

## Policy for responsible business conduct – VITA Group AS

Approved by VITA Group AS Chairman of the Board 20.06.2023.

### Introduction

VITA Group AS (“VITA”) strives towards responsible business conduct that respects people, society and the environment. This policy document, including our Code of Conduct, forms the foundation of our sustainability work and establishes the principles for how the Company shall work to promote compliance with fundamental human rights and decent working conditions in our own business, our supply chain and towards our business partners.

VITA’s mission is to be a destination for anyone seeking advice, inspiration and good products in beauty, health and wellness. We will satisfy this by focusing on good service, high professional competence and well-known brands at reasonable prices. Our values are idea-power, empathy, trust and responsibility. VITA considers responsible business conduct to be a prerequisite for sustainable development, meaning that today’s generation get their needs covered without compromising the ability of future generations to meet their own needs<sup>1</sup>. VITA works actively with the Sustainable Development Goals. The foundation for VITA’s sustainability strategy is a desire to contribute, and a focus on implementing measures that will have a real effect on society. VITA works actively with sustainability and has established a sustainability council that will have the overall responsibility for the work. Progress is ensured by regular follow-up and progress reporting. A communication plan has been drawn up to ensure engagement and momentum in the organization.

As a member of Ethical Trade Norway VITA commits to working actively with due diligence<sup>23</sup>. Due diligence is a risk-based approach to respect and safeguard people, society and the environment in our own business and throughout the supply chain. We expect our suppliers and partners to follow the same approach. Priority shall be given to assess and communicate with our main suppliers and business partners in order to understand the risk of violations of fundamental human rights and decent working conditions at the supplier/business partner and at the supplier’s subcontractors.

### Requirements - own business

VITA acknowledges that our business conduct can potentially have a negative impact on people, society and the environment. At the same time, we see the potential to contribute to positive development in the supply chain. With this in mind, we have compiled the following principles and criteria guiding our own business:

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<sup>1</sup> The Brundtland commission, «Our Common Future», 1987

<sup>2</sup> UN OHCHR, *Guiding Principles on Business and Human Rights (UNGPs)*, 2011; OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.

<sup>3</sup> UN OHCHR, *Guiding Principles on Business and Human Rights (UNGPs)*, 2011; OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.



- Due diligence

VITA shall conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and/or reduce such impact. The measures put in place are monitored and their effect evaluated. The measures are communicated to those affected by our actions. If our activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy. If our supplier is responsible for the negative impact, the supplier is responsible for providing remedy<sup>4</sup>

- Responsible purchasing practices

VITA considers responsible purchasing practices to be one of our most important tools for responsible business conduct. VITA shall adapt our purchasing practices in order to strengthen, and not undermine, our suppliers' ability to deliver on our requirements related to people, society and the environment. We strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain.

- Freedom of association and worker representation

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

- Supplier development and partnership

In dialogue with suppliers we will consider, if needed, contributing with capacity building or resources that enable our suppliers to comply with VITA's requirements related to responsible business conduct. This way we lay the foundation for collaboration with suppliers that show the willingness and ability to work on positive development for people, society and the environment in the supply chain.

- Anti-corruption

VITA, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents or suppliers. Our Code of Conduct includes principles for anti-corruption.

- Countries affected by trade boycott

VITA, including all our suppliers and partners, shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian Government authorities.

#### Requirements - conditions in the supply chain

We expect our suppliers and partners to work focused and systematically to comply with our guidelines for suppliers, hereunder our code of conduct, that covers fundamental requirements on human rights, labor rights, anti-corruption, animal welfare and the environment.

Our suppliers shall:

- Follow our guidelines for suppliers, hereunder the code of conduct.

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<sup>4</sup> OECD, «Due Diligence Guidance for Responsible Business Conduct», 2018.



- Conduct due diligence for responsible business conduct. This involves; conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place must be monitored and their effect evaluated. The measures taken must be communicated to those affected by your actions. If the supplier is responsible for the negative impact/damage, they are responsible for providing remedy.
- Show willingness and ability to continuous improvement for people, society and the environment through collaboration.
- At the request of VITA be able to document how they, and potential subcontractors, work to comply with the guidelines.

If the supplier, after several requests by VITA, does not show the willingness or ability to comply with the guidelines for suppliers, the contract may be cancelled.

### **Safeguarding fundamental human right and decent working conditions**

VITA's work to ensure and safeguard fundamental human rights and decent working conditions, follows the requirements as specified in section 4 of the Transparency Act. Each section below refers to the requirements set out in Section 4, and describes the specific actions the VITA are taking to fulfil the requirements:

**a) embed responsible business conduct into the company's policies**

- safeguarded in the preparation of this Policy, which must be communicated to everyone in VITA's management and approved by the Board.

**b) identify and assess actual and potential adverse impacts on fundamental human rights and decent working conditions that the enterprise has either caused or contributed toward, or that are directly linked with the enterprise's operations, products or services via the supply chain or business partners**

- is safeguarded by establishing the following processes:

- obtain an overview of the company's own operations, as well as the supply and subcontractor chains and business partners, including:
  - Minimum annual update and review of the Employee handbook and HSE handbook to ensure that employees' rights, duties and safety are safeguarded and made available
  - Ensure that the rules for HSE and safety inspections are implemented and documented and that measures are followed up
  - Secure the whistleblowing process
  - Ensure adequate training and employee surveys
  - Ensure that all suppliers and business partners have signed the "Supplier Code of Conduct" to set requirements on the supplier/manufacturer regarding the treatment of its own employees
  - Obtain confirmation that subcontractor agreements have corresponding obligations vis-à-vis their employees
  - Via Ignite Procurement (system support), request the supplier or manufacturer for its own investigations and assessments of basic human rights and decent working conditions at its subcontractors and in its own company



- search the website of the supplier, subcontractor and manufacturer to detect any nonconformities or confirm compliance
      - consider other measures, such as enquiries to others to obtain information about a supplier and subcontractor; for example, trade unions or investors and industry and trade associations, or others using the same supplier
    - obtain information about risk factors in the geographical area or product segment in which the supplier, subcontractor or manufacturer operates by performing a search of the supplier, subcontractor or manufacturer in the Ignite Procurement system. More information may also be obtained by:
      - search online for reports from governments, human rights institutions, news reports,
      - inquiries to trade associations or human rights organizations, searches for manufacturers, searches on the supplier's or subcontractor's website, make local visits, etc.
    - carry out a risk assessment for possible violations of fundamental human rights and decent working conditions. This is done by collating the information obtained via Ignite Procurement. For instance:
      - If there are none or incomplete/missing information about subcontractors in an area with unstable governance or where minorities are exposed, this will have a risk impact.
    - Prioritize measures based on risk. Prioritizations are made based on:
      - How serious and probable are any violations?
      - How many does it apply to?
      - Can the damage be corrected?
- c) implement suitable measures to cease, prevent or mitigate adverse impacts based on the enterprise's prioritizations and assessments pursuant to (b)**
- is safeguarded by the following:
- Requesting information and documentation via the Ignite Procurement system continues so that the assessment is improved, and the risk picture becomes clearer
  - Basic human rights and decent working conditions shall be a part of the of the supplier selection criteria's and form a part of the contract terms
  - attempts are made to revise existing agreements (preferably make the Code of Conduct part of the agreement)
  - uses the negotiation situation in connection with new or existing supplier agreements to negotiate compliance with ethical guidelines and the right to information on compliance with fundamental human rights and decent working conditions
  - explore the possibility of collaborating with others who use the same manufacturer or supplier to increase the possibility of impact
  - Direct requests (e.g documentation) and requirements related to human rights and decent working conditions to producers, suppliers and subcontractors with reference to regulations
  - Agree on corrective actions to be taken within a reasonable time frame. If we experience repeated failure or unwillingness to carry out corrective actions, termination of the contract might be necessary



- offer support to suppliers in their processes with subcontractors
  
- d) **track the implementation and results of measures pursuant to (c)**
  - is ensured by ensuring that all investigations, assessments and measures are continuously kept documented and is continuously updated with new information (such as that the Company has sent a request to a supplier and when we receive a response) or changed circumstances (such as the Company getting a new supplier). This is ensured by using Ignite Procurement and maintaining a supplier catalogue.
  - This is also ensured by requiring the administration to report on the work and progress of the work to the board at least annually. This is normally done when the Board considers the report pursuant to Section 5 of the Transparency Act before publication. The report shall be updated and published by 30 June each year and otherwise in the event of significant changes in the company's risk assessments.
  
- e) **communicate with affected stakeholders and rights-holders regarding how adverse impacts are addressed pursuant to (c) and (d)**
  - is maintained through dialogue with employees, suppliers and business partners, as well as publication of information about the progress on the website and in the annual report.
  
- f) **provide for or co-operate in remediation and compensation where this is required**
  - If violations of fundamental human rights or decent working conditions are discovered, VITA will assess specifically whether there are any actions the company should take in relation to the persons who are exposed to the violations. If such cases are identified, management will contact the board.



## Principles for responsible business conduct (Code of Conduct)

These principles for responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum standards. The relevant legal framework at the place of production shall be respected. Where national laws and regulations address the same subjects as these guidelines, the most stringent shall apply.

### **1. Forced and compulsory labor (ILO Conventions Nos. 29 and 105)**

1.1. There shall be no forced, bonded or involuntary prison labor.

1.2. Workers shall not be required to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice.

### **2. Freedom of Association and the Right to Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)**

2.1. Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining.

2.2 Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

2.3 Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

### **3. Child Labour (UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)**

3.1. The minimum age for workers shall not be less than 15 and comply with the national minimum age for employment, or; the age of completion of compulsory education, whichever of these is higher. If local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.

3.3. There shall be no recruitment of child labor defined as any work performed by a child younger than the age(s) specified above.

3.4. No person under the age of 18 shall be engaged in labor that is hazardous to their health, safety or morals, including night work.

3.5. Policies and procedures for remediation of child labor prohibited by ILO conventions no. 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 education.

### **4. Discrimination (ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women)**

4.1. There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.



4.2. Measures shall be established to protect workers from sexually intrusive, threatening, insulting or exploitative behavior, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

#### **5. Harsh or Inhumane Treatment (UN Covenant on Civil and Political Rights, Art. 7)**

5.1. Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

#### **6. Health and Safety (ILO Convention No. 155 and ILO Recommendation No. 164)**

6.1. The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

6.2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.

6.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

6.4. Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

#### **7. Wages (ILO Convention No. 131)**

7.1. Wages and benefits paid for a standard working week shall as minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some discretionary income.

7.2. All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.

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. Recommended maximum overtime is 12 hours per week, i.e. that the total working 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 employees 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.

#### **10. Marginalized Populations (UN 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.

#### **12. 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.

#### **13. Animal welfare**

13.1 Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals.

13.2 National and international animal welfare legislation and regulations shall be respected.

Signatur:

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*Thor Hauge*

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Thor Hauge

Chairman of the Board