



# SUPPLIER CODE OF CONDUCT



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## 2. ENSURING SUSTAINABLE BUSINESS CONDUCT

### 2.1 PURPOSE OF THE CODE

BHG Group AB (publ) ("BHG") is committed to conducting its business according to sustainability standards outlined in the UN Global Compact. Thus, the purpose of the Code of Conduct (the "Code") is to ensure ethical and sustainable business conduct throughout BHG's value chain.

### 2.2 SCOPE AND RESPONSIBILITY OF THE CODE

This Code applies to suppliers with whom BHG conducts business, including subsidiaries and sub-suppliers (henceforth "Supplier"). The Code also applies to all of the Suppliers' employees, whether permanent, temporary or hired through manpower agencies (henceforth "Employee"). The term "shall" in the Code is referred to as a mandatory requirement.

The supplier is responsible for communicating the Code to their sub-contractors and ensure that suppliers in their supply chain adhere to the responsibilities set out in this Code.

### 2.3 FOUNDATION OF THE CODE

This Code defines the minimum standards that BHG asks suppliers to respect when conducting business with BHG. The Code covers the following areas of sustainability, human rights, labour rights, environmental protection and anti-corruption. The Code is based on the Declaration of Human Rights, the International Labour Organization's Declaration of Fundamental Principles and the Rights at Work, the Rio Declaration on Environment and Development and the UN Convention against corruption, as outlined in the ten principles of the UN Global Compact.

### 2.4 LEGAL COMPLIANCE AND THE CODE

The Supplier shall comply with local laws and regulations of each country of operation. If provisions in national and/or regional laws, regulations or rules in the country or countries of operation provide a more stringent position to the standards set forth in this Code, such legislation shall prevail. In case where this Code is in direct conflict with mandatory national legislation, the national legislation shall prevail. However, if the Code sets out stricter requirements than national legislation, this Code shall prevail.

## 3. HUMAN RIGHTS AND LABOUR RIGHTS

Internationally recognised human and labour rights shall be protected and respected at all times. All workers shall be treated with respect and dignity and shall be entitled to fundamental human rights or labour rights. The Supplier is responsible for ensuring that they do not directly or indirectly violate human rights or labour rights.

### 3.1 CHILD LABOUR

No person shall be employed who is below the minimum legal age for employment within the country of operation. Children under the minimum working age established by local law shall not be used as labour force. Employees under the age of eighteen (18) shall not engage in hazardous or heavy work, or on night shifts.

### 3.2 FORCED LABOUR

All forms of forced, compulsory or illegal labour is prohibited including exploitation of vulnerable groups such as migrant workers. Employees shall not be required to lodge deposits or original identity papers to their employer or recruitment agent as a condition for employment. Employees shall be allowed to move freely at the workplace without supervision and have the possibility to leave the premises outside of working hours.

### 3.3 FAIR WORKING CONDITIONS

No one shall be subject to corporal punishment, nor physical, sexual, psychological or verbal harassment or abuse. Disciplinary measures such as monetary deductions are not permitted.

Employees shall have written contracts, in languages understandable to the employee, specifying the terms of employment.

Employees shall have the right to equal pay for equal work. The Suppliers shall ensure that all employees are paid a living wage, which should be sufficient to cover the basic needs of the employee and provide some discretionary income.

Overtime hours are allowed in accordance with the law of the country in which they are employed and shall be compensated at the legally required rate. Employees shall be given at least one day off in every seven-day period and have sufficient time to rest between shifts.

Annual leave shall be afforded to each employee. Sick leave and parental leave shall be permitted and paid for in accordance with the national legislation or regulation in the country of operation.

### 3.4 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The rights of employees to freely associate and to bargain collectively, in accordance with the laws of the countries in which they are employed, shall be recognized and respected.

The Supplier shall ensure that workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The Supplier shall ensure that no one interferes with, or obstructs, the formation of unions or collective bargaining.

Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.

### 3.5 NON-DISCRIMINATION

The Supplier shall ensure equal treatment in its practices and recruitment. Discrimination, whether active or by means of passive support is not accepted.

### 3.6 OCCUPATIONAL HEALTH AND SAFETY

The Supplier shall ensure a safe and healthy work environment, both physically and mentally. Risk assessment shall be established where occupational hazards have been listed and preventative measures shall be put into action. Injuries and accidents occurring at work shall be logged, investigated and preventative measures shall be introduced. Adequate personal protective equipment shall be identified and provided to employees free of charge.

Information and training shall be provided to employees including, but not limited to fire safety, handling of chemicals, work tools/machinery, hazardous waste, emergency awareness and first aid.

All premises shall be clean and safe. Employees shall have ready access to safe drinking water, lockable toilets and a sanitary place for food storage separate from hygiene facilities. The facilities shall be well lit, ventilated and kept at acceptable temperatures and noise levels.

### 3.7 PRIVACY AND INTEGRITY

The Supplier shall ensure the employees right to privacy and integrity and take appropriate technical and organisational measures to protect personal information of employees.

The Supplier shall protect the personal data of employees, customers and other business partners. Privacy and personal data protection are fundamental rights; thus, all personal data shall only be processed within the boundaries of applicable law.

### 3.8 PRODUCT SAFETY

All products and services delivered to BHG shall meet applicable health and safety standards applicable to the function of the finished product.

## 4. ENVIRONMENTAL PROTECTION

The Supplier shall actively work to minimise its negative impact on the environment in general and the climate and biodiversity in particular. In situations where risk or uncertainty of the safety of an action, product, substance or compound prevails, a precautionary approach and protective action shall be taken.

## 4.1 ENVIRONMENTAL RISK ASSESSMENT

In order to ensure responsible production, the Supplier shall conduct an environmental risk assessment and implement actions to prevent, mitigate and control the impacts of their operations accordingly.

## 4.2 ENVIRONMENTALLY FRIENDLY TECHNOLOGY

The Supplier should always promote the development and use of environmentally friendly technologies.

## 4.3 SUSTAINABLE USE OF RESOURCES

The Supplier shall use all resources, including raw material, energy and water, responsibly. The Supplier shall:

- Prioritise energy from renewable sources
- Implement energy efficiency measures to reduce overall energy consumption
- Treat and reuse water when possible
- Ensure that biodiversity is not decreased due to the business operations
- Reduce or eliminate deforestation caused by operations

## 4.4 EMISSIONS, WASTE AND EFFLUENTS

The Supplier shall identify, monitor and reduce emissions from operations with a specific focus on reducing greenhouse gas emissions. This includes choosing transportation methods with the least negative environmental impact.

Wastewater and solid waste, both hazardous and non-hazardous, generated from operations, industrial processes and sanitation facilities shall be monitored, controlled and treated before discharge or disposal. All waste material and production by-products shall be disposed of according to the law. In order to minimising the amount of waste created, the Supplier is encouraged to reduce, reuse and recycle products and material, in that priority order.

## 4.5 CHEMICALS AND HAZARDOUS SUBSTANCES

Chemicals and hazardous substances shall be eliminated when possible or kept to an absolute minimum. When chemical or hazardous substances are used, suppliers shall ensure safe handling, storage, and disposal of the substances. Substances restricted or limited according to the European Union directives REACH and RoHS should be phased out according to the substitution principle.

## 5. ANTI-CORRUPTION AND BUSINESS INTEGRITY

The Supplier shall ensure transparent and consistent corporate governance practices and abide with applicable regulations and standards in each of its geographical markets. All forms of corruption are unacceptable. Corruption includes, but is not limited to bribery, extortion, facilitation payments, nepotism and cronyism, fraud,



money laundering, transfer mispricing, tax evasion or tax avoidance, market distortion, conflict of interest and unfair competition.

### **5.1 BRIBES, FRAUD AND FACILITATION PAYMENTS**

The Supplier shall not offer, ask, give or accept, directly or indirectly, any undue advantage for personal or professional gain from any third party, unless it can be constituted as being within the boundaries of accepted business practices such as representation and reasonable hospitality given in the ordinary course of business.

The Supplier shall not intentionally or deliberately act to deprive someone of money or property by deception or unfair means.

Direct or indirect unofficial payments, made to secure or expedite a performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement, is not accepted.

### **5.2 FINANCIAL MALPRACTICES AND SANCTIONS**

The Supplier shall respect free and fair competition in open markets. This includes respect and comply with all applicable competition laws, and not engage in any form of cartels, abuse of power, beneficiary services or market distortion. The Supplier shall further not engage in activities that may hinder the development of fair competition.

The Supplier shall always submit truthful and accurate tax declarations to tax authorities in all countries of operations. Transfer mispricing is not accepted.

Economic, trade or financial sanctions impose restrictions and prohibitions against business interactions with specific countries, parties or individuals. We expect the Supplier to refrain from business interactions with countries, parties or individuals listed on a United Nation, European Union, United States, or United Kingdom sanctions list and to immediately inform BHG should the Supplier be subject to a sanction.

### **5.3 NEPOTISM, CRONYISM AND CONFLICT OF INTEREST**

Personal relations or considerations may never influence the Supplier's decision-making. This includes not only potential gains for employees, but also for relatives and friends or favouritism based on familiar and acquaintance

relationships where someone in an official position exploits his or her powers and authority to provide a job.

All conflicts of interest that may compromise the Supplier's credibility at BHG or external parties' confidence in BHG shall be avoided. If matters arise that could be perceived as conflict of interest, the Supplier shall be transparent and act responsibly.

### **5.4 POLITICAL INVOLVEMENT**

The Supplier shall observe neutrality with regard to political parties and candidates and abides with applicable international treaties and national legislation on lobbying activities.

### **5.5 BUSINESS ETHICS**

The supplier shall protect all confidential information provided by BHG.

## **6. IMPLEMENTATION AND COMPLIANCE**

It is the responsibility of the Supplier to make sure that both the content of the Code is communicated, understood and acted upon within their organizations and to encourage employees to reveal behaviour that may be non-compliant with the Code.

If the Supplier discovers breaches against this Code, within the company or amongst its Suppliers, the Supplier shall without delay inform BHG. Concerns can be filed to BHGs whistle-blower function for treatment of information. The anonymous function is available at <https://wbreport.kpmg.se/5590770763>

### **6.1 THE RIGHT TO AUDIT AND INSPECTION**

BHG reserves the right to request the Supplier to participate in a self-assessment questionnaire, in which the Supplier shall cooperate.

BHG also reserves the right to conduct on-site audits and follow-up of the Supplier, itself or through independent third parties, to ensure that the Code is complied with. The Supplier shall, on request, provide the appropriate resources and documentation at any time of inspection. The Supplier shall ensure these rights at sub-suppliers.

In case of violations of the Code, Supplier will be asked to provide a corrective action plan for BHG to approve and ultimately in case of serious violations of the Code, BHG has the right to terminate contracts with the supplier.



**PRINCIPLE**  
Supplier Code of Conduct

**POLICY OWNER**  
CEO

**LAST UPDATE**  
2021-12-10



**7. CONFIRMATION AND UNDERSTANDING**

As a Supplier of BHG the signature below indicates that \_\_\_\_\_ confirm that the Supplier Code of Conduct has been received, read and understood and that conduct at all times must comply in spirit and in deed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Country and date