

ANNEX E – Social Responsibility and Compliance

1 SOCIAL RESPONSIBILITY

1.1 Introduction

The Supplier shall respect the fundamental requirements of human rights, labour rights and environment. All services, goods and other deliverables shall be produced under conditions that are compatible with the requirements listed below. The requirements are based on international conventions and regulatory requirements imposed on IFE.

These requirements establish minimum standards. Where the conventions and national laws and regulations relates to the same subject, the highest standard shall always prevail. If the Supplier uses sub-suppliers to fulfil this contract, the supplier is obligated to forward the requirements, and contribute to the compliance with these requirements by its sub-suppliers.

1.2 The Universal Declaration of Human Rights

The Supplier shall respect the UN's Universal Declaration of Human Rights.

1.3 No Forced Labour

(ILO Conventions Nos. 29 and 105)

There shall be no forced, bonded or involuntary prison labour. 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.

1.4 Freedom of Association and the Right to Collective Bargaining

(ILO Conventions Nos. 87, 98)

Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. Workers representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted or under development, the Supplier shall facilitate meetings between workers and the management to discuss wages and working conditions without this having negative consequences for the workers.

1.5 No Child Labour

(UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182)

Children have the right to be protected from financial exploitation in labour, and from performing work which can limit the educational- and developmental possibilities. 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 under any circumstances be engaged in labour.

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.

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1.6 No Discrimination

(ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination against Women)

There shall be no discrimination at the work place based on ethnic background, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

1.7 Working Conditions

1.7.1 Wages and Working Conditions

The Supplier shall ensure that employees in its own organisation and the employees of any sub-suppliers do not have wages or working conditions that are inferior to those stipulated by any applicable nationwide collective bargaining agreement or those that are normal for the relevant location and trade.

The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. 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 minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. All employees shall have access to relevant health and safety equipment which meet at minimum, national legal standards. Employees shall be informed of eventual health risks associated with the work.

1.7.2 No Excessive Working Hours

Working hours per week shall not exceed national legal standards. Workers shall always receive overtime pay, minimum in accordance with national legal standards.

1.7.3 Regular Employment

All workers are entitled to a contract of employment that shall be written in a language they understand.

Obligations to employees under international conventions and national social security laws, and regulations arising from the regular employment relationship, shall not be avoided through the use of short term contracting (such as contract labour, casual labour or day labour), Sub-Suppliers or other labour relationships.

2 ENVIRONMENT MANAGEMENT SYSTEM

The Supplier shall have established an environmental management system which as a minimum consists of the following elements:

- A system for the company's environmental objective and environmental policy
- Strategy for competence in the environmental field
- Procedures for performing the contract in an environmentally sound manner

The Supplier can present the company's quality or environmental management system according to ISO 14000, EMAS, or other equivalent third party verified systems.

3 ANTI-CORRUPTION

No agent, Affiliate, employee or other Person acting on behalf of the Supplier shall, directly or indirectly make or accept any contribution, gift, bribe, rebate, payoff, influence payment, kickback or other payment to or from any Person, private or public, regardless of form, whether in money, property or services (i) to obtain or provide favorable treatment in securing business, (ii) to pay or receive payment for favorable treatment for business secured, (iii) to obtain or provide special

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concessions or for special concessions already obtained or provided or (iv) for any other illegal or improper purpose.

The Supplier shall have implemented systems for internal control and organise its operations in such manner as to prevent and discover economic misconduct, including corruption, theft, embezzlement, fraud, breach of financial trust, favouritism and nepotism.

4 EXPORT CONTROL

The Supplier must not and shall require that its sub-suppliers shall not import, export, re-export or transfer, directly or indirectly, any goods, services or technology contrary to the export control restrictions which is or may be imposed by any country or organisation, including Norway, the United Nations and the European Union, nor undertake or fail to perform any act which would cause a breach of such controls or restrictions and will ensure that appropriate measures for marking and handling such goods, services and technology are established and maintained.

5 CORPORATE GOVERNANCE

The Supplier shall take positive actions to implement the requirements of this Annex, to incorporate the requirements into all of its operations, and to make these requirements an integral part of its overall philosophy.

The Supplier shall dedicate responsibility for all matters pertaining to the Social Responsibility and Compliance requirements to a manager within its organisation.

6 COMPLIANCE

6.1 Documentation

Compliance with the Social Responsibility and Compliance requirements stated herein shall be documented at the request of IFE.

6.2 Inspections - audit

IFE and/or its authorized representative retains the right to inspect all production and storage sites used by the Supplier; including all production and storage sites used by sub-suppliers. IFE retains the right to conduct both announced and unannounced inspections.

6.3 Violation of the Corporate Responsibility and Compliance requirements

In case of a breach of the Corporate Responsibility and Compliance requirements, the Supplier shall take corrective action within a time limit agreed upon by IFE and the Supplier.

If the Supplier fails to meet obligations outlined in the Social Responsibility and Compliance requirements, IFE has the right to retain any outstanding amount of the contract price.

If the Supplier fails to take corrective action within the agreed time limit, IFE shall be entitled to terminate the agreement and retains the right to invoke other remedies.