

sinful

Code of Conduct for Business Relationships

Introduction

The purpose of this Business Relationships Code of Conduct (CoC) is to ensure that Sinful's business relationships, including suppliers and partners, demonstrate responsible business conduct in relation to managing adverse impacts on internationally agreed principles for sustainable development.

Sinful is Scandinavia's largest e-commerce company with sex toys. We have inspired the Nordics for a better and more playful sex life since 2008. Our mission is: A playful sex life for everyone.

Sinful is committed to sustainability. This includes respect for universally recognized principles on human rights, the environment, and anti-corruption in accordance with the globally agreed standard, the UN Guiding Principles on Business and Human Rights (UNGPs), also as applied to environmental and economic sustainability by the OECD Guidelines for Multinational Enterprises (OECD). UNGPs/OECD are referred to as the standard.

Sinful is committed to avoid infringing on the human rights, the environment and economic sustainability. We also seek to prevent and mitigate adverse impacts with which we are involved through our business relationships. To this end, we expect your company to meet the standard and to expect the same from your business relationships.

Business Relationships Code of Conduct

The purpose of this Business Relationships Code of Conduct (CoC) is to describe Sinful's expectation to business relationships, including suppliers and partners. We work to meet the standard. As part of meeting the standard, we expect from our business relationships that they demonstrate responsible business conduct in alignment with the standard too.

The Global Standard

The areas covered by this CoC are reflected by the UN Global Compact principles. The requirement to manage risks of actual and potential adverse impacts is aligned with the minimum requirements in the standard (the UNGPs/OECD). Meeting the minimum standard for responsible business conduct as defined by the UNGPs/OECD is distinct from legal compliance. Business Relationships are always expected to comply with applicable regulation where they operate.

Sinful expects all our business relationships to meet the globally agreed minimum standard for responsible business conduct. Sinful reserves the right to levy additional, more specific requirements related to sustainable development, should specific circumstances require such focus.

Scope

The required management system shall, at a minimum, address risks of adverse impacts on the human rights stated in the International Bill of Human Rights, including the core labour rights from the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; significant adverse impacts on the external environment in relation to areas addressed by the Rio Declaration on Environment and Development, including the climate as reflected in the Paris Agreement; and adverse impacts on economic sustainability, including anti-corruption, the scope of which is outlined by the United Nations Convention against Corruption.

Management Requirements

Meeting the global minimum standard involves managing adverse impacts in relation to internationally agreed principles for sustainability. The following elements of the management system shall be met:

i. **Adopt a Policy Commitment**

The Policy Commitment of our business relationships shall:

- be approved at the most senior level of their company
- be informed by experts in the subject areas covered by the UNGPs/OECD,
- stipulate their expectations of other stakeholders, at minimum their employees and their business relationships,
- be publicly available and communicated both internally and externally, and
- be embedded in all other operational policies and procedures throughout their company.

ii. **Establish and Maintain a Due Diligence Process**

Business Relationships shall conduct regular assessments of risks of adverse impacts on the Scope (see above) to identify whether they are at risk of causing or contributing to adverse impacts through their own operations or ser-

vices. They shall act to prevent or mitigate identified risks of adverse impacts and track the effectiveness of their actions. Business Relationships are expected to communicate about this process (findings, actions taken and tracking) to relevant stakeholders, including Sinful. Business Relationships should further require from their own business relationships that they meet the standard as well. If Business Relationships become aware of an actual severe adverse impact that they are merely linked to, Business Relationship must use or build leverage to make the causing or contributing entity stop the impact and prevent or mitigate re-occurrences – or consider ending the relationship.

iii. Provide for access to remedy

Where a Business Relationship identifies that it causes or contributes to actual adverse impacts in relation to the Scope, the Business Relationship must provide for access to remedy through legitimate processes (grievance mechanisms) for those affected. Notification of relevant authorities may be necessary in relation to severe impacts in the areas of environment and anti-corruption.

Implementation

- i. Sinful also implements the requirements outlined in this CoC and is prepared to share information or documentation with its Business Relationships.
- ii. This CoC applies to Sinful's first-tier Business Relationships. Sinful's first-tier Business Relationships shall expect their first-tier business relationships to have similar and adequate processes in place to manage adverse impacts on the Scope. This includes making such business relationships aware of the standard for responsible business conduct, i.e., the UNGPs/OECD and expecting that such business relationships meet the standard.
- iii. Small & medium-sized Business Relationships need not document implementation to the same extent as large corporations, unless circumstances would require this.
- iv. If Sinful's Business Relationships cause, contribute to, or are linked to severe impacts on the Scope, Business Relationships shall notify Sinful immediately. The notification shall include an account of the Business Relationship's actions to end the severe impact and to prevent or mitigate re-occurrence. If a Business Relationship neglects to notify Sinful of and address severe adverse impacts or demonstrates lack of willingness to meet the standard, Sinful reserves the right to end the business relationship immediately.
- v. Business Relationships must maintain appropriate records to demonstrate compliance with the requirements of this CoC. Appropriate records include Policy statement(s), documentation of due diligence processes, including operational-level impact assessments with transparent records on tracking effectiveness of specific actions, and documented grievance mechanisms.
- vi. This CoC should form the foundation for collaboration between Sinful and our Business Relationships to pursue continuous improvements in managing

adverse impacts on the Scope. Should a Business Relationship not have implemented a management system in alignment with this CoC at receipt, an implementation plan shall be developed and, if required, presented to Sinful. The Business Relationship shall adopt a Policy commitment within one year and conduct the first operational level impact assessments for the part of the business, where Sinful is directly linked to the Business Relationship, after two years. Business Relationship must share its policy commitment and impact assessments upon request by Sinful.

- vii.** Sinful expects Business Relationships at any time to be able to declare their stage of implementation in relation to the requirements contained in this CoC.