

## **XANO GROUP**

### **SUPPLIER CODE OF CONDUCT**

The XANO Group consists of niche engineering companies offering manufacturing and development services for industrial products and automation equipment.

For XANO, sustainability involves accepting responsibility for how the Group's operations affect society from an environmental, social and economic viewpoint. This Code of Conduct is part of XANO's active efforts to select responsible business partners (hereafter "Supplier"). The goal of those efforts and the Code of Conduct is to promote common values and priorities throughout the supply chain.

This Code of Conduct applies to the companies and organisations that take on assignments on behalf of the XANO Group and specifies the minimum requirements imposed by XANO Industri AB.

The Code of Conduct is based on the UN Global Compact, which in turn is based on the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. All suppliers are expected to understand and abide by the principles of the UN Global Compact.

The Code of Conduct is applicable in English and in Swedish.

### **LEGISLATIVE COMPLIANCE**

All suppliers must comply with existing laws and regulations in the countries where they operate. If there are differences between the stipulations of this Code of Conduct and national law, the Supplier must comply with the higher requirement. The requirements of this Code of Conduct may extend beyond national law.

### **SOCIAL RESPONSIBILITY**

#### **Human rights**

Fundamental human rights shall be understood and respected and shall apply equally to all employees.

#### **Child labour**

The Supplier shall comply with the UN Convention on the Rights of the Child and the ILO Conventions 138 and 182.

#### **Forced labour**

Forced labour or any form of involuntary work shall not occur within the organisation. All work should be done voluntarily and the employee should be entitled to terminate his or her employment after a reasonable period of notice.

**Contract of employment**

All employees shall have an individual employment contract that clearly states the terms of their employment and is written in their native language.

**Wages and working hours**

All employees shall be paid at least a statutory minimum wage, customary industry wages or a collectively bargained wage. The alternative that gives the employee the highest wage shall apply. Regular work hours and overtime hours shall comply with national and international laws and industry standards in effect at the time.

**Freedom of association and free collective bargaining**

All employees have the right to freedom of association and to participate in collective bargaining without risk of reprisal.

**Anti-discrimination**

No discrimination based on nationality, skin colour, pregnancy, religion, caste, ethnicity, gender, age, marital status, sexual orientation, illness, disability or trade union or political affiliation shall occur relating to recruitment, remuneration, promotion, task assignment, competence development or termination.

**Harassment**

No form of harassment, abuse or threats shall occur within the organisation.

**A healthy and safe workplace**

All employees shall be ensured a healthy and safe environment in which to work. This means that employees shall be protected from an environment that could have a negative impact on their physical and/or mental health. The Supplier shall regularly monitor the workplace environment and take any remedial actions necessary.

**ENVIRONMENTAL RESPONSIBILITY**

The Supplier shall operate and develop the business with respect for the environment.

The Supplier is expected to operate the business in an environmentally-friendly, proactive way. The aim shall be to reduce the environmental impact from a life-cycle perspective.

The Supplier shall have procedures in place for identifying, monitoring and evaluating environmental impacts to enable continuous environmental performance improvements to be made in the areas of purchasing, manufacturing, transportation and recycling.

The Supplier shall support the precautionary principle regarding environmental risks.

### **BUSINESS ETHICAL RESPONSIBILITY**

The XANO Group has zero tolerance towards all forms of unethical business behaviour.

In accordance with international and national laws, as well as generally accepted business practices, the Supplier shall not tolerate or participate in bribery, corruption and/or other unethical and corrupt business practices.

The Supplier shall comply with applicable tax laws and national and international tax-related guidelines.

The Supplier is expected to promote and support fair competition and an open market.

Marketing and sales activities shall be conducted in an ethically responsible manner based on the quality, performance, price and service level of the products/services as well as other relevant factors.

### **CODE OF CONDUCT COMPLIANCE**

The Supplier shall ensure compliance with the requirements of this Code of Conduct within its own Company.

The Supplier's management is responsible for ensuring implementation and compliance with the Code of Conduct, as well as for obtaining information and taking remedial action in the event of non-compliance with the Code.

The Supplier shall do its utmost and work proactively to ensure compliance with the requirements of this Code of Conduct within the Supplier's supply chain.

### **FOLLOW-UP, DEVIATION MANAGEMENT AND TERMINATION**

Compliance with the Code of Conduct is primarily based on trust and a two-way communication between the XANO company and the Supplier. However, if requested by the XANO company, the Supplier shall report how the Supplier meets the requirements of the Code of Conduct.

The XANO company reserves the right to conduct inspections and on-site audits with the Supplier's and its sub-suppliers' organisations.

In the event of failure to comply with the Code of Conduct, the XANO company may demand remedial actions. Should the Supplier demonstrate unwillingness to comply with the requirements of the Code of Conduct, the XANO company may issue a warning or terminate the business relationship without incurring any liability to the Supplier or its Group.