

Due Diligence Assessments
Oslo, 01.02.2023

Action Plan 2023

Due diligence assessments based on 10 BSCI audits conducted by Amfori at our 1-tier suppliers in China and Vietnam between April 2022 and January 2023.

Known high risk:

In our due diligence assessments, we have so far prioritized 'Social Management System' and 'Decent Work Hours' at our 1-tier suppliers in Vietnam and China' for further analysis.

Description of risk:

Due to the long lock down related to Covid 19 the overall supply chain is behind production schedule. Factories must catch up to ensure in time delivery. In addition to this the material supply chain is not running as normal, since there are components for footwear coming from different sources and countries. E.g. China. which also impacts production dates.

Based on this, the final assembling is the bottleneck to keep the timelines. Potentially this could be a risk for the 'Decent Work Hours'.

Also due to the long lock down Viking's Head of QC in Asia / Vietnam haven't been able to visit the suppliers as often as normal, and to verify the effectiveness of the policies and procedures described in our Code of Conduct, and controlling that suppliers have a system in place to manage complaints related to human rights, labour rights, the environment and corruption.

However, since the Viking Code of Conduct is the basis for our partnership with our factories, we believe that the standards will be followed (8. Working Hours, 13. Management systems of suppliers).

8. 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. Weekly working hours should not on a regular basis be more than 48 hours per week.

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, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargain agreement.

8.4 Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see 8.1 above), minimum in accordance with relevant legislation.

13. Management systems of suppliers

The management system is key to the implementation of the code of conduct. **Viking** emphasises the importance of suppliers having systems that support such implementation. **Viking's** expectations in this regard are summed up in the following measures:

13. The supplier must make the code of conduct known in all relevant parts of its organisation and appoint a relevant employee as responsible for the implementing of the code of conduct as a part of the supplier's business.

13.2 The supplier must make sure the code of conduct are well known in all relevant parts of its organisation.

13.3 The supplier must obtain Vikings's consent prior to outsourcing production or parts of production to a sub-supplier/contractor, if this has not been agreed in advance.

13.4 The supplier must be able to give an account of where goods ordered by Viking are produced.

Further analysis:

To limit the risk of negative consequences we will follow up with BSCI Audits to ensure a correct documentation over the next 6 months. We will also have personal follow ups at suppliers with our Head of QC in Asia / Vietnam the next 6 months to ensure that the management has assigned internal responsibilities to staff with decision-making capacity and financial resources for the development and implementation of social management practices.

The expected results of these measures are that the standards described in Vikings Code of Conduct, the basis for our partnership with our suppliers, will be followed.



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