



**K. LUND OFFSHORE
& MASKIN K. LUND**

Code of Conduct

Ethical Rules and Guidelines
for External Stakeholders

03.01.2023



Table of Contents

Introduction	1
Principles	1
Suppliers/Sub-suppliers	1
Customers/ Clients.....	1
Business partners /other relevant parties	2
Requirement relating to own practice	2
General Requirements for External Stakeholder in Supply Chain	2
Specific Requirement for External Stakeholder in Supply Chain	2
Human Rights	2
Workers’ Rights	3
Health Safety & Environment.....	3
Anti-Corruption & Bribery	4
References	4

Introduction

This document is valid for all relevant External Stakeholders associated with K. Lund Offshore AS and Maskin K. Lund AS. Maskin K. Lund is wholly owned by K. Lund Offshore and abide by the same set of standards as the parent company.

For this document both companies will be referred collectively as, Company.

Company's goal is to promote decent working and environmental standards throughout our supply chain. For this purpose, we aim to cooperate closely with our External Stakeholders. This includes, Suppliers (including, sub-suppliers), Client, Business partners and other relevant parties that are part of our supply chain. Accordingly, we have prepared this Code of Conduct to illustrate our expectations towards them. The code of conduct covers human rights, workers' rights, the environment, and guidelines about anti-bribery and corruption.

Company aim is to continuously improve our policy and practices that supports our External Stakeholders in complying with this Code of Conduct.

Principles

Suppliers/Sub-suppliers

Company's suppliers are to supply goods and services that are produced in compliance with this code of conduct. Moreover, the suppliers are expected to further communicate the code of conduct to their sub-suppliers, and to ensure implementation.

A supplier must be able to document compliance with the code of conduct at Company'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 any sub-supplier that Company wishes to inspect.

In the event of a breach of the code of conduct, Company and the supplier will jointly prepare a plan for remedying the breach. Remediation must take place within a reasonable time-period.

The contract will only be terminated if the supplier remains unwilling to remedy the breach following repeated enquiries without legal or financial consequences for Company.

Customers/ Clients

As a general rule, Company aims to adhere by Customer/Client's Code of conduct or as specified in the general terms and conditions of the Contractual documents. However, should Company deem Customer/Clients' code of conduct as insufficient and/or not correlate to Company's code of conduct, Company will initiate a proper discourse and exchange of information to rectify that.

If there are severe breaches and Customer/Client are unwilling to remedy the breaches following repeated enquiries, Company reserves the right to terminate contract without legal or financial consequences for Company.

Business partners /other relevant parties

As a general rule, Company will follow the most stringent set of standards and expects the same from Business partners and other relevant parties.

If there are severe breaches and Business partners/other relevant parties are unwilling to remedy the breaches following repeated enquiries, Company reserves the right to terminate contract without legal or financial consequences for Company.

Requirement relating to own practice

Company selects and evaluate new suppliers based on social and environmental standards and practices. Neither Company nor any of its employees shall ever offer or accept illegal or unlawful monetary gifts or other forms of remuneration to secure business-related or private benefit, or benefit for customers, agents, or suppliers.

Company and its External Stakeholders shall avoid partners that operate in countries subject to sanctions imposed by the Norwegian Authorities, the United Nations and/or other relevant legislative bodies, that Company adhere to.

General Requirements for External Stakeholder in Supply Chain

Company aims to adhere by the relevant local and international regulations, standards and initiatives pertaining to sustainable and responsible business conduct. And expects that the relevant External Stakeholders do as well. Typical precedence is,

- National Laws & Regulations,
- International Laws & Regulations
- International Standards and Initiatives

National Laws shall be followed and respected. In case, the provisions of National Law, International Law and International Standards/Initiative addresses the same subject, the most stringent shall apply.

Specific Requirement for External Stakeholder in Supply Chain

Company have defined specific requirement, these requirements set the minimum criteria for External Stakeholders in Company's supply chain. These are based on local and international legislative frameworks and guidelines for sustainable and responsible business practices. See References for detailed information regarding these specific requirements.

1. Human Rights,
2. Workers' Rights
3. Health Safety & Environment
4. Anti-Corruption & Bribery

Human Rights

- Company expects its External Stakeholders to fully adhere to the [Universal Declaration of Human Rights](#).
- Any kind of abuse both physical and verbal should be prohibited.

- Sexual or physical intimidations and harassment should be prohibited
- External Stakeholders should make sure that marginalized or at-risk population is not exploited via production and/or use of natural resources.
- Efforts should be made by External Stakeholders to evaluate if there are any Human Rights violations within their organization and/or throughout their supply chain.

Workers' Rights

- There should be no discrimination at workplace for hiring, compensation, opportunities, and other organizational activities based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliations.
- There should be a Freedom of Association and employees should have the right to Collective Bargaining.
- There should not be forced, involuntarily or bonded labor across supply chain.
- Minimum age of 15 years as per UN Convention of Rights of Child, should be complied. The only exception is for developing countries where local set limit can be applicable as per the ILO Convention 138.
- Hazardous work for anyone under 18 years old should be prohibited.
- Freedom of movement for workers should be ensured and workers should not be obligatory to deposit money and/or identification documents to secure job.
- Salaries and remunerations should correspond to the tasks being performed and should as a minimum meet the national legal standards and/or basic industry standards, whichever is higher.
- Workers should have a legal (written) contract outlining their salaries and/or remunerations.
- Deduction from wages as a disciplinary measure shall not be permitted as a rule, with exception of contractual agreements between both party and/or gross misconduct resulting in legal financial sanctions (personal).
- Working hours and their remunerations should correspond to ILO Convention no. 1 & 14.
- Regular employment should be preferred as per national and international guidelines over short-term/ contractual/ casual labor.
- Efforts should be made by External Stakeholders to evaluate if there are any Workers' Rights violations within their organization and/or throughout their supply chain.

Health Safety & Environment

- External Stakeholders shall ensure a safe and hygienic workplace for all employees and contractors at their premises. This should be ensured in consideration of local regulations and industry specific standards.
- Access to basic facilities including clean toilets, clean drinking water should be ensured. Should there be a facility in place for food storage, it should be ensured that it follows the sanitary practices.
- External Stakeholders should have an adequate and/or documented HSE system in place.
- Everyone employed by the External Stakeholders should have adequate HSE training.
- External Stakeholders should ensure to minimize adverse impacts on human health and environment.
- Local environment at production facilities should not be degraded.
- Efforts should be made to reduce or minimize the carbon footprint.

- External Stakeholders should in general comply with the National and International regulation concerning external environment.
- Efforts should be made to evaluate if there are any HSE violations within their organization and/or throughout their supply chain.

Anti-Corruption & Bribery

- Company prohibits any kind of corruption, bribery, extortion, kickbacks, and any kind of improper private or professional benefits to External Stakeholders, Government employees and Legislative bodies. And expects the same from External Stakeholders involve with Company.
- External Stakeholders should work actively with local and international authorities against any kind of corruption and bribery within their organization and/or supply chain.
- Efforts should be made by External Stakeholders to evaluate if there are any violations within their organization and/or throughout their supply chain.

As a responsible actor in national discourse, Company aims for the highest ethical standards. In accordance with National and International laws for sustainable and responsible business practices, Company will carry out Due Diligence of various stakeholders within their supply chain.ⁱ

See the Reference for a list of relevant Laws and guidelines applicable for External Stakeholder in Company's Supply Chain.

References

The following Regulations and Standards acts guiding principles for Company's Ethical Rules and Code of Conduct. It is recommended that External Stakeholder are familiar with them.

1. [Transparency Act \(Åpenhetsloven\)](#)
2. [OECD Guidelines for Multinational Enterprises](#)
3. [OECD Due Diligence Guidance For Responsible Business Conduct](#)
4. [UN Guiding Principles on Business and Human Rights \(UNGPR\)](#)
5. [UN Global Compact – Ten Principles](#)
6. [Ethical Trade Norway \(Etisk handel Norge\) - Prinsipperklæring for Etisk handel Norge](#)

ⁱ [Plikt til å utføre aktsomhetsvurderinger](#)