

## **Code of Conduct**

KG Knutsson AB is a company that strongly believes in long-term, sustainable relationships based on responsible social and environmental conduct.

KG Knutsson AB and its business partners have an obligation to all stakeholders to observe high standards of integrity, performance and exemplary conduct. The foundation for and the reason why KG Knutsson AB has created the code of conduct is that we are convinced that sustainability is a natural part of being a successful business and we always strive to act in an ethical, transparent and responsible way and expect our business partners to do the same.

The Code of conduct, from now on referred to as the Code, applies to suppliers of products or services to KG Knutsson AB or directly to KG Knutsson AB:s customers.

KG Knutsson AB recognizes that there are different legal and cultural environments in which our suppliers and their production units operate. We expect our suppliers to follow internationally accepted labour standards, including the conventions of the International Labour Organization (ILO) and to continuously work on improving the labour conditions for those involved. KG Knutsson AB also expect that our suppliers have an ambitious program for minimizing the negative environmental impact of their business.

### **Legal compliance**

KG Knutsson AB requires all suppliers to operate in accordance with the principles of the Code and in full compliance with all applicable laws and regulations. The Code does not replace legislation and if the two are in conflict, legislation takes precedence. If the Code sets a higher standard than the existing legislation, the reverse applies.

### **Human rights in the workplace**

#### **Forced Labour**

- Suppliers or sub suppliers should not use any form of forced labour, including prison labour or bonded labour as defined by ILO conventions 29 and 105.
- Suppliers or sub suppliers should not require their employees to pay any kind of deposits, nor may they retain their employees' identity documents.

#### **Child Labour**

- KG Knutsson AB strongly opposes child labour.
- A child is defined as a person younger than 15 years of age, or as an exception, 14 years of age in countries referred to in article 2.4 of the ILO convention 138. If the national legal age for working is higher than 15 years of age, the supplier must adhere to the higher requirement.
- The supplier shall establish and implement a child labour policy ensuring that no child is employed.
- If child labour is detected in the production of goods for KG Knutsson AB the supplier is obliged to offer a sustainable solution in the best interest of the child.

- Young employees (below the age of 18 years) may only be employed in non-hazardous work, if they are above the country's legal age for working.

### **Freedom of Association and Collective Bargaining**

- All employees must be able to exercise their legal right to form or join a trade union and participate in collective bargaining without threat of reprisal, intimidation or harassment (ILO conventions 87, 98 and 135).
- In countries where freedom of association is restricted, the company should strive to create an environment in which the company management and employees can discuss salaries and working conditions in a non-threatening manner.

### **Humane Treatment**

- Suppliers or sub suppliers should treat all employees with respect and dignity. Physical punishment or the threat thereof, sexual or racial harassment, verbal abuse or power abuse or any other form of harassment or intimidation is unacceptable under any circumstances.

### **Discrimination**

- Suppliers or sub suppliers should not apply any type of discriminatory practice as regards the recruitment, compensation, promotion or the termination of an employment agreement based upon race, caste, ethnicity, social origin, marital status, sexual orientation, disability, religion, nationality, age, gender and/or union membership or political affiliation (ILO conventions 100 and 111)

### **Wages and Benefits**

- Suppliers and sub suppliers should pay its employees at least minimum wage or the prevailing industry standard, whichever highest. The amount should be sufficient to cover basic needs for the employee and their family as well as provide some additional income.
- Wages and over time premiums and any incentive (or piece) rates should be paid directly to the employee on time and in full.
- Suppliers or sub suppliers should provide their employees with paid sick leave, maternity leave annual leave and statutory holidays as required by law or the prevailing industry standard, whichever is highest.
- To make unfair or illegal deductions from wages or the removal of benefits as a disciplinary measure is not permitted.

### **Work environment**

- The supplier acknowledges that a safe and healthy work environment contributes to improvement in the quality of goods and services and to motivation of the workforce.
- The Supplier ensure that it has organization systems, processes and/ or measures in place in order to comply with national health and safety legislation.
- The supplier shall identify, assess and take measures to eliminate potential safety risks. The employees shall be informed of potential safety risks and instructed on proper, safe behavior and the corresponding safety measures to be implemented.

Should such measures not afford adequate hazard management, the employees shall be provided with suitable personal protective equipment.

- Potential emergency situations and events shall be identified and evaluated. Their impact shall be minimized by implementing emergency plans and reporting procedures.

## **Environment**

- Suppliers should comply with existing environmental legislations and obtain all legally required permits, licenses and registrations applicable for their business.

## **Conflict minerals**

- The supplier is committed to comply with relevant laws and regulations requiring disclosure of the use of conflict minerals. Conflict minerals are minerals from high risk and conflict-affected areas that have directly or indirectly contributed to financing of armed groups, where some groups are believed to be responsible for serious human rights violations. Goods provided to KG Knutsson AB shall comply with relevant laws and regulations regarding conflict minerals. The supplier is liable to inform KG Knutsson AB if the product/products contain conflict minerals. The supplier shall, if applicable, report import of tantalum, tin, tungsten, and gold according to EU Legislation
- Suppliers should comply with existing environmental legislations and obtain all legally required permits, licenses and registrations applicable for their business.
- Suppliers are committed to comply with REACH\* and CLP\* regulations

## **Reach**

- If a product delivered to KG Knutsson AB contains more than 0.1 percent (by weight) of a substance on the candidate list, the supplier is liable to provide KGK with information about this in accordance with REACH, Article 33. <https://echa.europa.eu/regulations/reach>

## **CLP**

- The CLP Regulation ensures that the hazards presented by chemicals are clearly communicated to KG Knutsson AB through classification and labelling of chemicals. CLP stands for Classification, Labelling and Packaging. The CLP Regulation entered into force in January 2009, and the method of classifying and labelling chemicals it introduced is based on the United Nations' Globally Harmonized System (GHS). <https://echa.europa.eu/regulations/clp>

## **Business ethics**

- KG Knutsson AB respects laws and regulations and requires that its business partners do the same. KG Knutsson AB does not accept any corrupt activities, including but not limited to bribery, conflicts of interest, fraud, extortion, tax evasion, embezzlement

and unlawful kickbacks, and the supplier shall not engage in, or cause KG Knutsson AB to engage in, any form of corrupt activities.

- KG Knutsson AB:s supplier shall comply with applicable competition and antitrust laws and regulations. This means, among other things, not to engage in price fixing, bid rigging or customer allocation.
- KG Knutsson AB does not accept facilitation payments in any form.

### **Implementing and monitoring**

- KG Knutsson AB may conduct remote audits on suppliers or on the supplier's premises upon request.
- Violations against the Code will be handled immediately with a corrective action plan. Negligence of correcting the violation or repeated violations may jeopardize the suppliers business relationship with KG Knutsson AB
- KG Knutsson AB want the supplier to audit their sub suppliers in the same way and the results of these audits shall be presented to KG Knutsson AB upon request
- All Suppliers are recommended to achieve and maintain certification on the International Organization for Standardization (ISO) 14001 Environmental Management System Standards; the ISO 9001 Quality Management Standard. Suppliers who have certifications to similar standards or who are working to obtain initial certification must submit the alternate certificate

### **Raising concerns**

Should you or your employees believe that the terms of the Code of Conduct are not adhered to or that KG Knutsson AB is not acting in accordance with its own Code of Conduct then we encourage you to raise your concerns to KG Knutsson AB:s Supplier Quality Management at [sgm@kgk.se](mailto:sgm@kgk.se) . All communication regarding these matters will be handled confidentially.