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CODE OF CONDUCT

Åkerströms Björbo AB
("Åkerströms")

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Åkerströms condemns all forms of corruption and fraud, and demand openness, integrity and honesty in all parts of our business operation in every country. Further, Åkerströms repudiates child labour, forced labour and working conditions that can be viewed as harmful, abusive or directly hazardous.

Åkerströms is dedicated to ethics, working environment, equality and diversity, and will conduct its operation in such way that facilitates sustainable social development and generate prosperity. In order to ensure these aims, Åkerströms has adopted this Code of Conduct. Any supplier, distributor or other company that wishes to do business with Åkerströms, (a “**Partner**”), must share this dedication.

A Partner must accept this Code of Conduct as a part of its contractual obligations towards Åkerströms. Especially, a Partner undertakes to at all times adhere to this Code of Conduct (and, if applicable, any relevant legislation affecting the issues in the Code of Conduct). Further, a Partner undertakes to at any time provide Åkerströms with any information (written or oral) in regard of compliance with the Code of Conduct and to allow Åkerströms (or any person appointed by Åkerströms) access to the Partner’s inspections in relation thereto.

The Partner acknowledges that any breach of its undertakings under the Code of Conduct is deemed to be a material breach of the contractual relation between Åkerströms and the Partner.

1. SUMMARY OF REQUIREMENTS

1.1 Legal requirements

The Partner must implement procedures to ensure compliance with applicable laws and regulations that apply to its operations and the Code of Conduct.

1.2 Forced labour

All forms of forced labour are unacceptable. Any work conducted for the Partner must take place on a voluntary basis, and personal documents and property must not be confiscated.

1.3 Child labour

All forms of child labour are unacceptable. Documentation for the purpose of this Code of Conduct certifying the age of all employees must be available. All forms of work that can have a negative impact on children’s entitlement to a healthy childhood and development, or that prevent education, are classified as child labour. All forms of violence, compulsion and the exploitation of children are unacceptable. A person below the age of 15 is for the purpose of this Code of Conduct deemed as a child unless local legislation has defined other age for being able to work or for mandatory schooling. Documents certifying the age of all employees must be available.

1.4 Wages and working hours

As a minimum, statutory wages must be paid and applicable working hour legislation must be followed.

1.5 Health and Safety

Work related accidents, sickness or incidents are to be systematically prevented.

1.6 Accident insurance

The Partner must provide to all employees insurance that covers treatment for work-related injuries and sickness, and compensation in the event of invalidity caused by work-related accidents.

1.7 Environment

The Partner must ensure that any unlawful environmental pollution to the ground, water or air is systematically prevented.

1.8 Business ethics

All forms of corruption and bribes are unacceptable. Documents may not be manipulated. Statutory tax must be paid. Any tax liabilities in relation to public authorities must be fulfilled.

2. GENERAL REQUIREMENTS

2.1 Responsibility for the Supplier code of conduct

An organizational structure, division of responsibility and written procedures must be implemented to ensure the implementation of and continued compliance with the Code of Conduct.

2.2 Subcontractors

The requirements in this Code of Conduct must be communicated on to all subcontractors of the Partner. The Partner must make sure that it is entitled to carry out revisions based on the supplier code of conduct with subcontractors.

2.3 Information to employees

All employees must be notified of the Code of Conduct that shall be available to the employees in a language that the employees understand.

2.4 Internal audits

Procedures for internal audits based on the Code of Conduct must be implemented. Audits must be carried out at least every 12 months and, based on the results, measurable goals and an action and responsibility plan must be drawn up.

2.5 Continual improvements

Based on the results of internal audits and other activities, plans for preventive measures and continual improvements must be drawn up and implemented.

3. HUMAN RIGHTS

3.1 Policies & procedures

The Partner shall prevent and remedy any discrimination, persecution, exploitation and disciplinary measures.

3.2 Discrimination

There must not be any form of discrimination against employees due to religion, faith, gender, pregnancy, age, political views, trade union membership, nationality/ethnicity, disability, health, sexual orientation or other factors. All employees, including hired personnel, must enjoy the same rights and social benefits.

3.3 Penalties

All forms of physical punishment and threats of physical or mental violence are prohibited. The Partner may not use any public warning or penalty system, including wage deductions, and all employees must be entitled to appeal against warnings, penalties and dismissals. The appeals must be documented.

4. WORK & EMPLOYMENT CONDITIONS

4.1 Employees' rights

4.1.1 Forced and bonded labour

All forms of forced and bonded labour are unacceptable. Labour in the form of prisoners in prisons may not be used. Work must take place on a voluntary basis, and personal documents and property must not be confiscated in order to force somebody to work. Employees must be free to leave the workplace at the end of their shift.

4.1.2 Recruitment & Termination

Employees must not be charged any fee in conjunction with their recruitment, and they must be fully entitled to hand in their notice in accordance with the applicable employment agreement without any penalty or wage deduction. Indebtedness may not be applied with the aim of binding employees to the employment.

4.1.3 Health & Safety committee

There must be a well-established health & safety committee where employees can contribute and thereby influence developments regarding health and safety in the workplace. Identified risks and implemented measures must be documented.

4.1.4 Complaints

There must be documented procedures for handling complaints in respect of discrimination, persecution and unsatisfactory conditions that all employees are aware of, including hired personnel.

4.1.5 Freedom of association

All employees must be entitled to join, or to choose to refrain from joining, any kind of employee organization without risking reprisals, persecution or penalties. In countries where the right to organize is restricted or prohibited, the Partner must not prevent alternative forms of independent employee representation.

4.1.6 Collective bargaining

Employees must be entitled to conduct collective bargaining without risking reprisals, persecution or penalties. In countries where the right to carry out collective bargaining is restricted or prohibited, the Partner must not prevent alternative forms of independent bargaining.

4.2 Children & Young workers

4.2.1 Child labour

All forms of child labour are unacceptable. All forms of work that can have a negative impact on the child's right to a healthy childhood and development, or that prevent the child's education, are classed as child labour. All forms of violence, compulsion and the exploitation of children are unacceptable. A person below the age of 15 is viewed as a child unless local legislation has defined other age for being able to work or for

mandatory schooling. Documents certifying the age of all employees must be available.

4.2.2 *Measures on the discovery of child labour*

The Partner must have documented procedures for discovering and immediately acting in the event of child labour in its own operation and at its subcontractors. All measures must take place in the best interest of the child. Åkerströms must be notified immediately if child labour is discovered.

4.3 Employment conditions

4.3.1 *Authority inspections*

When an authority has carried out a working environment inspection, the results and an action plan, including a timetable and implemented measures, must be documented.

4.3.2 *Employment contract*

All employees must have a signed employment contract before the employment may begin. As a minimum, the employment contract must contain the employer's name, the employee's name and personal ID number/date of birth, position, salary, working hours, overtime compensation, benefits and notice period.

4.3.3 *Wage lists & attendance records*

Information about wage payments and worked time must be documented for all employees. This information must include worked regular hours, overtime, subsistence allowances and any wage deductions as well as paid net wages.

4.3.4 *Overtime work & leave*

The total working hours may not exceed statutory regulation and all overtime work must be voluntary and not exceed any statutory regulation. All employees must have at least one day off per week, as well as holiday and leave in accordance with applicable legislation and local traditions.

4.3.5 *Wages*

As a minimum, the statutory wage must be paid out regularly, at least once a month. Every time wages are paid, employees must receive a payslip containing information about worked regular hours, overtime, any piece work pay and bonuses, subsistence allowances, any wage deductions as well as paid net wages.

4.3.6 *Benefits*

All employees must receive any applicable statutory benefits such as illness and accident insurance and a pension.

4.4 Worker protection and safety

4.4.1 *Risk analysis*

Risk analyses and risk reductions in relation to all operations carried out by the Partner must be done and documented, as well as being updated in the event of significant changes to the business.

4.4.2 *Reporting, analysis and corrective actions*

The Partner must ensure reporting, analysis and corrective actions in the event of incidents and accidents, in order to prevent further incidents and accidents.

4.4.3 *Working procedures and Training*

Working procedures that minimize the risk of injuries and illness must be implemented. Employees who operate machine or other equipment where there is a risk of serious incidents or accidents must receive relevant training which is updated as necessary or in accordance with applicable legislation. All new employees must receive relevant training regarding health and safety as a part of their introduction.

4.4.4 *Machines & Equipment*

All mechanical equipment, vehicles and other equipment used in production and working processes must be safe to use and equipped with the relevant safety equipment to prevent injuries. Written procedures for preventive maintenance must be implemented, and the equipment must be inspected and certified according to applicable legislation.

4.4.5 *Safety information*

Safety information and warning signs must be easily visible in all risk areas. The written information and/or signs, which are in a language that the employees understand, must describe the risk and what the employees have to do to minimize it.

4.4.6 *Protective equipment*

Personal protective equipment must be available and be free of charge for all employees who have work duties where there is a potential risk of injury. The areas where protective equipment is to be used must be clearly marked.

4.4.7 *First aid*

Relevant first aid equipment must be easily accessible to all employees. The equipment must be stored in a clearly marked location, be unlocked, and the contents must be checked and supplemented regularly. Selected employees in all departments/ shifts must undergo relevant first aid training.

4.4.8 *Working conditions*

The workplace must offer acceptable working conditions in respect of cleanliness, hygiene, ergonomics, noise, temperature, lighting and air quality. Measurements and evaluations must be documented. Toilets, washing facilities and break areas must be easily accessible for all employees.

4.4.9 *Drinking water*

Clean drinking water must be easily available and must be free of charge for all employees.

4.4.10 *Alcohol & drugs*

There must be a drug policy with the aim of preventing work under the influence of all kinds of alcohol and drugs. The policy must be implemented and be well known to all employees.

4.4.11 *Traffic safety*

There must be a traffic safety policy and established traffic safety goals.

4.5 Worker accommodation

4.5.1 *Standard*

Accommodation that is provided by the employer must be secure and of a good standard. Single women and men must be offered accommodation together with other employees of the same gender. The employees must be completely free to leave the accommodation 24 hours a day, and must have access to a private area measuring at least 3.8 m². The accommodation must be supplied with a bed or mattress to sleep on, and must be ventilated and/or heated on the basis of local climate conditions. Sleeping areas must be lockable from both the inside and the outside, and each employee must have access to an individually lockable store for their personal belongings.

4.5.2 *Cleaning*

All areas must be cleaned regularly and be well maintained. There must be an appropriate number of toilets and washing areas, which must be well looked after and well equipped. The areas where food is served must conform to local requirements regarding sanitation and hygiene.

4.5.3 *Safety*

There must be at least two evacuation routes and exits per floor, to ensure rapid and safe evacuation of all employees. These must be unlocked from the inside. The fire protection must conform to the requirements set out in sections 6.2.2 – 6.2.6 below.

5. ENVIRONMENT

5.1 External environment

All relevant laws and regulations relating to pollution into the air, water or ground must be complied with, and relevant permits and test reports must be documented. Further, all relevant laws and regulations relating to noise must be complied with, and relevant permits and test reports must be documented.

5.2 Internal environment

5.2.1 *Energy*

There must be established procedures for measuring, following up and analyzing energy consumption in respect of fuel for vehicles, electricity, heating and cooling. Goals for improved energy efficiency must be established and an action plan must be developed based on the results.

5.2.2 *Water*

There must be established procedures for measuring, following up and analyzing water consumption in production processes. Goals for reduced consumption must be established and a plan of action must be developed based on the results.

5.2.3 *Products & materials*

When developing and manufacturing products that are sold to Åkerströms, it is essential, as far as technically and financially feasible, to select the best possible

design, construction, materials and manufacturing technique from a sustainability perspective. A traceability system for sensitive raw materials must be established.

5.2.4 *Waste*

5.2.4.1 Waste register

A register of waste and hazardous waste must be drawn up and continually updated with information regarding the type and quantity of waste.

5.2.4.2 Procedures

Documented procedures for sorting, storing, transporting, recycling and landfill of various types of waste must be drawn up and implemented. The procedures must also describe how the health and safety of affected employees are protected.

5.2.4.3 Competence

Employees who handle waste must undergo relevant training to guarantee their level of competence. The content of the training must be described and there must be a register of trained employees.

5.2.4.4 Handling waste

All waste must be stored, handled and transported in such a way that ground, water or air is not contaminated and so that the risk of ignition or explosion is minimized. Waste and hazardous waste must be kept separate, and areas for sorting and storing must be clearly delimited. In addition, the waste containers must be clearly marked.

5.2.4.5 Recycling

Sorted waste must be sent for recycling, provided there is an established infrastructure with serious partners on the market.

5.2.4.6 Business partners

The partners that are used for waste management must have the permits that are required in accordance with applicable local laws and regulations.

5.2.4.7 Landfill

Waste may only be incinerated or deposited in landfill under controlled conditions at facilities indicated by local public authorities.

5.2.5 *Chemicals*

5.2.5.1 Register

All chemicals that are used must be documented in a register that is continually updated. Details about the chemicals' name, area of application and references to material safety data sheets must be present. Material safety data sheets must be available in languages that affected employees understand.

5.2.5.2 Procedures

Documented procedures for the purchase, storage, handling and use of chemicals, as well as dealing with incidents and accidents involving chemicals, must be established and implemented.

5.2.5.3 Competence

Employees who handle chemicals must undergo relevant training to guarantee their level of competence. The content of the training must be described and there must be a register of trained employees.

5.2.5.4 Handling chemicals

All chemicals must be stored, handled and transported in such a way that ground, water or air are not contaminated and so that the risk of ignition or explosion is minimized. Chemicals must be stored in areas with a solid floor that does not absorb any spilled chemicals. If liquid chemicals are stored in the area, the floor must be fitted with an edging that is sufficiently high to contain the entire content of the largest chemical container. If chemicals are stored in an underground tank, this must be monitored to ensure that any leaks are prevented and discovered at an early stage.

5.2.5.5 Marking

All chemical containers must be marked in such a way that the content and risks are clear to the employees.

6. EMERGENCY PREPAREDNESS & FIRE PROTECTION

6.1 Emergency preparedness

An emergency plan based on identified risks must be drawn up and implemented. Procedures for preventing and dealing with emergency situations must be implemented.

6.2 Fire protection

6.2.1 Documentation

In the event of all incidents and fires, the cause must be analyzed and preventive actions implemented and documented.

6.2.2 Competence

A relevant number of employees within each work area must learn to use the fire safety equipment. This training must be repeated at least every 24 months, the content must be described and a register of trained employees must be available. All employees must receive information about applicable fire safety procedures before taking up their position.

6.2.3 Fire safety equipment

Relevant fire safety equipment must be in place and all manual equipment must be easily accessible, easy to identify from distance, well maintained and unlocked. The operation of the equipment must be tested, guaranteed and documented at least every 12 months. Approved equipment must be marked and the date of the approval must be evident.

6.2.4 Evacuation

Marked evacuation routes and exits must exist in order to ensure the efficient evacuation of all employees. The marking must be either lit or luminous. Evacuation routes and exits must not be blocked, and doors must be unlocked from the inside and must open outwards.

6.2.5 *Evacuation alarm*

There must be a working evacuation alarm that emits a continuous sound that can be heard by all employees. In premises where there are high noise levels, the alarm must be supplemented with a light signal. The alarm can be activated manually, and automated alarms must have an independent power supply to ensure they continue working in the event of a power cut.

6.2.6 *Evacuation drills*

Evacuation drills must be carried out for all departments/shifts, with as many employees as possible, at least every 12 months. There must be evacuation leaders who are responsible for ensuring that all employees have been evacuated. The date and time when the drills were carried out must be documented, and it must also be clear which departments/shifts took part, the time required for the evacuation, as well as what corrective measures need to be implemented, if any.

7. BUSINESS ETHICS

7.1 Anti-corruption policy

The Partner must implement and uphold an absolute zero tolerance in regard of corruption, extortions and bribes in relation to all its stakeholders such as – but not limited to – suppliers, customers, courts, prohibits and authorities.

7.2 Compliance with law

The Partner shall ensure that its business is at all times conducted in compliance with any applicable law relevant to its business and production.

7.3 Documents and registers

All documents, registers, reports, etc., related to the Code of Conduct must be transparent, correct and reliable.

7.4 Taxes

All taxes and charges, as well as any royalties, must be paid and reported transparently in the country where the operation is conducted. All taxes and any other payments to authorities must be paid by the Partner whenever they are due for payment.

7.5 Training and information

All affected employees must be trained in and continually notified about policies, rules and responsibilities regarding business ethics. The content of the training must be documented and a register of participants must be drawn up.
