

Code of Conduct

By ferm LIVING

This Code of Conduct (CoC) describes and sets out the ethical principles of the business carried out and conducted with ferm LIVING. Our aim is to ensure that everyone in the company, including employees, clients, and partners, upholds our company values.

Ferm LIVING has been a participant of UN Global Compact and a member of amfori BSCI since 2021. Our company follows – among others - the 10 principles of UN Global Compact, the Universal Declaration of Human Rights (UNGCR), Conventions of the International Labour Organization (ILO), Conventions on the Elimination of all forms of Discrimination against Women (CEDAW), Organisation for Economic Co-operation and Development (OECD) guidelines for Multinational Enterprises. Our CoC is built up based on these principles.

This CoC applies to our suppliers and any third parties who maintain business relations with ferm LIVING. All suppliers and their subcontractors who manufacture products or provide services to ferm LIVING must sign and comply with this CoC. The supplier is responsible for the subcontractors it chooses. A copy of this CoC must be translated into the national language by the supplier and placed at a visible and easily accessible place for the workers. The English version shall always prevail.

For convenience, suppliers and other collaborative partners will together be referred to as “partner/partners” throughout the CoC.

Introduction

At ferm LIVING, we continue to embrace life's contrasts and strive to empower individuals to make informed choices that contribute

to a more sustainable future. As a design company, we believe it is our duty to lead by example and inspire positive change.

Throughout the years, we have carefully woven sustainability into the fabric of our operations. We have already established a robust and comprehensive responsibility strategy that encompasses our commitments for 2030, which extend to every facet of our business.

We acknowledge the profound impact of our efforts not only on our team, partners, suppliers and customers but also on the well-being of our planet and society at large. The global challenges of recent times underscore the critical importance of our shared mission to make the world more sustainable and use Earth's resources conscientiously. We are designing not only for today, but for the future, where sustainable action will become even more vital.

We work with a sustainable mindset across all product categories with every new collection throughout the supply chain. We do so by integrating sustainable thinking already in the design phase, where the first important choices for a product are made. Wherever possible, we employ responsible criteria for new products. These criteria encompass considerations such as durability, materials, disassembly, certifications, climate screening, production and social responsibility. We're committed to source and produce our products responsibly and track every step of the supply chain. And to do so, we need our partners collaboration.

In situations where this CoC would turn out to be in violation with mandatory national laws of our partner, the national laws apply but the partner must immediately inform us hereof in writing. Where there are differences or conflicts between this CoC and national laws and regulations, the higher standard should always prevail.

Your responsibility as partner

The partner shall engage into a responsible business conduct. The partner shall embed due diligence process into its policies and management systems. Overall, the partner shall:

- identify actual or potential adverse impacts associated with the operation
- prevent or mitigate adverse impacts
- track implementation and results
- communicate how impacts are addressed
- enable remediation when appropriate
- allocate adequate support and resources to conduct due diligence process and implement a policy on responsible business conduct

Compliance with general laws and regulations

We require our partners to comply with all applicable laws, including but not limited to laws related to anti-bribery, competition, business conduct, product quality and ingredients, environmental standards, occupational health and safety, privacy and data protection, and labour and employment.

Business integrity

Our culture and philosophy are based on the beliefs on integrity, honesty and respect. We encourage our partners to establish their own policies that share our values. Partners shall act with integrity and promote trust by ensuring that their business conduct contributes to credible, stable and sustainable business relationships.

Human rights

Human rights are universal and belong to everyone equally – regardless of age, gender, race and/or religious or political belief. Ferm LIVING condemns violations of any internationally declared human rights. People must be treated with dignity and respect regardless of social status or rank. Our partners warrant to support and not to violate international declared human rights.

Labour standards

The labour force is the foundation of any business. Therefore, a solid founded and respected labour force ensures a solid and long-term viable business. Professional, cheerful and encouraging leadership is appreciated.

Food, water, toilet/bath and housing facilities

The labour force must have easy access to food (it is recommended and encouraged that the partner provides at least one free daily meal at work), sanitary food storage and fresh clean potable water;

toilet/bath facilities and medical aid and access hereto shall not be unreasonable withheld.

When the labour force is living/sleeping at the production sites or nearby facilities such housing facilities must live up to national standard living facilities. Preferably toilet/bath facilities for men and women should be separated.

Wages, working hours and conditions

Wages must at least be the minimum as required by national law and business standards whichever is the higher. Wages above the minimum requirement is encouraged to attract the best and most stable labour force and wages must – compared to the working hours – always be sufficient to meet the basic needs of workers and their families and to provide some discretionary income.

Any deductions from wages for disciplinary measures shall not be permitted unless provided for by national law and only in severe and exceptional cases.

All workers must prior to employment be provided with written and easy understandable information about the conditions in respect of wages and afterwards at paydays an overview of the calculation of the wages for the respective pay period.

Hours of work shall comply with applicable national laws and business standards. In any event – unless national laws allow otherwise – workers shall not on a regular basis be required to work in excess of **48 hours** per week and shall be provided with at least one day off for every 7-day period. Overtime shall be voluntary and shall – unless national laws allow otherwise – not exceed **12 hours** per week and shall not be demanded on a regular basis and shall always be compensated at a premium rate of wages.

Conditions of work shall provide for a safe and hygienic working environment – bearing in mind the prevailing knowledge of the industry and of any specific hazards. All working stations must at all working times be sufficient with regard of adequate body positioning, lightning, air/ventilation and temperature.

Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the partner is strictly prohibited.

The partner warrants to abstain from any discrimination with regard of race, skin colour, religion, political, sexual orientation, gender, national origin or social rank or status. Discrimination is not only cruel to individuals or minority groups or people in general. Discrimination is also a source for unstable social relations and affects not only businesses but also communities negatively.

No hazardous working equipment or unsafe factories and/or housing facilities are accepted and must be corrected. Hazardous chemicals must be always stored and handled in a safe and healthy manner.

All factories and/or housing facilities must have clearly marked exits, and preferably emergency exits on all floors. All exit doors should open outwards and must not on the inside nor the outside be blocked.

If emergency exits for safety reasons or to prevent theft are locked, the keys should be placed behind breakable glass next to the exit doors or otherwise easy to get access to, and thus be available to all staff at all times.

All workers should be aware of the safety arrangements, such as emergency exits, fire extinguishers, first aid equipment etc. An evacuation plan should be clearly displayed in the factory, the fire alarm should be tested regularly, and regular evacuation drills are desirable.

Sufficient fire extinguishers must be available at all floors and an adequate number of workers must be trained in the proper use thereof.

All machinery shall be properly maintained and serviced and equipped with proper protection measures.

It is recommended that a doctor or nurse should be available at short notice in case of accidents.

The partner should pay any costs (not covered by the national social security) which a worker may incur for medical care, following an injury during working for the partner.

Freedom of association and right to collective bargaining

The partner must acknowledge and uphold the freedom of association and the right to collective bargaining when not restricted by the national laws of the supplier and subcontractors.

Working by free will is essential. The partner warrants that no part of the labour force or people involved at the premises of the partner and subcontractors or in other part of the production line are imposed to forced and compulsory labour. No fining or severe reduction must be made in any wages upon mistakes made by the labour force.

The workers must be able to terminate their employment provided that they give a reasonable notice and no personal salary, documents or the like required for leaving, living and/or working must be withheld in any such occasions.

Child labour

Our partners must comply with the ILO (International Labour Organization) conventions recommendations regarding the minimum age for workers which in general is the maximum age for compulsory schooling and child labour. Reference on this issue is made to:

- UN Convention on the rights of the Child
- ILO 138 (minimum age)
- ILO 182 (worst forms of child labour)
- R146 - Minimum Age Recommendation

The convention and the guidelines can be assessed on the following links: <https://www.ohchr.org/en/instruments-mechanisms/instruments/convention-rights-child> and <https://www.ilo.org/topics-and-sectors/child-labour#ils>.

Our partners must do its utmost to secure and determine the correct age of the workers employed and such verification must be available in writing for audits.

Our partners must take measures to prevent the exploitation or abuse of young workers. This includes protection from verbal, physical, psychological, or sexual harassment. Partners should provide channels for young workers to report any mistreatment or violations of their rights without fear of retaliation.

Partners must ensure that young workers receive appropriate health and safety training and are provided with protective equipment when necessary. Young workers should not be exposed to conditions or tasks that pose risks to their health, safety, or well-being.

Where applicable, the partner must obtain consent from a young worker's parent or legal guardian before employment. This ensures that the young worker's family is aware of the employment conditions and that they support the decision for the young worker to engage in work.

The partner must regularly monitor the employment conditions of young workers to ensure compliance with these standards. Any violations must be addressed promptly, and partners should work with relevant authorities or organizations to protect the rights and welfare of young workers.

Use of child labour or young workers in conflict with the above is not allowed.

Ferm LIVING reserves the right to involve local or international organizations, Non-Governmental Organizations and the like with the purpose of securing the child's future.

Migrant workers

Migrant workers are often vulnerable to exploitation and discrimination, and we are committed to ensuring their fair treatment and protection in all aspects of employment. Migrant workers must be treated equally to local workers in terms of wages, benefits, and working conditions. There shall be no discrimination based on nationality, ethnicity, religion, or immigration status. Migrant workers must have the same rights as local workers to join trade unions and participate in collective bargaining. Partners must ensure that migrant workers are recruited through ethical and transparent recruitment processes. No recruitment fees or related costs should be charged to migrant workers, and partners must work with recruitment agencies that comply with international standards and local laws. Any recruitment fees paid by workers must be reimbursed immediately. Partners must ensure that migrant workers have the proper legal status and necessary work permits, visas, or

other documentation as required by the host country. Workers' documents, such as passports and identification papers, must not be withheld or confiscated under any circumstances, and workers must have free access to these at all times.

Migrant workers must be provided with clear and comprehensible employment contracts in their native language before.

Diversity

As a collective of colleagues and partners, our shared commitment is evident in the passion we bring to our work. Guided by enthusiasm, helpfulness and respect, we celebrate our diversity, uplifting one another and fostering an environment where each individual can thrive. Our ethos centres around responsibility and decency, creating an inclusive environment where no one is considered above another.

As participants in the UN Global Compact, we uphold its principles and values in our conduct and interactions.

- Our stance on diversity is unwavering, valuing every individual irrespective of race, age, religion, sexual orientation or social status.
- We vehemently oppose all forms of racism, as well as physical, verbal and emotional abuse.
- Our recruitment practices prioritise talent and disregard biases related to ethnicity, age, gender, religion, sexual preference, disability or social identity.
- Our passionate working environment is enhanced through greater empowerment and flexibility, fostering a healthy work-life balance and advocating for the well-being of both body and mind.
- Our relationships with partners and suppliers are built on mutual respect and lasting connections.
- While we are driven by entrepreneurship and high ambitions, we never compromise our values by solely chasing the lowest manufacturing price.
- Striving for excellence, we continuously aim to provide the best possible service to everyone, regardless of their background or identity.

We have a great responsibility when it comes to the people who work with ferm LIVING – one that goes beyond just the ferm LIVING staff and includes our partners. Thus, we expect that our partners share the same values in terms on diversity. Underpinning our culture of transparency, accountability, integrity and ethical behavior, whistleblowing helps us to identify, address and act upon issues.

Health and safety

All individuals, including employees, contractors, and visitors, must adhere to the following guidelines to promote physical and mental well-being, minimize risks, and ensure a safe working environment. Everyone is responsible for maintaining a safe workplace. This includes following established safety protocols, reporting unsafe conditions or hazards immediately, and actively participating in health and safety programs. Employees must use personal protective equipment (PPE) and safety gear when necessary or as directed. Proper use of equip-

ment is essential for the prevention of accidents and injuries. Any accidents, injuries, or near-misses must be reported immediately to the relevant supervisor or safety officer. Prompt reporting ensures that necessary actions can be taken to prevent recurrence and that affected individuals receive timely care.

Partners are expected to always engage in safe practices. This includes following procedures for handling hazardous materials, operating machinery responsibly, and maintaining a clutter-free workspace to avoid trips, slips, or falls. Ferm LIVING encourages participation in health and wellness programs designed to promote overall well-being. Mental health resources, stress management support, and ergonomic assessments are available to employees to ensure a balanced work-life experience.

Environment

Our partners warrant that national environmental laws and regulations are always complied with. There must be a continuous and in writing documented work towards a cleaner and more environmentally friendly production in order to secure that the negative consequences to environment are minimized.

A poor environment creates poor living and working conditions which can impose irreversible and severe damages to the local community and the labour force and within a short period of time harm the suppliers and subcontractors' business.

From start of receiving this CoC the partners must submit to Ferm LIVING the apparent negative environmental consequences that the present production represents, and which actions can and are expected to be initiated. The partner shall each year prepare a written summary concerning the partners current and future initiatives for a cleaner production. Such summary must be submitted to Ferm LIVING upon request.

ferm LIVING requires that the partners chooses and sources responsible goods, raw materials, methods and/or technology applicable with respect to the ordered quality in all its operations. The partner is responsible for the environment in the production line in which the partner is directly or indirectly involved this includes subcontractors. The partner shall promote the circular practices throughout the supply chain and work to improve resource efficiency.

Ferm LIVING will to the extent possible and reasonable support the development and use of cleaner technologies and procedures upon requests from the partner.

More precisely the environmental standards and issues to be identified, considered and properly handled by the partner are:

1) Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring) and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

2) Pollution Prevention and Resource Reduction

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

3) Hazardous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and correct disposal. The partner shall adapt new processes and best practices, to reduce the environmental impact and health and safety concerns relation to chemical use. Partners shall maintain an inventory of hazardous substances at their facilities.

4) Wastewater and Solid Waste

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required as per national law prior to discharge or disposal. Any discharge or disposal must take place with the highest national standard regarding preserving the environment.

The partner should use water responsibly and work to minimize their use of water. The partner shall have sustainable water management practices in place meaning that they shall collect and record water data and provide data to firm LIVING upon request. Further, the partner shall establish plans and targets to reduce and recycle water.

5) Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required as per national law prior to discharge.

6) Product Content Restrictions

Partners are to adhere to all applicable laws and regulations regarding prohibition or restriction of specific substances including labeling laws and regulations for recycling and disposal. Partners are also to adhere to processes to comply with each agreed-upon customer-specific restricted and hazardous materials list. It is to be expected that any delivered goods must comply with the EC regulations as to chemical contents and the like and the partner warrants such compliance.

7) Energy usage and greenhouse gas emissions

Partners shall monitor their energy consumption and take actions to reduce greenhouse gas emissions and combat climate change. The partner shall collect, and record data linked to their carbon footprint and provide data to firm LIVING upon request. Further,

the partner shall establish plans and targets to reduce the greenhouse gas emissions of the partners activities.

8) Biodiversity

The partners shall avoid and minimise impacts on biodiversity.

Partners are in general encouraged to factor appropriate environmental and social considerations into the full lifecycle of their processes, technologies, products and packaging in order to optimise the environmental performance of their products through the product life cycle, and to maximise opportunities for positive social impact. Partners must be ready to provide the relevant data to establish a life cycle analysis of the offered product at all times.

Responsible supply chain

Firm LIVINGs ambition is a responsible and transparent supply chain. Any partners shall actively engage their supply chain to increase transparency therein. The partners shall identify and trace history, distribution, location and application of products, parts and materials. The partners must provide information and records upon firm LIVINGs request. Such information may be verified by a third-party auditing company.

Minerals

Firm LIVING is dedicated to ensuring that the sourcing of minerals used in our products or services is conducted in a manner that respects human rights, promotes environmental sustainability, and prevents involvement in conflict or exploitation. We commit to conducting due diligence in line with internationally recognized standards.

The partners shall ensure that all minerals used in its operations, including but not limited to tin, tantalum, tungsten, and gold (3TG), are sourced responsibly. This means avoiding any minerals that contribute to conflict, human rights abuses, or unethical labor practices.

The partners shall comply with all applicable local, national, and international laws and regulations, including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Leather and fur

All leather and fur products must adhere to humane and ethical practices. We encourage the use of alternatives to leather and fur with less environmental impact. When using real leather or fur, partners must ensure that these materials are sourced from responsible sources, and no harm must be done to ecosystems and biodiversity.

Partners must ensure full traceability of their leather and fur products, from farm to finished product.

Partners are required to provide documentation that verifies the ethical origin of these materials and adhere to strict standards regarding the sourcing of exotic or endangered species. All partners must comply with local, national, and international regulations concerning the use of leather and fur. This includes adhering to the Convention on International Trade in Endangered Species (CITES) and other relevant wildlife protection laws.

We expect our partners to engage in continuous improvement when it comes to sourcing and handling leather and fur. Partners should actively seek ways to enhance the ethical and sustainable aspects of their operations and adopt new practices as industry standards evolve.

Textiles

Partners must source textiles from environmentally sustainable and ethically responsible origins. We encourage the use of organic, recycled, or eco-friendly materials to minimize environmental impact. Any raw materials used in textile production should not contribute to deforestation, water scarcity, or excessive carbon emissions.

All textile partners must comply with relevant local, national, and international regulations, including those related to environmental protection, labor rights, and product safety. Partners should also adhere to industry standards in particular the Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycle Standard (GRS) and OEKO-TEX certification.

Forest products

All forest products, including timber, paper, and other wood-based materials, must be sourced from responsible managed forests. Partners must source from forests certified by Forest Stewardship Council (FSC) and if not possible, as an alternative the Programme for the Endorsement of Forest Certification (PEFC). Deforestation, illegal logging, and habitat destruction are strictly prohibited. Partner should in particular adhere to EU Deforestation Regulation (EUDR) applicable from time to time.

Partners are expected to take measures to protect biodiversity in forested areas where products are sourced. This includes safeguarding endangered species (following FSC's standards), conserving critical habitats, and promoting reforestation and rehabilitation efforts in degraded areas.

Packaging

Our partners must prioritize the use of recycled and recyclable plastic to conventional plastics. We encourage our partners to reduce the use of Styrofoam and actively explore alternatives.

Partners are expected to adopt measures that reduce plastic waste across their operations. This includes optimizing manufacturing processes to minimize excess plastic, reusing scrap material, and implementing closed-loop systems for recycling. Packaging (cardboards, hard wooden boxes and paper) shall be certified by FSC, and packaging shall always comply with EU Directive 94/62/EC on packaging and packaging waste.

Animal welfare

At ferm LIVING we are committed to upholding the highest standards of animal welfare in all of our activities. We recognize that the humane treatment of animals is a fundamental ethical responsibility and an essential aspect of our operations. As a partner to ferm LIVING, the conditions for the animals must be aligned with the Five Freedom of animal welfare.

All animals under our care or affected by our work are to be treated with compassion, respect, and dignity. We will strive to minimize harm and ensure their physical and psychological well-being. We are dedicated to ensuring that all animals in our care receive appropriate food, shelter, veterinary care, and enrichment to support their natural behaviors. Any form of cruelty, neglect, or unnecessary suffering is strictly prohibited.

Our partners shall comply with all local, national, and international laws and regulations regarding animal welfare. Where applicable, our partners shall also adhere to recognized industry standards and best practices.

Governance and transparency

Businesses should work against corruption in all its forms, including extortion and bribery. Ferm LIVING staunchly condemn any form of corruption. Any business proposals implying corruption are promptly rejected and ferm LIVING is steadfastly dedicated to adhering to the law with utmost integrity. Despite the inherent local risks in our global supplier relationships, we maintain a zero-tolerance stance within the company.

The partner must in writing inform ferm LIVING immediately if they become aware of any corruption. The partner must understand that such activities may result in immediate termination of the business relationship, communication to relevant authorities and organizations as well as legal actions.

Whistleblower

At ferm LIVING, we aim for an open and trustworthy corporate culture where every individual can securely and confidently report any violations of the law, potential legal breaches, or serious matters or concerns within our company. Our partners shall have in place systems to independent grievance and speaking up measures to allow employees, subcontractors and relevant third parties to report actual or suspected misconduct anonymously without threat or reprisal, intimidation or harassment.

Concerns about ferm LIVING must be reported on the following link: <https://whistleblowersoftware.com/secure/fermLIVING>

Evaluation

Ferm LIVING is entitled to request information from its partners as to their compliance with the terms of this CoC. Where deemed necessary, ferm LIVING may require valid evidence by way of independent verification.

We reserve the right to regularly update this CoC. The currently valid version can be viewed at: <https://fermliving.com/pages/company-information>. Our partners are obliged to regularly inform itself about the current version of the Coc. Our partners should report, and act to correct, any suspected violations of regulations, laws or the CoC within a reasonable time and report to us on the following link <https://fermliving.com/pages/contact-form>.