

DESENIIO

CODE OF CONDUCT

INTRODUCTION

At Desenio AB ("*Desenio*") it is important to take responsibility for our actions and the impact that we have on our surroundings. One of our responsibilities lies towards the people involved in the production of our products. In order to make Desenio's position clear and illustrate what we expect from our suppliers and business partners ("*The Supplier*"), we have set up this Code of Conduct.

This Code of Conduct applies to the Supplier and their subcontractors involved in the manufacturing or supply of products to Desenio, This Code of Conduct is based on relevant UN Conventions and International Labour Organization (ILO) Conventions. Desenio recognises that there are legal and cultural differences in the countries where our suppliers operate, which is why this Code of Conduct sets forth the minimum requirements that the Supplier and subcontractors must meet in order to do business with Desenio. If there are any discrepancies between this Code of Conduct and national law, the national law applies. In such a case, Desenio must be informed immediately.

IMPLEMENTATION

The Supplier must communicate this Code of Conduct to all employees and subcontractors involved in the manufacturing of products for Desenio. The Supplier is responsible that all factories and subcontractors involved in the manufacturing of products for Desenio are aware of and follow this Code of Conduct. This applies no matter if the Supplier owns the relevant factory or not.

MONITORING

The Supplier is obliged to inform Desenio about where each purchase order is being produced. Production must only be assigned to factories listed in the signed Supplier Agreement. New production sites must always be approved in writing by Desenio before any production can take place at that site. Unauthorized subcontracting is not allowed and may result in a termination of the business relationship with the Supplier. Desenio reserves the right to make announced or unannounced visits to all production sites. Desenio furthermore reserves the right to assign an independent third party to perform an announced or unannounced audit of any production site, to ensure compliance with the Code of Conduct.

NON-COMPLIANCE

If Desenio finds that the Supplier does not conform to the requirements in the Code of Conduct, and if corrective measurements are not taken within three (3) months or other between the Parties agreed time, Desenio reserves the right to terminate the business relationship with the Supplier.

CODE OF CONDUCT PRINCIPLES

1. NO CHILD LABOUR

Child labour is not allowed in any form. Desenios suppliers are not allowed to employ directly or indirectly, children below the minimum age of completion of compulsory schooling as defined by law. The minimum age for employment is 15 years, unless exceptions recognised by the ILO apply. The Supplier must have age verification methods in place to ensure that child labour is not recruited. The Supplier must have official documentation for every worker that verifies the worker's date of birth.

If child labour is discovered in any place of production, The Supplier must take immediate measures with the child's best interest in consideration. The Supplier together with the parents or lawful guardians must ensure that the child goes back to school until the child reaches legal age. The Supplier must pay for all costs related to education. The Supplier must pay salary (monthly or total in advance) to the child until it reaches legal age. The salary must not be below the legal minimum wage. The Supplier must give a written guarantee that the child will have the possibility to come back to the same employment upon reaching the legal age and graduating from compulsory schooling.

According to the UN Convention on the Rights of the Child, all persons below the age of 18 are considered children, Young workers under the age of 18 must therefore be protected and are not allowed to engage in work that can be hazardous to their physical or mental health, safety and morals. This includes night work. The Supplier must comply with applicable national child labour laws, including but not limited to the ones related to working hours, wages and working conditions.

2. NO BONDED LABOUR

The Supplier must not engage in any form of bonded, forced, trafficked or involuntary labour. This also includes bonded labour by financial debts or deposits. All workers must have the right to leave the factory area during breaks and when their work shift ends. The Supplier is not allowed to withhold ID cards or require deposits.

3. FAIR REMUNERATION

All workers must be paid at least the legal minimum wage. The wage must always be enough to cover basic needs and discretionary income. All workers must be compensated for all overtime hours worked by at least 125% of normal pay. Wages must be paid regularly (minimum monthly) and on time. The Supplier is not allowed to withhold salary. All workers must be covered by all legally mandated benefits included but not limited to health insurance, social insurance, pensions and parental leave.

4. DECENT WORKING HOURS

Working hours must comply with national laws and collective agreements. The Supplier must provide all workers with appropriate time off for meals and breaks. All workers must have time off according to local law or traditions, including but not limited to parental leave, sick leave, annual leave and national holidays. All workers must have at least one full day off every week of seven days. Working hours may not exceed 60 hours in any seven-day period including voluntary overtime. Working hours may not exceed 48 hours in any seven-day period excluding voluntary overtime. Overtime must be on a voluntary basis and planned responsibly. The Supplier must have a system in place to measure and monitor the production capacity in order to avoid overtime.

5. NO DISCRIMINATION

The Supplier must not discriminate in hiring, compensation, access to training, promotion, termination or retirement for persons based on race, colour, lineage, national origin, social class, religion, age, disability, gender, gender identity or expression, sexual orientation, marital status, pregnancy and maternal status, union membership or political affiliation. All employees must be treated with respect and dignity at all times.

6. NO PRECARIOUS EMPLOYMENT

The Supplier must ensure that all workers are employed according to applicable laws. All workers must have individual written and signed employment contracts in their own language. The contract must as a minimum include the following: employer, name of employee, birth date, position, salary, working hours, overtime compensation, benefits and notice time. The Supplier must provide workers with understandable information about their rights, responsibilities and employment conditions before they are entering into employment.

7. HEALTH & SAFETY

The Supplier must treat all employees with respect and dignity and provide them with a safe and healthy work environment. The Supplier must ensure that all workers are aware of the safety risks within their work area, and that all workers have taken part of safety training before operating machines, vehicles and other equipment. The Supplier must comply with all applicable laws and regulations regarding working conditions, including but not limited to worker's health and safety, sanitation, fire safety, electrical safety and building safety. All machines and other equipment must be equipped with safety devices and safety instructions. The Supplier must provide Personal Protective Equipment (PPE) to all workers involved in hazardous work. The Supplier must ensure that the PPE is being used properly. The Supplier must provide clean drinking water for all workers with free access throughout their work shift. The Supplier must provide an adequate number of clean and sanitary toilets and washing facilities available for both men and women.

All factories must have sufficient lighting and ventilation suitable for the work performed in all work areas. All buildings on the factory area must be inspected and approved by the fire authorities. All buildings must have correct evacuation plans in a language each worker can read and understand. All buildings must have at least two independent emergency exits per working area. All emergency exits must be clearly marked with exit signs. All emergency exits must be accessible and unlocked during all working hours. All buildings must have fire alarms that function during power-cuts. Fire drills must be performed according to local law, or minimum once annually. The Supplier must perform fire safety education for an adequate number of workers covering all work areas and shifts. All buildings must have adequate fire fighting equipment that is regularly maintained and placed according to applicable law.

8. PROTECTION OF THE ENVIRONMENT

The Supplier must implement and maintain an environmental management system or equivalent to minimise environmental risks. The Supplier must take adequate measures to minimize the negative impact on the environment throughout the value chain. This includes but is not limited to minimizing pollution, promoting a sustainable use of energy and water, and minimizing greenhouse gas emissions throughout the value chain. The Supplier must meet all national applicable laws and regulations for their environmental impact of operations. To ensure compliance all factories must be inspected by the local environmental authorities.

All chemicals must be handled, stored, and used with knowledge and care according to written procedures. The Supplier must have a list of all chemicals used in production, including the name of the chemical product, the purpose of use, and a reference to the Material Safety Data Sheet.

The Supplier must provide safety training and Personal Protective Equipment (PPE) to all workers handling chemicals. Storage of chemicals and hazardous waste must be free of possible leakage. All hazardous waste must regularly be handed over to a licensed waste contractor.

9. ETHICAL BUSINESS BEHAVIOUR

Corruption in any form is not accepted, including but not limited to bribery, extortion, embezzlement and giving or accepting improper monetary incentive. The Supplier is expected to keep accurate records of their activities, and should disclose such records in accordance with applicable regulations and/or during an audit of any production site. Collection, use, and processing of personal information must be handled with care and in compliance with applicable laws and regulations.

10. FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

The Supplier must ensure that all workers have equal rights to join or form trade unions in a free and democratic way. The Supplier is not allowed to discriminate against workers because of trade union membership. The Supplier must respect all workers' right to bargain collectively.

If trade union activity and/or collective bargaining is restricted or forbidden under national law, The Supplier is not allowed to hinder alternative forms of independent representation and negotiation. The Supplier must also allow workers to elect their own representative in a free and democratic way.

COMPLIANCE COMMITMENT

The undersigned hereby affirms that:

- We have studied and fully understood the Desenio Code of Conduct and its terms.
- We accept to inform all our employees and our subcontractors' employees about this Code of Conduct and its content.
- We accept Desenio, its representatives, and/or external auditors to visit our production facilities whenever requested.
- We accept that Desenio may change this Code of Conduct at any time and we are obliged to have adapted to the updated version within ninety (90) days from being informed of the updated version.
- We accept the full content of the Desenio Code of Conduct

Company name

Date

Signature