

Code of conduct regarding suppliers of Elektroskandia Sverige AB

Elektroskandia wants to create added value for our identified key stakeholders: Customers, suppliers, employees and owners. We want to contribute to a better environment and living conditions for all people and combine social and environmental responsibility with a profitable business. Therefore, we have drafted this code of conduct and have ourselves adopted the principles which are set forth herein for our suppliers of products and services.

Elektroskandia strives for good long-term business relations and healthy cooperation with our suppliers. We support international norms for human rights, working conditions, environment and anti-corruption, and we expect our suppliers to adapt their businesses with principles that comply with this code of conduct – we deem this to be a non-negotiable criterion for our business relations.

We expect our suppliers to comply with this code of conduct. Our suppliers are also obliged to ensure that all their suppliers involved in the production of goods and services for Elektroskandia comply with this code of conduct.

1 Statutory requirements

The main rule is that our suppliers in all their business activities shall comply with the national laws in the countries where they carry out business. Should any requirement in this code be in conflict with the national legislation in any country, the law must be complied with and if this situation arises the supplier shall inform Elektroskandia immediately. Elektroskandia's requirements may be stricter than the national legislation.

2 Protection of the environment

The supplier shall:

- Take necessary measures in order to avoid pollution.
- Assess material environmental effects from the business.
- Establish efficient guidelines and procedures which reflect their environmental responsibilities.
- Carry out appropriate measures in order to prevent or mitigate negative effects on society, natural resources and the environment.

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3 Ethical conduct

The supplier is expected to document its business and goals, and should make these public in accordance with applicable provisions and industry standards.

Elektroskandia does not accept any form of fraudulent behaviour. The supplier may not, directly or indirectly, participate in any form of extortion, embezzlement or corruption. The supplier may neither offer nor accept any form of bribes, promises and offers in the form of inappropriate benefits in order to trigger or award an inappropriate behaviour with the purpose of achieving commercial, contractual or personal advantages. An advantage can include but is not limited to: gift, loan, money, fee, award, trip, service, bonus, coupons of any kind, product samples for personal use or an employment contract.

The supplier shall also use and treat personal data with reasonable care. Collection, use and other handling of personal data shall comply with integrity and information security laws and public authority demands.

4 Freedom of association and the right to collective bargaining

Our suppliers shall respect employees' right to form unions in a free and democratic manner. The supplier shall not discriminate employees due to union membership and shall respect the employees' right to collective bargaining. The supplier shall not prevent employer representatives from gaining access to employees at the workplace or from interacting with them.

If the supplier has business activities in countries where union activities are illegal or where free and democratic union activities are not permitted, the supplier shall respect this principle by allowing employees to choose freely their own representatives with whom the company can initiate a dialogue regarding work place issues.

5 Discrimination

The supplier may not discriminate, exclude or favour persons on account of gender, age, religion, race, social background, disabilities, ethnical origin, nationality, membership of a union or other legitimate organization, political affiliation or statements, sexual orientation or marital status. Primarily, employees shall not be harassed or corrected on any of the grounds set forth above.

6 Fair compensation

The supplier shall respect the right for its employees to receive fair compensation which is sufficient in order to provide a decent life for themselves and their families, as well as the social benefits to which they are entitled under local laws.

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The supplier shall pay wages at least in accordance with local legislation regarding minimum wage or industry standards approved by collective bargaining agreements, depending on whichever is higher.

The wage shall be paid regularly on time and in legal means of payment. Part payment of the compensation in kind may be acceptable in accordance with the special provisions in ILO No. 95. The wage level shall reflect the competence and training which the employee has and be adjusted to the working hours during the work has been carried out. Deductions are only allowed subject to the conditions and the extent which is prescribed by law or established through collective bargaining agreements.

7 Reasonable working hours

The supplier shall ensure that the employees are not obliged to work more than 48 hours regular working hours per week, other than the accepted exceptions in ILO No. 1.

Applicable national laws, industry standards and collective bargaining agreements shall be interpreted within the international framework established by ILO.

Overtime shall only be used in exceptional cases. Overtime shall be voluntary, be compensated with a premium of no less than 1.25 times normal salary and may not lead to a higher probability of workplace accidents. In addition, the supplier shall give its employees the right to rest every working day and the right to at least one day off per week or seven-day period.

8 Sound and safe working conditions

The supplier shall respect the right to sound working and living conditions for the employees and the local communities. Vulnerable individuals, for example young employees, pregnant women, new mothers and persons with disabilities shall be given special protection and respect. The workers should be granted sick and paternity leave without any form of sanctions. It is not acceptable to make pregnant women redundant.

The supplier shall systematically prevent ill health and promote a good work environment, and follow international standards where the local legislation is weak. Active cooperation between employer and employee, and/or their representatives, is a prerequisite in order to develop and introduce a system which ensures a safe and healthy work environment. This can be achieved by setting up safety committees.

The supplier shall ensure that there are systems in place to discover, assess, avoid and react to potential threats against health and safety. They shall take efficient measures in order to prevent personnel from being subjected to work related accidents, injuries or diseases. These measures should aim to minimize the causes of the risks in the work place.

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The supplier shall strive to enhance the protection of employees in the event of an accident, e.g. through mandatory insurance.

The safety of the employee shall be the first priority at all times. No dangerous equipment or unsafe buildings are accepted. The supplier shall take appropriate measures in order to ensure the stability and safety of equipment and building which the employees use, and to protect against all possible emergencies.

Systematic fire protection work shall be carried out. The work places shall have clearly marked exits and, preferably, emergency exits on all floors. Emergency exits shall be opened outwards. Exits may not be blocked and shall be well lit. If emergency exits are locked, keys shall be placed so that they are available for personnel at all times. The supplier shall respect the employees' right to leave the premises in case of immediate danger without having to seek permission. All employees shall be informed of the safety arrangements, such as emergency exits, fire extinguishers, first-aid equipment etc. An evacuation plan shall be available at the work place. Regular tests of fire alarms and evacuation exercises shall be carried out.

There must be first-aid equipment in every work place and at least one person in each department shall have training in basic first-aid.

The supplier shall also ensure that sufficient professional health care (in particular medical assistance should be available on short notice in case of accidents) and attendant facilities, access to safe drinking water, safe and clean eating and resting areas, clean and safe cooking and storing of foodstuff.

The supplier shall, free of charge, provide efficient personal protection equipment for all employees and make sure that the equipment is used in a correct manner.

9 Safe working conditions

The supplier shall ensure that the employment conditions do not cause insecurity or social or economic vulnerability for its employees and that the work is carried out on the basis of acknowledged and documented employment conditions in accordance with national legislation, customs or traditions and international working norms, depending on which provides the better protection.

The supplier shall provide the employees with understandable information regarding their rights, obligations and employment terms, including working hours, wages and payment information before they commence their employment.

The employees shall be supported in their roles as parents or care givers, especially as regards migrating or seasonal workers whose children have been left in the home countries of the migrants.

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The supplier may not have employment terms which intentionally contravene the purpose of the law. This includes apprenticeship programs which lack the intention of providing skills and regular employment, seasonal or temporary work when they are used to undermine the employees' protection. In addition, the use of subcontractors may not be used in order to undermine the employees' rights.

10 Prohibition on child labour

Elektroskandia prohibits child labour. The supplier may not employ, directly or indirectly, children under the minimum age (15 years) before they have finished compulsory schooling under law, unless the exceptions, which are acknowledged in ILO No. 138, are applied.

The supplier must set up reliable and efficient mechanisms to control a person's age as part of the recruitment process; a process which may not in any way be degrading or disrespectful of the applicant. The purpose of this principle is to protect children from all forms of exploitation. Special care shall be applied in conjunction with terminating children's' employment contracts, since this can lead to the children entering more dangerous occupations. In conjunction with children leaving the work place, the supplier shall identify measures in order to ensure the protection of the affected children and cooperate with local voluntary organization in order to find the best solution for the children. All measures taken shall always strive to enhance, not worsen, the situation of each individual child. Costs for education etc. shall be paid by the company. The supplier shall inform Elektroskandia in writing of its discussions with local voluntary organizations and measures, if any, which have been taken for each individual child.

11 Special protection for young employees

Elektroskandia demands that supplier shall ensure that young employees (a child older than the minimum age described above and up to 18 years of age) do not work during the night and that they are protected against working conditions which could be hazardous to their health, safety, well-being and development. Where young workers are employed, the supplier shall make sure:

- That it is not likely to hazardous to their health, safety, well-being and development.
- That it does not decrease the children's' presence in school,
- That it is approved by the appropriate authority
- That it increases their ability to take advantage of educational and instructional programmes.

The supplier shall ensure that necessary mechanisms are in place to prevent, identify and mitigate the damage to young employees. Special consideration shall be given to the young employees. This concerns their possibilities of influencing, their need for company health care and educational programmes.

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12 Slavery

The supplier may not participate in any form of slavery, forced labour, slave labour, trafficking or non-voluntary labour. The supplier may risk allegations of participation if they benefit from the use of such forms of labour among their suppliers. The supplier shall act with special care if they recruit migrating workers both directly and indirectly.

The supplier shall allow its employees to leave work and freely quit their employment provided that the employees give the employer reasonable notice. The supplier shall also ensure that the employees are not subject to inhuman or degrading treatment, corporal punishment, psychological or physical coercion and/or verbal abuse.

All disciplinary procedures must be established in writing and shall be orally explained to the employees in understandable terms. Elektroskandia does not accept the use of disciplinary measures in the form of punishments or other forms of mental or physical disciplinary measures or sexual harassment.

13 Conditions for accommodation

If a work place provides accommodation for the employees, the safety requirements etc. mentioned in section 6 above shall also cover such living quarters. In addition, the following applies:

- All workers must have their individual bed and the living space per worker must comply with the legal minimum requirement.
- Separate dormitories, toilets and showers must be provided for men and women.
- There may be no limitations regarding the employees' right to leave the living quarters or the site during their off-duty hours.

14 Conflict minerals

The supplier shall develop strategies in order to prevent the use of conflict minerals or derivative metals which come from mines which are controlled by armed groups in all articles delivered to Elektroskandia. In addition, the supplier must document its efforts to establish the source of any conflict minerals or derivatives, and must on request be able to provide Elektroskandia with information on where the metals tantalum, tin, tungsten and gold come from in products which shall be delivered to Elektroskandia. All smelters which produce tantalum, tin, tungsten or gold which are subsequently used in products delivered to Elektroskandia are requested to seek and receive certification through the EICC / GeSI Conflict Free Smelter (CFS) programme.

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Guidance, follow-ups and reporting

Elektroskandia's purchase organization is responsible for the implementation and follow-up of our suppliers' compliance of "Code of conduct regarding suppliers of Elektroskandia Sverige AB". All known or suspected violations of this policy must be reported, actioned and followed-up.

All suppliers are obliged to keep Elektroskandia informed of where each ordered product is produced. Elektroskandia retains the right to conduct unannounced inspections in any factory which produces goods or services for Elektroskandia, at any time in order to ensure that this code of conduct is complied with. Inspections can also be made by an independent third party whom Elektroskandia has chosen. The supplier or the manufacturer shall on request deliver the documentation needed to follow up on the compliance of the code.

If a supplier has not corrected any deviations from the code of conduct in accordance with the correction plan after the time appointed, Elektroskandia will cease purchasing until the matter is solved or will end the business relation. In the event of repeated violations, Elektroskandia will immediately end the business relation and also cancel placed orders.

Elektroskandia encourages both employees and the supplier's employees to report all known or suspected deviations from this code of conduct by sending emails, a letter or calling, to the addresses [and phone number] set forth below:

To the Marketing Director:
Elektroskandia Sverige AB
Attention: Marketing Director Michael Almqvist
191 83 Sollentuna, Sweden
Email: michael.almqvist@elektroskandia.se

Telephone number: + 46 (0) 8 92 35 44

Or

To the Sustainability Officer:
Elektroskandia Sverige AB
Attention: Sustainability Officer Karen Kruger
191 83 Sollentuna, Sweden
E-post: karen.kruger@elektroskandia.se

Telephone number: +46 (0)8 92 38 83

Irrespective of the reporting channel, all allegations of possible violations of the code which are made in good faith will receive a quick, fair and comprehensive investigation with relevant internal and/or external support. There may be no retribution of any kind or other negative consequences for persons who report in good faith. Information received will be managed in accordance with the

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Swedish Data Inspection's guidelines for handling sensitive information.

(<http://www.datainspektionen.se/fragor-och-svar/personuppgiftslagen/kan-jag-fa-reda-pa-vad-som-finns-registrerat-om-mig-hos-exempelvis-myndigheter-foretag-och-organisationer/>)

Elektroskandia's code of conduct is based on international conventions such as:

- Universal Declaration of Human Rights, UN Guiding.
<http://www.manskligarattigheter.se/>
- The Children's Rights and Business Principles, UN Guiding:
http://www.unicef.org/partners/PROFILE_CSR.pdf
- Guiding Principles for Business and Human Rights:
http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- OECD Guidelines for Multinational Enterprises.
- UN Global Compact and International Labour Organization (ILO) Conventions
http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/@multi/documents/instructionalmaterial/wcms_101246.pdf
- Recommendations relevant to improve working conditions in the supply chain,
http://www.ifc.org/wps/wcm/connect/e2cda58048855b8b894cdb6a6515bb18/SAI_IFC_LaborHandbook_Ch6.pdf?MOD=AJPERES&CACHEID=e2cda58048855b8b894cdb6a6515bb18

Elektroskandia will work together with our suppliers in order to ensure that the above-mentioned international framework is respected and contributes to improved conditions for people and the environment.

This agreement has been drawn up between:

Sollentuna:

Place and date:

Elektroskandia Sverige AB

Print name

Print name

Date

Written by/Approved by

Department/Department

Replaces

2016-11-24

IT Director/Market director

I/M

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Department and title

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