

SPAREBANKEN SØR'S GUIDELINES FOR RESPONSIBLE PURCHASING

– SUPPLIER DECLARATION

1. BACKGROUND

Introduction

Sparebanken Sør wishes to create long-term value and contribute to sustainable development of society. For Sparebanken Sør, sustainable development means contributing to the positive future development of the environment and climate, social conditions and corporate governance, as well as exercising corporate social responsibility in the areas where the Bank operates. Purchasing represents an important part of Sparebanken Sør's work on sustainability. The objective is to reduce the risk of negative impacts on people, the climate and the environment in the supply chain, and to have a positive impact on sustainable development at our suppliers. Sparebanken Sør will collaborate with suppliers who share these values.

As a minimum requirement, suppliers shall comply with all Sparebanken Sør's "Guidelines for Responsible Purchasing", subsequently referred to as the Guidelines. The Guidelines are based on international guidelines and conventions, including the UN Guiding Principles on Business and Human Rights, and in particular the ILO's labour conventions and the OECD's Guidelines for Multinational Enterprises.

Even though the Guidelines are based on international frameworks, the suppliers shall also comply with all applicable laws and regulations in the countries where they operate. Where national laws and regulations deal with the same subject as these Guidelines, the highest standard shall apply.

To whom do the guidelines apply?

The Guidelines apply to all suppliers, i.e. to all companies and individuals who deliver products or services to Sparebanken Sør. Individual suppliers are responsible for ensuring that the enterprise meets the requirements and follows the prevailing recommendations in the Guidelines. For the Guidelines to have the desired effect, the Supplier must be aware that the guidelines described in this document also apply to subcontractors who directly contribute to deliveries to Sparebanken Sør. The Supplier shall communicate these Guidelines (or equivalent requirements) to its subcontractors, and take expected reasonable measures to monitor subcontractors and ensure that they are meeting the requirements.

Suppliers will vary in terms of size, industry, maturity and their potential impact on people, the climate and the environment. In some cases it could therefore be relevant to make slight adaptations to the Guidelines, but in such cases the Supplier will be expected to make improvements to comply with the Guidelines. Any deviations shall be agreed in writing between the Parties.

Environment

The Supplier shall map environmental risks connected with its activities and ensure that the business is run in accordance with all laws and regulations. The Supplier shall have an environmental policy or equivalent formal documentation, adapted to the nature, scope and risk profile of the enterprise. The Policy should contain clear goals for dealing with the Supplier's most important problems and risks, and as a minimum cover resource consumption (for example, energy and water) and waste management (for example, hazardous materials, greenhouse gases and other discharges to air, the ground or water).

Environment

1. Measures to reduce negative impacts on health and the environment along the entire value chain shall be implemented by minimising hazardous emissions, promoting efficient and sustainable use of resources (including energy and water) and minimising greenhouse-gas emissions during production and transportation. The local environment at the production site shall not be overexploited, diminished or harmed by pollution.
2. National and international environmental legislation and regulations shall be respected and relevant emission permits shall be obtained.
3. The Supplier shall actively work to reduce the negative impacts of the enterprise on the environment through measures such as reduced consumption, recycling and reuse of resources and waste, and innovation and implementation of more environmentally friendly technologies and processes. The Supplier should follow up and be able to demonstrate gradual improvement through the use of credible monitoring and measuring systems.

Marginalised population groups

1. The production and use of natural resources shall not contribute to the destruction of the resource and income base of marginalised populations, for example by claiming title to large land areas or through the unsustainable use of water and other natural resources on which such populations depend.

2. REQUIREMENTS OF THE SUPPLY CHAIN

Social conditions

The Supplier shall perform its commercial activities in a way that safeguards employee and human rights, and shall comply with all laws and regulations. The Supplier shall have a written policy or similar formal documentation adapted to the nature, scope and risk profile of the enterprise. The Policy shall be communicated in a clear manner and be available to all employees. The Policy is expected to cover, as a minimum: normal working hours, complaint and whistleblowing procedures, and disciplinary measures and procedures for terminating employment relationships.

Forced labour and slave labour

1. There shall be no form of forced labour, slave labour or involuntary labour.
2. Workers shall not be required to hand over deposits or their identity papers to their employer, and shall be free to terminate their employment at reasonable notice.

Union organisation and collective bargaining

1. Workers shall, without exception, have the right to join or establish trade unions of their own choosing and to bargain collectively. Employers shall not interfere with, obstruct or oppose union organisation or collective bargaining.
2. Union representatives shall not be discriminated against or prevented from carrying out their trade union duties.
3. 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 means for independent and free association and bargaining.

Child labour

1. Suppliers shall not use child labour. The minimum age for workers shall be not less than 15 and in line with the national minimum age for employment, or the minimum age for compulsory education, whichever is the higher. If the local minimum age is 14 years in line with exceptions under ILO Convention 138, this is acceptable.

2. Employees under the age of 18 (young employees) shall not perform work that is detrimental to their health, safety or morale, including night work and overtime.

Discrimination

1. The Supplier shall as employer not discriminate against any groups of workers or individuals (employees or others) in its own practices on grounds of (but not limited to) gender, age, nationality, ethnicity, religion, social affiliation, disability, sexual orientation, membership of trade unions or political views. The Supplier shall ensure that no employee is exposed to physical, sexual, mental or verbal bullying or abuse. The Supplier shall treat all employees fairly and endeavour to achieve a gender balance, diversity and inclusiveness in the workforce, including at management level.

Brutal treatment

1. Physical abuse or punishment, or threats of physical abuse, are prohibited. The same applies to sexual or other abuse and other forms of humiliation.

Health, safety and the environment

1. Efforts shall be made to ensure that workers have a safe and healthy working environment. Hazardous chemicals and other substances shall be handled responsibly. Necessary measures shall be taken to prevent and minimise accidents and injuries resulting from, or relating to, workplace conditions.
2. Workers shall receive regular and documented health and safety training. Health and safety training shall be repeated for new employees and relocated workers.
3. Workers shall have access to clean toilet facilities and clean drinking water. If applicable, the employer shall also ensure access to facilities for safe food storage.
4. If the employer offers accommodation, this shall be clean, safe, adequately ventilated, and have access to clean sanitary facilities and clean drinking water.

Wages

1. Wages paid to workers for a normal working week shall, as a minimum, meet national minimum wage regulations or industry standards, whichever is higher. The employee's wages shall always be sufficient to meet basic needs and to provide some discretionary income.
2. Wages and payment of wages shall be agreed in writing prior to starting the work. The agreement shall be formulated in such a way that the worker is able to understand it.
3. Disciplinary issues shall be handled fairly, and in accordance with adopted processes, and safeguard employees' rights.

Working hours

1. Working hours shall be in accordance with national legislation or industry standards, and not exceed the number of working hours stipulated by applicable international conventions. The number of normal working hours per week shall generally not exceed 48 hours.
2. Workers shall have at least one day off every seven days.
3. Recommended maximum overtime is 12 hours per week, i.e. total working hours should not exceed 60 hours per week. Exceptions to this provision may be accepted if they are regulated by a collective agreement or national legislation.
4. Workers shall always receive overtime supplements when working beyond normal working hours, and as a minimum in accordance with applicable laws.

Permanent employment

1. Obligations to workers in line with international conventions, national legislation and regulations concerning permanent employment shall not be circumvented through the misuse of short-term contracts, subcontractors or other employment relationships.
2. All workers are entitled to an employment contract in a language they understand.
3. Apprenticeship programmes shall be clearly defined in terms of duration and content.

Corporate governance

The Supplier shall ensure that the enterprise is run in accordance with relevant laws and regulations for ethical business practice and shall actively map and reduce the risk of unethical business practices in its organisation. The Supplier shall have a policy or equivalent formal documentation, adapted to the nature, scope and risk profile of the enterprise. The Policy should include key problems stated in the points below (when these are relevant and material to the Supplier), and ensure that all employees have received adequate information and training.

Financial crime

1. The Supplier shall comply with all relevant legislation relating to financial crime, including concerning bribes, corruption, fraud and all other prohibited business practice.
2. All types of bribery, corruption and fraud are strictly prohibited. The Supplier shall not offer or give government officials or other third parties any form of undue benefit or service, either directly or through intermediaries. The Supplier shall also not offer representatives of Sparebanken Sør any form of bribe, hospitality or gift with the intention of influencing them in their work. Similarly, the Supplier shall neither demand nor accept bribes or other undue payment for performing or omitting to perform their ordinary duties.

Money laundering and financing of terrorism

1. The Supplier shall reject all forms of money laundering and financing of terrorism, and take the necessary precautions to avoid the enterprise's financial transactions being used for such purposes.

Privacy

1. The Supplier shall ensure that personal or confidential information is stored in a safe manner and not disclosed without permission, and then in accordance with applicable laws and regulations on data protection and privacy.
2. The Supplier's employees are subject to a duty of confidentiality.

Whistleblowing

1. The Supplier shall have a whistleblowing procedure that is known to employees where employees shall be able to report their concerns without fear of reprisal. The Supplier shall ensure anonymity, confidentiality and protection for whistleblowers, and suitable investigations, handling and clarification of notified cases.

Breach of anti-trust legislation

1. The Supplier shall at all times perform its commercial activities in accordance with local anti-trust legislation and shall not participate in price-fixing, unlawful market sharing or tender collusion, or engage in predatory pricing or other forms of anti-trust conduct.

Management and control system

1. It is vital that the Supplier has management and control systems that support the implementation of work on social conditions, the environment and corporate governance along the supply chain, including the work discussed in these Guidelines. The system should be adapted to the size, form

and risk profile of the enterprise. This means that the company has guidelines, that these are known, that the company has appointed an officer responsible for implementation and follow-up, and that the company can demonstrate where goods and services are manufactured or performed.

3. COMPLIANCE WITH AND FOLLOW-UP OF THE GUIDELINES

Implementation at the Supplier

The Supplier shall, at management level, appoint one or more people who are responsible for ensuring that the requirements in the Guidelines are met. The Guidelines and associated requirements shall be implemented and followed up in a way that is suited to the Supplier's size and risk.

The Supplier and its subcontractors shall keep themselves informed about and comply with the prevailing regulations in legislation, regulations, or other public instructions that apply to the Supplier's activities and respective areas of responsibility. The Supplier is responsible for ensuring that it has the necessary licences and permits to carry out its activities.

Reporting and information

The Supplier shall meet statutory requirements for general publication of information.

The Supplier is encouraged to publicly report key conditions and indicators relating to the Guidelines. The Supplier shall ensure that all information it produces or manages is prepared, stored, shared and reported in an honest, balanced and accurate manner.

Breach of rules

If the Supplier becomes aware of serious actual or suspected breaches relating to the Guidelines, these shall immediately be reported to the Supplier's main contact at Sparebanken Sør.

Serious actual or suspected breaches shall be reported through Sparebanken Sør's whistleblowing channel.

Follow-up and control

The Supplier shall follow up the Guidelines laid down in the agreement, and deliver responsibly and in accordance with expectations. At the request of Sparebanken Sør, the Supplier must be able to document the measures it and any subcontractors take to comply with the requirements in the Guidelines.

Sparebanken Sør reserves the right to check the Supplier's compliance with the Guidelines and to demand documentation during the term of the agreement. This also applies to subcontractors connected with the relevant delivery to Sparebanken Sør.

If the Supplier fails to comply with one or more of the requirements in the Guidelines described in this document, we will be able to demand that improvements be made. If this is not possible, or the breach is extremely serious, it will be regarded as a breach of contract, and we will reassess the agreement terms. This could result in the orders being reduced or the business relationship being terminated, without the right to any form of compensation.

4. CHOICE OF SUPPLIER

General

When selecting suppliers, Sparebanken Sør will attach importance to the climate and the environment, social conditions and corporate governance. When evaluating offers in connection with tender enquiries, Sparebanken Sør will attach importance to whether the Supplier has an environmental management system and is certified under the Eco-Lighthouse or an equivalent scheme.

Place, date:

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Supplier:

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(Signature on behalf of authorised signatory)