as a serious and responsible supplier into our markets. We do this by, among other things, ensuring that we are in line with the UN Sustainable Development Goals. We have sustainability as our top priority through quality assurance of our partners with regard to responsible business conduct and ethical guidelines, as well as the right product quality.

Melby's Code Of Conduct is our most important framework for ethics. It forms the foundation of our culture and serves as a basis for making the right choices and decisions in line with the UN Sustainable Development Goals.

By setting clear goals, and showing accountability in attitudes and actions, we strengthen Melby's values – **Team Spirit, Professionalism and Innovation**. Our values, together with our ethical guidelines, govern how we manage our corporate social responsibility.



Guidelines for responsible business conduct.

Melbye Group AS with subsidiaries (Melbye) endeavours to practice responsible business behaviour that respects people, society and the environment. This policy document, including our Code of Conduct (CoC), forms the basis for our sustainability work.

Melbye considers responsible business behaviour a prerequisite for sustainable development, which means that today's generation can meet their needs without compromising the ability of future generations to also meet their needs. Melbye supports the UN Sustainable Development Goals (SDGs), and contributes to this by working to achieve selected sustainable development targets.

Melbye uses Due Diligence as a method of responsible business conduct. Due Diligence for responsible business is a risk-based approach to analysing how we respect and safeguard people, communities and the environment in our own business and throughout the supply chain. We expect our suppliers and partners to follow the same approach. Melbye acknowledges that our business conduct can have a potentially negative

Requirements - Own business

impact on people, society and the environment. At the same time, we see the potential to contribute to positive developments in the supply chain. On this basis, we have compiled the following principles and criteria that govern our own business:

Responsible business conduct

Melbye will carry out Due Diligence for responsible business conduct with respect to people, society and the environment in order to reduce, possibly prevent any negative impact, and we will seek to repair the damage. Where the supplier is responsible for the negative impact / damage, the supplier is also responsible for recovery.

Responsible procurement practices

Melbye considers responsible procurement practices to be one of our most important tools for responsible business conduct. Melbye will adapt our purchasing practices to strengthen, and not undermine, our suppliers' ability to live up to our requirements related to people, society and the environment. We strive for lasting supplier relationships with suppliers that demonstrate a special willingness and ability to create a positive development in the supply chain.

Freedom of association and worker representation

Melbye supports the right to freedom of association and other forms of democratically elected labour representation. We will involve worker representatives and other relevant stakeholders in our responsible business conduct work.

Supplier development and partnerships

In dialogue with our suppliers, if necessary, we will consider providing knowledge and/or information that enables our suppliers to comply with Melbye's requirements related to responsible business conduct. In this way, we will lay the foundation for cooperation with suppliers that demonstrate a willingness and ability to work with positive development for people, society and the environment in the supply chain.



Anti-corruption

Melbye, including all its workers, shall never offer or receive illegal or improper monetary gifts or other remuneration in order to obtain private or business benefits in its own interest or in the interests of customers, agents or suppliers.

Countries affected by a trade boycott

Melbye, including all our suppliers and partners, shall avoid trade with partners who have activities in countries where trade boycotts have been imposed by the UN and/or the authorities of Norway, Sweden, Denmark or the U.K.

Requirements - Suppliers and partners

We expect our suppliers and partners to work purposefully and systematically to comply with our supplier policies, including our Code of Conduct, which covers basic human rights, labour rights, anti-corruption, animal welfare and the environment. At Melbye's request, the supplier/partner shall be able to document how they and potential subcontractors work to comply with the guidelines.

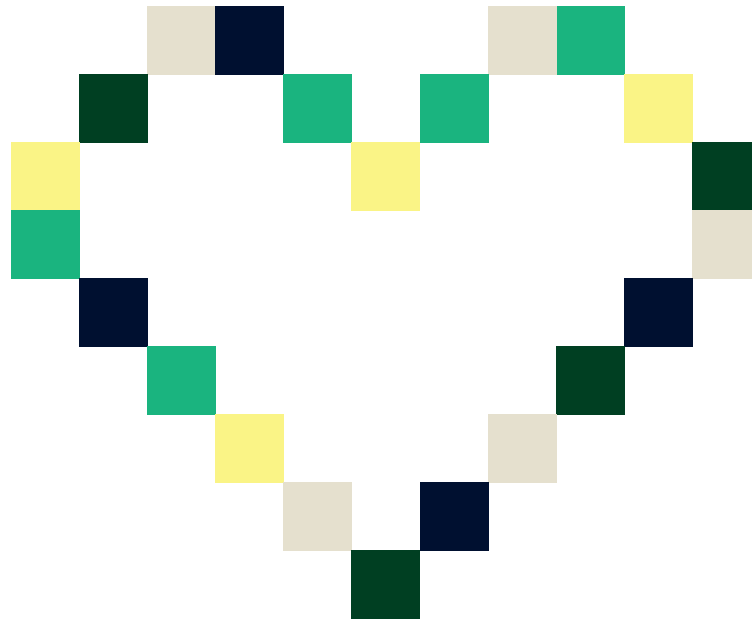
Code of Conduct

These ethical guidelines are based on UN and ILO conventions, and specify our minimum standard requirements in the enterprises with which Melbye Group AS and its subsidiaries (Melbye) cooperate. When national laws and regulations deal with the same topics as these guidelines, the strictest requirements shall apply.

This is important for Melbye's focus on sustainable development, for people, society and the environment. Melbye's goal is to be a serious and responsible supplier into our markets.

Conditions at the workplace

1. **Forced labour/slave labour**
ILO Conventions No. 29 and 105
 - 1.1 There shall never be any form of forced labour, slave labour or involuntary labour.
 - 1.2 Workers shall not be required to provide any kind of deposit or relinquish identity papers to the employer, and the worker shall be free to leave the employer after reasonable notice.
2. **Freedom of association and the right to collective bargaining**
ILO Conventions No. 87, 98, 135 and 154
 - 2.1 Workers shall, without exception, have the right to join or form trade unions of their choice, and to negotiate collectively. The employer shall not interfere with or prevent the formation of trade unions or collective bargaining.
 - 2.2 Worker representatives shall not be discriminated against and shall be granted access to perform their representative functions in the workplace.
 - 2.3 When the right to freedom of association and/or collective bargaining is limited by law, the employer shall facilitate, and not prevent, the development of alternative forms of independent and free worker representation and negotiations.
3. **Child labour**
United Nations Convention on the Rights of the Child, ILO Conventions No. 138, 182 and 79, ILO Recommendation No. 146
 - 3.1 The minimum age for workers shall not be less than 15 years, and shall exceed the national minimum age for work, or age of completed compulsory education, whichever is higher. If the local minimum age is set to 14 years in accordance with the developing country's exception under ILO Convention 138, this lower age may apply.
 - 3.2 Recruitment of child labourers in violation of the above minimum age(s) shall not take place.
 - 3.3 No person under the age of 18 shall carry out work that is dangerous to their health, safety, norms and values, including night work.
 - 3.4 Guidelines and procedures for the improvement of child labour that are prohibited in accordance with ILO Conventions No. 138 and 182, shall be established, documented and communicated to personnel and other interested parties. Sufficient support shall be provided for such children to attend and complete compulsory training.



4. Discrimination

ILO Conventions No. 100, 111, 143, 158, 159, 169, 183, United Nations Convention on the Elimination of all Forms of Discrimination Against Women

- 4.1 There shall be no discrimination in the workplace in terms of employment, compensation, access to training, promotion, termination or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, social background, trade union membership or political affiliation.
- 4.2 Measures shall be taken to protect workers from sexually intrusive, threatening, abusive or exploitative behaviour, and against discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.
- 4.3 All workers with the same experience and qualifications shall receive equal pay for equal work. Salary should reflect educational attainment and skills.

5. Harsh or inhumane treatment and personal integrity

United Nations Covenant on Civil and Political Rights, Art. 7

- 5.1 Psychological or physical abuse and punishment, threats of assault or other forms of intimidation, sexual or other harassment and verbal abuse are prohibited.
- 5.2 All disciplinary procedures must be established in writing and shall be explained verbally to workers in clear and understandable terms.
- 5.3 The collection and maintenance of information from subcontractors, customers and workers shall be done by means of precautions to prevent unauthorized disclosure or damage. Personal information shall always be managed with respect to personal integrity.
- 5.4 The working environment shall offer satisfactory personal integrity. The solutions may vary, but examples may include lockers for personal belongings and separate hygiene facilities for men and women. In addition to the above, a private area that can only be used for the individual is applicable to dormitories.

6. Health & Safety

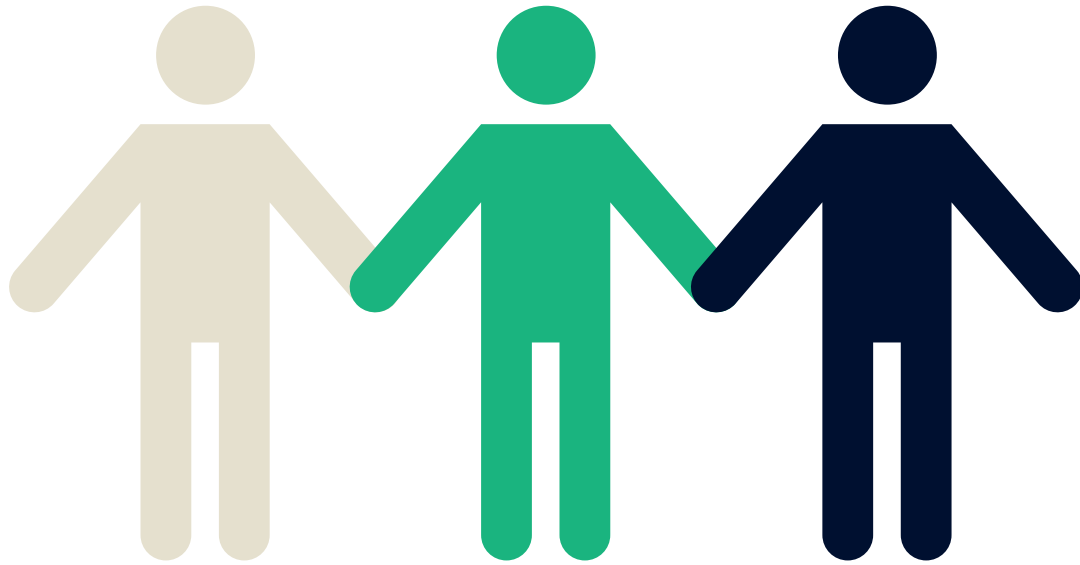
ILO Convention No. 155 and ILO Recommendation No. 164

- 6.1 The working environment shall be safe and hygienic, taking into account the prevailing knowledge of the industry and any specific hazards.
- 6.2 Clear regulations and procedures must be established and followed in terms of health and safety at work, fire protection and emergency preparedness. A management representative shall be appointed who is responsible for the health and safety of all workers. Systems for detecting, avoiding or responding to potential threats to the health and safety of all workers shall be established.
- 6.3 Adequate steps shall be taken to prevent accidents and injury resulting from, associated with or occurring during the work, by minimizing the causes of hazards in the working environment as far as practicable.
- 6.4 The work on health and safety at work shall be carried out in cooperation between management and worker representatives in order to achieve a long-term safe and healthy workplace.
- 6.5 Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or relocated workers.
- 6.6 Access shall be provided to clean toilet facilities and drinking water, and any suitable facilities for storing food.
- 6.7 Special protection and a safe working environment should be in place for vulnerable persons such as young or pregnant workers.
- 6.8 If necessary, effective personal protective equipment should be provided to all workers free of charge.
- 6.9 The employer shall ensure that adequate medical assistance is available at the workplace, such as first aid equipment, personnel trained in first aid, or access to a nurse or doctor.
- 6.10 If the employer offers accommodation, it should be in clean, safe surroundings that are sufficiently ventilated, with access to clean sanitary facilities and clean drinking water. Fire safety and emergency evacuation plans in dormitories shall have the same standard as in the working environment.

7. Wages

ILO Convention No. 26, 95, 131

- 7.1 Workers shall have the right to receive reasonable remuneration sufficient to provide them with a decent livelihood for themselves and their family, as well as the social benefits that are legally provided. At a minimum, the wage level shall be in line with nation legal standards, or industry benchmark standards that have been approved on the basis of collective bargaining, whichever is highest. Wages should always be enough to meet basic needs, including some discretionary income.
- 7.2 All workers shall, before starting work, have a written and understandable contract describing the wage conditions and payment of wages. Wages shall be paid on time, regularly and in a legal currency.
- 7.3 Deductions from wages as a disciplinary measure shall not be permitted.



8. Working hours

ILO Convention No. 1 and 14

- 8.1 Working hours shall comply with national laws and benchmark industry standards and not more than prevailing international standards. Weekly working hours should not on a regular basis be more than 48 hours.
- 8.2 Workers shall be provided with at least one day off for every 7 day period.
- 8.3 Overtime shall be limited and voluntary. The recommended maximum overtime is 12 hours per week, i.e. the total work week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.
- 8.4 Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see 8.1 above), minimum in accordance with relevant legislation.

9. Regular employment

ILO Convention No. 95, 158, 175, 177 and 181

- 9.1 Obligations to workers under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short term contracting (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.
- 9.2 All workers are entitled to a contract of employment in a language they understand.
- 9.3 The duration and content of apprenticeship programmes shall be clearly defined.
- 9.4 The employer shall pay special attention to workers who have children, especially seasonal workers and migrant workers with children who are far away, so that these workers can combine work with parenthood.

Conditions outside the workplace

10. Marginalized populations

United Nations Covenant on Civil and Political Rights, Art. 1 and 2

10.1 Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

11. Environment

11.1 Negative impact on the environment shall be reduced throughout the value chain. In line with the precautionary principle, measures shall be taken to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans, forest and land, and the conservation of biodiversity.

11.2 National and international environmental legislation and regulations shall be respected and relevant discharge permits obtained.

11.3 Animal welfare must be respected. National and international animal welfare legislation and regulations must be complied with.

Ethical business practices

12. Bribery and corruption

12.1 Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials.

12.2 The employer shall comply with all applicable anti-corruption laws and regulations, and take active steps to ensure that corruption does not arise in connection with business activities. The employer shall also establish and follow a policy against bribery/corruption in all its activities.

13. Management systems

13.1 Senior management shall have a management system to ensure that the requirements of these ethical guidelines are implemented and operationalised.

13.2 Management is responsible for correct implementation and continuous improvement by taking corrective measures and periodic review of ethical guidelines, as well as communication of the requirements of ethical guidelines to all workers.

13.3 The employer shall investigate, address and respond to concerns raised by workers regarding compliance with the employer's guidelines and/or the requirements of this Code of Conduct.

13.4 The employer shall establish or participate in effective complaints mechanisms at the operational level for individuals and communities that may be adversely affected. Such a complaints mechanism aims to safeguard the rights to the effective treatment of workers in the workplace or other affected individuals in the community. These grievance mechanisms shall not replace relevant legal systems, but shall constitute means for resolving conflicts in the workplace before they escalate.



13.5 The employer shall refrain from disciplining, dismissing or discriminating against any worker for providing information on compliance with this policy.

14. Inspection/ Check

14.1 Melbye reserves the right to make unannounced visits to the manufacturers/ suppliers/partners who produce goods or otherwise cooperate with Melbye. We also reserve the right to appoint independent third parties (such as non-governmental organizations or consulting firms) to carry out inspections (Due Diligence for Responsible Conduct of Business) to ensure compliance with Melbye's guidelines for responsible conduct of business and its Code of Conduct.

14.2 All our suppliers/partners are obliged to cooperate on such inspections and to provide Melbye or the designated independent third party with all requested information and documentation in that regard.

14.3 We do not accept the following from our suppliers/partners:

- Presenting false information orally or in writing.
- Offering or accepting bribes or engaging in other forms of corruption.
- Failing to correct deviations within the agreed time frame without a reasonable explanation.
- Otherwise showing a lack of respect for Melbye's guidelines for responsible conduct of business.

14.4 All of the above cases provide sufficient reasons for terminating the business relationship with our suppliers/partners.

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