

Cypromed Codes of Conduct

1. Background

Cypromed wants to be a responsible manufacturer. Our vision is to build our organization to be a professional manufacturer with the highest possible standards of ethical business conduct. This document is intended show our compliance goals for our codes of conduct, and our expectations for any supplier that are to deliver goods or services to Cypromed. Our goal for this is to contribute to ethical- and sustainable production throughout the supply chain. Cypromed believes that ethical and sustainable growth will be the only prosperous strategy for the future.

At Cypromed, we promote decent working and environmental standards in our supply chains. We cooperate closely with our suppliers and business partners in pursuit of this aim. Accordingly, we have prepared this code of conduct to illustrate what we expect of our suppliers and business partners. The code of conduct covers human rights, workers' rights, the environment and corruption. Cypromed wishes to comply to both local- and international law and we also want our suppliers to have the uniform goal. This is also a goal for our end-customers. For this goal to be achieved all parts of the supply chain must comply to the same principals.

Cypromed AS aims to continuously improve policy and practice that supports suppliers in complying with this code of conduct.

In Chapter 2 we have a summary of our core codes of conduct. In chapter 3 we ask our suppliers to verify that they can comply with our Codes of conducts. Appendix A contains a more in depth description to chapter 2.

2. Core Codes of conducts

2.1 Cypromed, including all of its suppliers, supports the ban on child-labor according to the *international labor organization's* recommendations (ILO), convention and guideline No. 138 and 182.

- Children under 15 years, or according to local government rules, shall not work involuntarily- or under any form of forced will.
- Children shall not perform work that are may cause harm or may potentially deny access to education or development.
- Children below 18 years shall not work night-shifts or conduct work that may set their safety, physical- and/or mental health in danger.
- Children have the right to be protected against economical exploitation.

2.2 Cypromed and all of its suppliers are compliant against the ban of forced labor (ILO convention 29 and 105):

- Forced- or involuntary work shall not be allowed under any form, also as part of education, punishment or to enforce work discipline.
- Worker shall not deliver a fee, identification papers or other types of payment to the employer.
- Work are free to discontinue their work after within reasonable time, without any form of penalty.

2.3 Cypromed and all of their suppliers shall comply to ILO core convention 100 and 111

- Workers shall not be discriminated on gender, race, skin color, religion, political opinion, national origin, social status, union work or personal relationship in the work environment or in relationship to the work environment.
- Equal pay for equal work, regardless of gender.

2.4 Cypromed and all of their suppliers are to comply to the prohibition of missing respect for professional organization and collective bargaining (ILO core conventions 87 and 98)

- Employers and employees have the right to form, or join the organizations as they themselves wish, and to conduct collective agreements and share the profits from these.
- All activity in relation to the organization must be done without reprisals or other forms of misrepresentation for its participants.
- The employer must in no way prevent arenas for meetings and collective agreements.
- Where organizational freedom and the right to collective wage negotiations are limited by national law, the employer shall facilitate and not prevent parallel mechanisms for free and independent organization and negotiation.

2.5 Cypromed and all of its suppliers are ensuring that work are conducted in compliance with the local laws where the work are to be conducted.

- Pay and working hours are to comply with local laws.
- Health-, environmental care and safety must comply with local laws.
- All workers and their contracts must comply to local laws.
- Manufacturer must complot to statutory insurance and social rules and regulations.

2.6 integrity and fair dealing are essential assets of the company and this should be reflected in all activities. Each employee has a responsibility to ensure that the company will not get involved in corruption.

2.7 Any non-compliance are to be reported to Cypromed AS.

2.8 Our full code of conduct is described in Appendix A.

3. Verification of compliance

Any supplier that are to deliver goods or services to Cypromed AS are to confirm that they intend to comply to all requirements of chapter 2 and Appendix A. Any supplier is also to confirm that they plan to enforce the same codes of conducts for any sub-supplier they use- or plan to use.

Cypromed AS: Knut S. Kristensen



Signature/Date. 2018-12-01

If any part of this agreement is voided. Cypromed AS is entitled to stop any cooperation with any supplier without further notice. Cypromed is entitled to conduct local audits at manufacturers location. Cypromed is also entitled to conduct any survey to ensure compliance to the content of this document.

If one of our sub-supplier has their own codes of conducts, Cypromed will happily perform audit of any written statement to verify harmonization to our Cypromed's Code Of Conducts.

Appendix A. Full description of code of conducts

Cypromed's suppliers are to supply goods and services that are produced in compliance with the code of conduct. Moreover, the suppliers are to communicate the code of conduct to their sub-suppliers, and to monitor implementation.

A supplier must be able to document compliance with the code of conduct at Cypromed's request, or- alternatively, supply Cypromed with the suppliers own Code Of Conducts that harmonizes with this written Code Of Conducts. Such documentation may take the form of self-declaration, follow-up meetings, and/or inspections of the working conditions at production sites. The supplier will be obliged to name and provide contact information for any sub-supplier that Cypromed wishes to inspect.

In the event of a breach of the code of conduct, Cypromed and the supplier will jointly prepare a plan for remedying the breach. Remediation must take place within a reasonable period of time. The contract will only be terminated if the supplier remains unwilling to remedy the breach following repeated enquiries.

The code of conducts is founded on key UN and International Labour Organization conventions and documents. National laws shall be respected.

1. Forced and compulsory labour (ILO Conventions Nos. 29 and 105)

- 1.1 There shall be no forced, bonded or involuntary prison labour.
- 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
 - i) the national minimum age for employment, or;
 - ii) 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.
- 3.2 There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.3 No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
- 3.4 Policies and procedures for remediation of child labour 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, 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 behaviour, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

5. Harsh or Inhumane Treatment

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

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 Population

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 Measures to minimize adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimizing pollution, promoting an 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.

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.