

SillySanta AS - Code of Conduct and Responsible Business Conduct Policy

Introduction

This document serves as the formal Code of Conduct and Responsible Business Conduct Policy. It outlines the ethical and legal responsibilities SillySanta expects of its suppliers and all affiliated parties.

Business Overview

- **Principal Place of Business:** Oslo, Norway
- **Core Business Activity:** The provision of seasonal apparel, with a particular focus on Christmas-related merchandise
- **Fiscal Performance:** Recorded a turnover of 94 Million NOK in the financial year 2022
- **Manufacturing Facilities:** Exclusively located within China

Our Commitment

We have established the following guidelines and procedures to address actual and potential negative impacts on fundamental human rights and decent working conditions:

- Carry out due diligence assessments in line with the OECD's guidelines for multinational companies .
- Execute comprehensive due diligence assessments of all partnering factories and subcontractors.
- All major partnering factories and subcontractors are obliged to sign an agreement based on United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Responsible Business Conduct.

The Company is committed to:

- Upholding respectable labor conditions across its supply chain
- Ensuring ethical conduct in all business affairs

The Company has executed comprehensive due diligence assessments of all partnering factories and subcontractors.

Identified Risks and Mitigation Measures:

- Labor Practices: Certain manufacturing facilities were initially rated lower due to non-compliance with acceptable labor practices.
 - Corrective Action: The factory mandated immediate improvements and conducted follow-up audits.
- One subcontractor discovered “poor social management systems”.
 - Corrective Action: The factory implemented regular training on workplace safety.
- One subcontractor discovered unfair remuneration
 - Corrective Action: The factory started social security welfare for all employees.

Potential risks:

- Indecent working hours
- Identified risk factors associated with child labor and forced labor within subcontracting entities.
- Workers involvement and protection
- The Rights of Freedom of Association And Collective Bagaining
- Occupational Health and Safety

Preventive actions:

- Carry out due diligence assessments in line with the OECD’s guidelines for multinational companies .
- Execute comprehensive due diligence assessments of all partnering factories and subcontractors.
- All major partnering factories and subcontractors are obliged to sign an agreement based on United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Responsible Business Conduct.
- Required all subcontracting entities to provide appropriate certification as a safeguard against unethical labor practices.

Implemented measures have yielded the following result or expected outcome:

We have achieved greater transparency and gained better insight into the operations of our factories. This progress has led to an enhanced understanding among our factory partners regarding the consequences of violating human rights or maintaining poor working conditions. We have made it clear that any breach in these areas will result in the termination of our collaboration.