

Tufte Wear due diligence assessment

Tufte Wear is Norwegian company, with strong values, founded in 2012. We consider us a strong promoter of the highest standards within health, environment, safety and working conditions. We require all our suppliers to read, understand and follow our Code of Conduct (CoC) to become, and remain, a Tufte Wear supplier.

The CoC includes human rights, worker's rights, corruption, protection of the environment and health and safety issues. It also includes an important appendix, our letter of agreement which describes our requirements regarding our quality requirements.

Tufte Wear will follow-up our requirements through announced and unannounced inspections, continuous dialogue, yearly assessments and through improvement programs together.

This due diligence assessment is adopted by the board of Tufte Wear AS, and the follow-up of the transparency act is anchored in both the board and the management team of Tufte Wear AS.

Principles

The business relationship between Tufte Wear and its suppliers shall be based on mutual respect and openness. All parties shall communicate in a good and constructive manner, and we require the supplier to communicate the code of conduct to their sub-suppliers, and to monitor implementation.

Our goal is to respect; Human-, Labor-, Environmental-, Safety- and Health Rights within the company and in relation to all our business partners.

A supplier must be able to document compliance with the CoC at Tufte Wear's request. 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 all sub-suppliers that Tufte Wear wishes to inspect.

Tufte Wears, Tufte Wear employees or the supplier or any of its employees shall never offer or accept illegal or unlawful monetary gifts of any other form of remuneration to secure business of for private benefit or the benefit of customers, agents or suppliers.

Tufte Wear will, when choosing suppliers, in addition to other competitive aspects, consider the supplier's corporate social policy. Fulfilment of social criteria is considered a competitive advantage and will be taken into consideration when choosing suppliers, subcontractors and vendors.

Tufte Wear will avoid buying from suppliers that operate in countries subject to international boycott by the United Nations or Norwegian Authorities.

Requirements

Tufte Wear's Ethical Trade Principles are founded on key UN and International Labour Organization conventions and documents. National laws shall be respected, and where the provisions of law and ethical trade principles address the same subject, the most stringent shall apply.

Listed below are a list of risk factors that have been identified and are included in our risk assessments:

Freely Chosen Employment (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.

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.
- 2.2 Workers representatives shall not be discriminated against and shall have access to carry out their representative functions in the workplace.
- 2.3 Where the right to freedom of association and collective bargaining is restricted by law, the employer shall facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

Child Labour

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

- 3.1 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.
- 3.2 Children under the age of 15 (14 or 16 in certain countries) shall not be engaged in labour that is detrimental to their education.
- 3.3 New recruitment of child labour in infringing of the above mentioned conventions is unacceptable. 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.

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.

Discrimination

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

4.1 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.

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.

4.3 Women shall not be dismissed due to pregnancy.

Harsh or Inhumane Treatment

5.1 Workers shall be treated with respect and dignity.

5.2 Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, shall be prohibited.

Safe and Hygienic Working Conditions

(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. 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.

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

6.5 Access to clean eating areas shall be provided. If the factory provides food for its workers, the canteen, in which the food is stored and prepared, must be located separately from the production area and also be clean and in a good condition.

Wages

(ILO Convention No. 131)

7.1 Wages and benefits paid for a standard working week shall meet, at a minimum, 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 Working hours, wages and overtime wages shall be set in accordance with relevant law.

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

7.4 Holiday pay, sickness allowance, maternity leave compensation, as well as other compensated absences established by law shall be covered by the manufacturer pursuant to the particular country's laws and regulations.

7.5 The piece rate shall be calculated so that those producing the least amount always receive minimum wage within normal working hours.

7.6 Deductions from wages as a disciplinary measure shall not be permitted.

Excessive Working Hours

(ILO Convention No. 1 and 14)

8.1 Working hours shall comply with national laws and benchmark industry standards, whichever affords greater protection. It is recommended that working hours do not exceed 48 hours per week (8 hours per day).

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.

8.4 Workers shall always receive overtime pay, as a minimum in accordance with current legislation.

Regular Employment

9.1 Obligations to employees under international conventions and 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-contractors or other labour relationships.

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

9.3 The duration and content of apprenticeship programmes shall be clearly defined.

Consideration for Marginalized Populations

10.1. Production and extraction of raw materials and/or natural resources for production shall not contribute to the destruction of the resources and income base for marginalized populations, such as claiming large land areas, use of water or other natural resources on which these populations depend.

Environment

11.1. Environmental measures shall be taken into consideration throughout the production and distribution chain ranging from the production of raw material to the consumer sale. Local, regional and global environmental aspects shall be considered. The local environment at the production site shall not be exploited or degraded. This includes minimizing pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimizing greenhouse gas.

11.2 Suppliers shall use management systems to ensure continual improvement and compliance with environmentally beneficial policies and practices, and encourage own suppliers to implement and adhere to the same standards.

11.3 Suppliers shall seek to reduce negative impacts on resource consumption (e.g. energy and water), emissions and waste.

11.4 National and international environmental legislation and regulations shall be respected.

11.5 Relevant discharge permits shall be obtained where required.

11.6 Hazardous chemicals and other substances shall be carefully managed.

Ethical Conduct in the care and use of Animals

In addition to ethical and environmentally-friendly guidelines, we are also aware of our responsibility for the welfare of animals when we use materials made from these animals. Animals shall be treated according to regulations and humanely, and materials derived from animals shall be a by-product of food production.

12.1 Tufte Wear is strongly against mistreatment of any animals. Ethical aspects such as traceability, sustainability, safety, animal welfare, and labor and farm conditions shall be taken into account when choosing suppliers of animal fibres.

12.2 We insist that all down included in our products must be by-products of the food industry and plucked only from dead birds. We do not in any circumstances tolerate "live-plucking of down. Every batch of down are to be quality tested and documented by IDFL (International Down & Feather Laboratory) before production.

12.3 We do not accept mulesing, a procedure performed on Merino sheep in order to prevent fly strike. Clips as an alternative to mulesing is not accepted.

12.4 Only synthetic fur is to be used in the production of goods delivered to Tufte Wear.

12.5 Leather products ought to be manufactured using only the skins of utility animals such as pigs, sheep, goat and cows, where the animals having been originally slaughtered for the meat market.

12.6. When supplying Tufte Wear, you shall not purchase leather, skins or animal fibers from areas known for bad farming practices or for transporting animals under inhumane

conditions. The use of unethical and inhumane production processes is not in accordance with our animal welfare policy.

12.7. We are strongly against animal testing and encourages all business partners to follow our policy on this matter.

Due diligence performed per yearly for every supplier:

1. Which products will be made by the Supplier?
 - a. Product name
 - b. Product number
 - c. Country of origin
 - d. Picture or illustration
 - e. Material used (including trimmings)
 - f. Additional information

Is all this information correct in our Product Management system?

2. Which laws and regulations apply to the products?
3. Does the product require a specific labelling? (Eg CE marking, Expiry date etc)
4. Are there any standards required for this product?
5. Which age group is the product intended for: Babies, kids or adults (14 and up).
6. Where will the product be used?
7. What risk can be related to usage of the product`:
 - a. Mechanical
 - b. Physical
 - c. Thermic
 - d. Chemical
 - e. Flammability
 - f. Electrical
 - g. Noise
 - h. Radiation
 - i. Microbiologic
 - j. Other risk
8. Which measures can be taken to reduce the risk?
 - a. Lab test? (check lab test against laws, regulations and standards)
 - b. Physical test?

- i. Pre Production
- ii. Samples from bulk production
- iii. After shipment of bulk production
- c. Labelling or information on packaging

9. Check if there exists a marketing ban on the product.
10. Is any special documentation required for the product? Test reports? Certifications?
11. Are there any requirements regarding labelling or packaging?
12. Is the supplier visited by Tufte Wear employees or inspectors acting on behalf of Tufte Wear during the last 12 months?
13. Is the Code of Conduct (CoC) communicated to and signed by the supplier?
14. Do Tufte Wear have comfort that the CoC is understood and complied with?
15. Which certifications are required by Tufte Wear and are these in place?

Item 14 is usually the most important in our due diligence and during our last assessment we have not identified any major breaches. However, there are minor breaches regarding excessive working hours in busy periods we are aware of, and that we are in a productive dialogue with our suppliers about.

Lysaker, 30.06.2023

Per Øyvind Jacobsen

CEO