

Solvang Supplier Code of Conduct

INTRODUCTION

As a supporter of the principles in the UN Global Compact and ISO 14001-certified, Solvang adheres to high ethical and environmental standards in the way we conduct business. We also acknowledge these standards being observed by suppliers to our company. However, Solvang operates in many countries with diverse cultures and economies. Our suppliers are diverse and provide a wide range of goods and services to our company.

In this Supplier Code of Conduct “suppliers” refer to contractors as well as suppliers of goods and services. All suppliers to Solvang are expected to operate in accordance with this or any comparable Supplier Code of Conduct (‘SCC’). Where suppliers breach the SCC, Solvang will try to establish a close co-operation in order to assist the supplier in improving the business standards and employee welfare. However, if the supplier continues to deliberately breach the SCC, and is unwilling to discuss and agree upon a planned improvement, Solvang reserves itself the right to terminate arrangements with the supplier immediately.

The SCC is a mandatory requirement and may be subject to occasional audits. In order to achieve this Solvang expects its suppliers to adopt an open attitude to the monitoring activities that will be implemented and to give all cooperation to its own and any third party auditors employed.

To ensure a socially responsible shipping industry worldwide, it is the expectation of Manager that suppliers adhere to all relevant laws, rules and regulations, and strive to improve their practices where necessary. Improvements also involve making certain their individual suppliers adhere to the same standards and legal requirements. The SCC should also be communicated to employees and sub-contractors of suppliers in the local language and in a manner that is understood by all.

Solvang acknowledges that reaching the standards established in this SCC is a dynamic rather than static process and encourages suppliers to continually improve their standards in areas required.

Solvang expects that its suppliers will establish and maintain appropriate management systems whose scope is related to the content of this SCC, and that they actively review, monitor and modify their management processes and business operations to ensure they align with the principles set forth in this SCC.

All principles contained in this SCC are of equal importance independently of their order of appearance.

LABOUR

1. Freedom of Association and Collective Bargaining

Solvang expects its suppliers to recognize and respect the rights of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which they are employed, as well as core ILO conventions *Freedom of Association and Protection of the Right to Organize Convention, (C 87, 1948)* and *Right to Organize and Collective Bargaining Convention, (C.98-1949)*.

Solvang recognizes the importance of open communication and direct engagement between workers and management and suppliers are to respect the rights of workers to associate freely and

communicate openly with management regarding working conditions without fear of harassment, intimidation, penalty, interference or reprisal.

2. Forced Labour

Solvang expects its suppliers to prohibit any use of forced, bonded or indentured labour or involuntary prison labour, and embrace employment practices consistent with ILO conventions pertaining to forced labor: *Forced Labour Convention, (c.29-1930)* and *Abolition of Forced Labour Convention, (C.105-1957)*.

All work, including overtime work, will be voluntary and workers should be free to leave upon reasonable notice. Employees handing in government-issued identification; passports or work permits may be normal business practice and acceptable under certain circumstances. However, suppliers shall not force employees to hand over government-issued identification.

3. Child Labour

Solvang expects its suppliers, at a minimum, not to engage in any practice inconsistent with the rights set forth in *the Convention on the Rights of the Child, the ILO Minimum Age Convention (C.138-1973)* or *the Prohibition and Immediate Elimination of the Worst Forms of Child Labor Convention (C. 182-1999)*.

Children and young persons under the age of 18 shall not be engaged in labour that is hazardous to their health or safety, including night work.

Children under the age of 15 (14 or 16 in certain countries) shall not be engaged in labour that is detrimental to their education.

New recruitment of child labour in infringing of the above mentioned conventions is unacceptable. If child labour, as described above, is already in existence, sustained efforts shall be made to redress the situation as quickly as possible. However, the children concerned shall be given the possibility of earning a livelihood, as well as acquiring an education until they are no longer of compulsory school age.

All suppliers should also adhere to legitimate workplace apprenticeship programs and comply with all laws and regulations governing child labor and apprenticeship programs.

4. Discrimination

Solvang does not tolerate any form of discrimination in hiring and employment practices on the ground or race, color, religion, gender, sexual orientation, age, physical ability, health condition, political opinion, nationality, social or ethnic origin, union membership or marital status.

Consistent with the principles espoused in ILO Conventions on Discrimination (Discrimination (Employment and Occupation) Convention, C. 111-1958) and Equal Remuneration (Equal Remuneration Convention, C. 100-1951), the UN also discourages discrimination regarding access to training, promotion, and rewards.

5. Working Hours

Solvang expects its suppliers to comply with all applicable working hour requirements as established by local law. Wages should be paid in-full and on time, with the national legal standards or industry benchmark standards, whichever is higher, as a minimum requirement. Suppliers must ensure that all overtime work is voluntary and compensated at the prevailing overtime rates.

6. Compensation

Solvang expects its suppliers to comply, at a minimum, with all wage and hour laws and regulations, including those pertaining to minimum wages, overtime wages, piece rates, other elements of compensation and to provide legally mandated benefits

HUMAN RIGHTS

7. Human Rights

Solvang expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses.

8. Harassment, Harsh or Inhumane Treatment

Solvang expects its suppliers to create and maintain an environment that treats all employees with dignity and respect. The supplier must not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse.

No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

9. Health and Safety

Solvang expects its suppliers to follow all relevant legislation, regulations and directives in country in which they operate to ensure a safe and healthy workplace or any other location where production or work is undertaken.

At a minimum, suppliers should strive to implement recognized management systems and guidelines such as the *ILO Guidelines on Occupational Safety and Health (ILOOSH-2001)* which can be found at ILO's website and ensure at a minimum, reasonable access to potable water and sanitary facilities; fire safety; emergency preparedness and response; industrial hygiene; adequate lighting and ventilation; occupational injury and illness and machine safeguarding. Suppliers will also ensure these same standards apply to any dormitory or canteen facilities.

ENVIRONMENT

10. ISO 14001 Requirement

Solvang is certified to ISO 14001 and as such obliged to pay special attention to avoid purchasing of products and services that can be regarded as unfriendly to the environment. By entering an agreement

with Solvang, a supplier is obliged to inform about any negative impact the product or service may have on the environment.

Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.

www.ilo.org/public/english/protection/safework/managmnt/guide.htm

11. Chemical and Hazardous Materials

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal, in accordance with applicable rules and regulations.

12. Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated according to applicable rules and regulations, prior to discharge or disposal.

13. Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated according to applicable rules and regulations, prior to discharge.

14. Minimize Waste, Maximize Recycling

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

BRIBERY & CORRUPTION

15. Corruption

Solvang expects its suppliers to adhere to the highest standard of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including extortion, fraud, or bribery, at a minimum.

16. Conflict of Interest

Suppliers are expected to disclose to Solvang any situation that may appear as a conflict of interest, and disclose to Solvang if any employee or professional under contract with Solvang may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.

17. Gifts and Hospitality

Solvang is careful with accepting or offering any type of gift or offer of hospitality that may influence the receiver's integrity.

Solvang will not accept nor offer any benefits in order to facilitate its own or the suppliers business with the company. This includes, but is not limited to, invitations to big sporting or cultural events, holidays or other recreational trips etc. as appreciation of a contract or to influence the behavior of a potential supplier. However, participation in social gatherings is a part of normal business practice and smaller gifts in connection with celebrations, Christmas or other special occasions are exceptions. Nevertheless, the extent of these exceptions shall not influence any decision making process or give reason for suspecting that this has happened.

Solvang expects its suppliers not to offer any benefit such as free goods or services or a work position or sales opportunity to a company staff member in order to facilitate the suppliers business with the company.

Specific Requirements and Agreements

18. ISPS/ISM Requirement on board vessels

Solvang's vessels operate in compliance with the ISPS (International Ship & Port Facility Security) and ISM (International Safety Management) Code. All suppliers to the vessels must be familiar with these codes and able to operate in compliance with the code requirements and the company requirements.

19. International rules and regulations

All suppliers must deliver in compliance with IMO/SOLAS requirements and EC/EU directives applicable for the type of vessel in question flying Norwegian flag and holding a DnV class.