

Annex 10 Standard annex on corporate social responsibility for suppliers

I Introduction

As an undertaking that annually represents a substantial procurement volume by Norwegian standards, SpareBank 1 wishes to focus on our social responsibility in our approaches to the supplier market. This annex sets requirements for suppliers' corporate social responsibility in the following core areas:

- Human rights
- Working conditions
- Environment
- Honest operations

SpareBank 1's operations are subject to a number of national and international rules and requirements. Suppliers who intend to perform services on behalf of SpareBank 1 undertake to play their part in ensuring that SpareBank 1 does not violate national and international rules and requirements. The Supplier shall also help to ensure that purchase contracts are in accordance with applicable industry standards and with SpareBank 1's own internal policies. The Supplier and its sub-suppliers shall stay informed about and follow applicable requirements of law, regulations in force at any and all times, or other public orders that apply to the Supplier's activity and respective areas of responsibility under the Agreement. The Supplier is responsible for maintaining the necessary licences and permissions to engage in its activity. SpareBank 1 shall inform the Supplier of any special requirements that apply to SpareBank 1's operations, and in special cases such matters will be regulated in specific annexes to the Agreement. Any supplements and changes to the Agreement shall be handled in accordance with the Agreement's rules on changes.

The Supplier shall actively see to it that preceding links in the value chain abide by the requirements of this annex and other requirements in the contract. In cases where the Supplier operates in areas or in industries where there is a greater risk of violations of the requirements regarding corporate social responsibility, the Supplier's duty of vigilance is accordingly greater.

Where this annex refers to "national" legislation, this includes both Norwegian law and in addition the law that applies in the location(s) where the services are performed or the goods are produced in whole or in part.

2 Human rights

The Supplier shall refrain from violations of human rights. If the Supplier achieves advantages as a result of other parties' human rights violations, the Supplier shall be regarded as an accomplice. The Supplier shall also as far as possible actively make certain that no human rights violations occur within its own organisation or further back in the value chain.

Human rights include those fundamental rights possessed by all people, and are regulated by national and international legislation. The following points are of particular significance:

- The Supplier shall not benefit from any form of forced labour. Prison inmates' labour may only be utilised where the inmates have been sentenced by a court of law and where reasonable terms of employment can be documented.

- The Supplier shall not benefit from child labour. By “child labour” is meant labour that entails that the children are deprived of opportunities for schooling and education. The prohibition against child labour applies in the following cases:
 - To all children below the age of 15,
 - To children below the age of 14 in countries with an insufficiently developed economy or educational facilities
 - To children who have not completed compulsory education.
- Labour that is of such a nature that it may cause harm to a child’s health or pose a risk to a child’s safety, shall not be performed by workers below the age of 18,
- The Supplier shall not discriminate against employees in the employment relationship, including in connection with engagement or dismissal, with a basis in factors such as gender, race, nationality, religion, sexual orientation, membership of worker organisations or political orientation.

3 Working conditions

The Supplier shall abide by local, national and international rules concerning remuneration, working hours, freedom to organise and health, environment and security.

- The Supplier shall not benefit from working conditions within its own organisation, partners, suppliers or sub-suppliers that build on unreasonableness, exploitation or abuse.
- In cases where foreign labour is utilised in Norway, the employees concerned shall be guaranteed the same employment terms as Norwegian employees.

Suppliers of cleaning services to SpareBank 1 shall in addition meet the following requirements:

- The Supplier of cleaning services shall be approved and listed in the Norwegian Labour Inspection Authority’s register of cleaning service providers. If the Supplier loses its approval, SpareBank 1 shall be notified in writing immediately. The customer shall also be notified if the cleaning service supplier replaces its sub-supplier(s).
- The Supplier of cleaning services shall abide by the requirements as to terms of pay and employment set out in applicable regulations and rules. The Supplier of cleaning services shall on request provide the Customer with access to information and documentation of pay and employment terms for the cleaning service employees.
- All cleaning service personnel shall have a valid ID card issued by the Supplier of cleaning services in accordance with applicable regulations and rules.

4 Environment

Goods and services delivered to SpareBank 1 shall be produced in such a way that ecological diversity is preserved and that areas and natural resources are managed in the most sustainable manner possible.

When evaluating offers in connection with requests for tenders, SpareBank 1 will attach importance to whether or not the supplier is environmentally certified.

SpareBank 1 does not wish the use of tropical timber in products that are delivered to it.

As far as possible printing paper, envelopes and printed matter delivered to SpareBank 1 shall meet the Svanen or EU ecolabel requirements. Printing paper, envelopes and printed matter shall be made of recycled paper.

ICT equipment that is delivered or used by SpareBank 1 shall have a low energy consumption and low content of health- and environmentally-hazardous chemicals.

The following requirements apply to cars delivered to SpareBank 1:

- Carbon emission of new cars - purchased or leased - in group M1 shall not exceed 130 g/km.
- Carbon emission of new commercial vehicles - purchased or leased - in group N1 should not exceed 210 g/km.
- When purchasing/leasing new car(s) for service use (company cars), the vehicle with the lowest possible carbon emission shall be selected. For example, hybrid cars, cars with carbon emission below or equal to 120 g/km, electric cars or other environment-friendly alternatives on the market.

In order to safeguard SpareBank 1's own environmental certifications, SpareBank 1 may require the Supplier on request to document its environmental performance (certificate) or describe its procedures as regards purchases, energy, waste, transportation and/or emissions. The following SpareBank 1 companies are certified under the Environmental Lighthouse scheme:

- SpareBank 1 Gruppen AS
- SpareBank 1 Modum
- SpareBank 1 Nord-Norge
- SpareBank 1 SMN
- Sparebanken Hedmark

5 Honest operations

The Supplier shall conduct itself in an ethically correct manner in all contexts in connection with production and contracts for delivery to SpareBank 1. The following points are given special emphasis:

- SpareBank 1 does not accept employees of SpareBank 1 being offered or accepting gifts or other advantages that could be construed to be bribes. Equally, the Supplier shall not accept such practices in relation to its own employees.
- The Supplier shall actively ensure that SpareBank 1 is not complicit in corruption. The Supplier shall not pay bribes on behalf of SpareBank 1, and the Supplier shall also ensure that SpareBank 1 does not benefit from corruption carried out further back in the value chain.

6 Follow-up and revision

The Supplier shall be able on request to report and document to SpareBank 1 what measures have been initiated to ensure that the requirements as to corporate social responsibility are complied with. In cases where violations of the rules regarding corporate social responsibility

are brought to light or where there is a suspicion of violation, the Supplier shall contribute to transparency and dialogue on how the circumstance can be rectified. The Supplier shall initiate necessary improvement measures immediately and rectification shall take place within a reasonable period. Where the Supplier suspects a violation further back in the value chain, SpareBank 1 shall be notified accordingly.

SpareBank 1 may carry out revisions to ensure that its corporate social responsibility is acted on and complied with, in the event through use of a third party as an authorised representative. The Supplier shall as far as possible facilitate the performance of revision in all preceding links in the value chain.

7 Sanctions and right to annul

Violations of the provisions of this document regarding corporate social responsibility constitute a breach of contract.

SpareBank 1 operates business that is largely subject to national and international rules and requirements. In consideration of SpareBank 1's business operations and its relationship to its customers, it is crucial for SpareBank 1 to maintain a good reputation. In assessing what constitutes a significant breach of contract, emphasis is accordingly put on the degree of seriousness of the actual breach and whether the breach entails loss of reputation or a risk of loss of reputation for SpareBank 1.

In the event of a significant breach of the provisions of this document by the Supplier, its sub-suppliers and/or partners, SpareBank 1 has the right to annul the contractual relationship with immediate effect. If rectification is in SpareBank 1's assessment possible and/or desirable, SpareBank 1 shall notify the Supplier's representative in writing setting a reasonable deadline for rectification of the circumstance before annulment takes place.

The following three cases are examples of circumstances that represent a significant breach of contract, if they have not been rectified within 30 days after SpareBank 1 has given notification in writing requiring rectification:

- (a) The Supplier fails to provide sufficient information to ensure/document that its corporate social responsibility is complied with.
- (b) The Supplier fails, upon request from SpareBank 1, to display sufficient activity to bring to light suspicions of violation of corporate social responsibility.
- (c) SpareBank 1 draws attention to one or more non-significant violations of corporate social responsibility that it requests be rectified, and the Supplier fails to rectify such violations.

This provision applies in addition to and/or takes precedence over possible diverging provisions on breaches set out in the Agreement.