

Svedbergs Group - Code of Conduct – Supplier

Svedbergs Group is the collective name of Svedbergs Group and its subsidiaries in this document.

The purpose of this Code of Conduct is to ensure that suppliers to Svedbergs Group and their subcontractors, as well as other business partners, operates in accordance with internationally recognised minimum standards on human rights, labour and the environment. Svedbergs Group adheres to the principles of this Code and expects the same of its suppliers.

The following criteria are based on United Nation's "The Global Compact" and its ten principles, which in turn are based on UN declaration of Human Rights, ILO's basic conventions of human labour rights, the Rio Declaration as well as the UN Convention against Corruption.

To be approved as a supplier, these criteria must be fulfilled. If shortcomings in their compliance are discovered, the supplier must ensure that they are corrected as soon as possible. If the supplier fails to fulfil these criteria Svedbergs Group may change supplier.

The supplier shall also impose these criteria of Social Responsibility on his subcontractors.

The aim of this Code is not to cease the business relationship between Svedbergs and subcontractor, but to help suppliers improve social and environmental standards. Svedbergs Group is therefore willing to work with our suppliers to achieve compliance with the provisions of this Code. However, we will not conduct business with a supplier if compliance with the terms of this Code is deemed impossible. Nor will we conduct business with a supplier engaged in violations of fundamental human rights.

1.1 Human rights

The supplier shall support and respect internationally recognized human rights.

The human rights are part of international law, which legislates the actions of states and international organizations as well as the relationship between them. These rights are related to the individual. The state is responsible for protecting and promoting the rights by having a functioning juridical system, legislation, education and social welfare. In Sweden, human rights are mostly protected through three (of four) constitutional laws; the Instrument of Government, the Freedom of Press Act and The Fundamental Law on Freedom of Speech.

Suppliers who operate in countries where the national law follows and respects the UN Declaration of Human Rights, shall fulfil the following criteria, as long as they follow local laws.

1.2 Labour

Any supplier who is certified in accordance with SA 8000 or equivalent, shall fulfil the general criteria below.

For a supplier who isn't certified, the following criteria apply:

Terms of employment

- All employees should have a written employment agreement, which includes information about the nature of work, working hours, salary and holidays.
- The employer shall ensure that all employees understand their employment conditions, e.g. by providing a handbook and/or training.

Pay

- Salaries should be paid on a regular basis and on time, according to the employment agreement.
- Minimum pay should reach the minimum statutory level or local industry standard, if higher. Svedbergs Group encourages the supplier to pay living wage so that the employees can satisfy their basic needs.
- Salaries for overtime should be disbursed according to national law.

Working hours

- The working hours should follow national law and/or the industry standard and must not be unreasonable.
- Requested overtime shall be voluntary and may not perform on a regular basis.
- All employees should have at least one day off per week.
- The employer shall ensure that the employees have breaks during the working day.
- All employees have the right to a paid holiday.
- The employer shall approve of absence due to illness and parental leave.
- No employee may be given notice due to parental leave.

Punishment

- No employee may under any circumstances be exposed to bodily punishment or any other form of physical, sexual or psychological penalty, harassment or degradation.

Freedom of association

- All employees of the supplier or its subcontractors should, as far as relevant laws allow, uphold the freedom of association; the right to become a member in a trade union or similar organization.
- In countries where the freedom of association does not exist, there should be possibilities for the employees to organize at work meetings or to have similar representation at the workplace.
- Punishment for being a member of a trade union or similar organization is not acceptable.
- The companies should also acknowledge collective bargaining.

Forced labour

- Employees should be free to leave their job after a reasonable number of work hours. Forced labours imply work which is executed involuntarily or under threat of punishment.
- Physical or verbal punishment, including threats, are totally unacceptable and are not allowed at any place of work.

Child labour

- The supplier should support ILO's convention of minimum age to enter work. No one should be employed under the age of 15 or under the age of having accomplished compulsory school.
- Children under 18 years of age must not be employed for risky work or work which is contrary to the development of the child (physically, spiritually, morally or socially).
- All the work which children (15-18 years old) execute should have a certain policy and consideration to their age.

Discrimination

- All discrimination based on prejudice and partiality is forbidden; e. g discrimination due to gender, race, language, colour of skin, sexual preference, pregnancy, parental- or marital status, religion, political opinions, national origin, ethical values, social background, handicap, age, health condition, membership in trade union or other traits of character protected by adequate legislation.
- There should not be any discrimination along with recruitment, setting of wage, development of qualifications, promotion or dismissal. All employees with the same experience and qualifications should have comparable salaries for similar work performances.

1.3 Work environment

Any supplier who is certified in accordance with OHSAS 18000, SA 8000 or equivalent, shall fulfil the following general criteria.

For a supplier who isn't certified, the following minimum criteria apply:

- The company should always strive for a better work environment and workplace safety for its employees.
- The company should have a written policy, signed by the management, regarding health and safety at the work place.
- Workplace-related accidents and work-related illnesses should be minimized. A register of accidents and incidents should also be kept. Incidents refer to events which could have caused an accident.
- All employees should receive appropriate training and instructions for operating machinery and other equipment. This includes general safety information.
- Temperature, air quality and noise levels should be regulated according to local law. If the working environment cannot be changed it should be improved by the help of safety equipment.
- All employees should have access to all necessary safe equipment without having to pay for it.
- Documented routines for handling of chemicals should be kept, including security regulations.

- Fire drills should be performed on a regular basis. There should also be updated evacuation plans available, which are documented and communicated throughout the whole organization.
- Fire equipment and evacuation plans should be available and clearly displayed in all work spaces.
- The workplace should be clean, tidy and safe. It should supply hygiene facilities. (This also applies to housing for employees if provided)
- The company should also have documented routines to ensure observance and to achieve continuous improvement within the area of work environment; e.g goals, inspections and plans of action.

1.4 Environment

Any supplier who is certified in accordance with ISO 14001 or equivalent, shall fulfil the general criteria below.

For a supplier who isn't certified, the following minimum criteria apply:

- Risk evaluation should be performed in areas where the supplier has the greatest environmental effect.
- The company should support a precautionary approach to environmental challenges.
- The company should undertake initiatives to promote greater environmental responsibility.
- The company should encourage the development and adoption of environmentally friendly technologies.
- A documented and communicated environment policy, which has been approved by the management, should be available.
- In order to ensure constant improvement, the company should have long-term as well as short-term environmental goals, along with an established action plan.
- There should be a control system for the observance of laws, including a list of laws.
- All employees should be provided with environmental training.
- There should be documented routines for monitoring and follow up the company's environmental performance.

1.5 Anti-corruption

The following minimum criteria apply to suppliers:

- The supplier shall not tolerate corruption and work against it in any form; including extortion and bribery and both regarding co-workers and organizations. This includes agents and other intermediaries.
- There should be systematic work for detecting, remediating and handling corruption, bribery etc.
- The supplier shall dissociate itself from all illegal restriction of competition; concerning employees, customers, contractors or individuals working on a self-employed or self-contracted basis.

2.0 Business integrity.

Svedbergs Group expect our suppliers/vendors to have the business relation based on an professional, ethical and legal approach and to follow the rules set out in this document.

2.1 Bribery

Svedbergs Group have an zero tolerance against bribery and we are expecting our suppliers not to accept or to offer bribes in any kind.

Bribery means any offer or acceptance of a gift, loan, fee, remuneration or any other thing of value to or from another person or entity as an incentive to influence or promote a certain act or omission which would not have been appropriate under normal conditions and in the absence of bribery.

2.2 Gifts and entertainments

Svedbergs Group is aware that entertainment, hospitality and the exchange of business gifts are considered common practice and a part of building and maintaining business relationships. It is the policy of Svedbergs Group to accept such practice, provided that value does not exceed a reasonable level and the gift, entertainment or hospitality is not intended or suited improperly influence the recipient or neutrality in his position.

- It is not acceptable to receive or give any monetary gifts.
- In any circumstance value should not exceed limits set out from tax authorities.
- Any exceptions or improper offer should be reported to closest manager or head of Procurement for Svedberg Group.

3,0 Implementation

Svedbergs Group suppliers are expected to comply with the "Svedbergs Group Code of conduct" in force at any time and to comply with these principles in their choice of business partners and when conducting their business and providing services for and on behalf of Svedbergs Group.

The obligations under this supplier Code of Conduct are additional to the suppliers obligations pursuant to any contracts concluded between Svedbergs Group and the supplier.

Svedbergs Group reserves the right to verify that its suppliers meet the standard of the supplier code of conduct. This can be done by Svedbergs Group own personnel or with 3PL partner. Revision can be done by announced or unannounced visits performing audit.

4.0 Consequences.

Any noncompliance with the Svedbergs Group supplier Code of Conduct is taken very seriously, and the supplier is expected to initiate corrective actions to remedy such breach as well as take appropriate measures to prevent future reoccurrence.

In case of serious or repeated breaches, Svedbergs Group reserves the right to terminate the business relationship without liability to the supplier with immediate effect.

5.0 Questions or concerns

The Svedberg Group Code of Conduct provides the standards for the conduct that Svedbergs Group expects from its suppliers. This does not mean that the suppliers are exempt from responsibilities for their conduct in situations not covered by this policy.

Svedbergs Group suppliers should always use common sense when conducting business on behalf of Svedbergs Group.

If a supplier faces a dilemma or has any doubts regarding this code of conduct, the supplier is advised to contact your local contact person in Svedbergs Group companies or **Head of Procurement Tony Arwidsson**.

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