

Code of Conduct

Arvid Nilsson (hereinafter referred to as "AN") sets great store by a responsible business conduct throughout the entire supply chain and a cooperation based on mutual trust with our suppliers, advisors, brokers, distributors, resellers, contractors, agents and other suppliers of goods and services to AN all over the world (hereinafter referred to as "business partners").

For AN, the respect of social, economic and environmental basic principles is the basis of any responsible and sustainable corporate action. This is why AN expects its business partners to comply with any legal provisions on working conditions, health, environmental protection, fighting corruption and safety on the workplace and to make the content of this Code of Conduct known to their employees and sub-contractors in a language which they understand.

AN expects of its business partners - as we expect of ourselves - to comply with the conditions stated in the following.

A serious violation of the principles contained in this Code of Conduct will generally be considered a breach of a fundamental contractual obligation.

1 Compliance with laws and regulations taking into account cultural values

We expect the applicable laws and regulations to be observed and complied with.

Naturally, this also includes all valid rules and guidelines and respected moral concepts of culture areas and countries where the business partners signatory to this Code of Conduct and AN conduct business.

AN expects of its business partners - as we expect of ourselves - to set up and maintain a system to monitor the compliance with these laws, regulations and legal provisions.

2 Respect of human rights

2.1 Ban on discrimination

AN is committed to employing people with different backgrounds and experiences.

This is why AN expects of its business partners - as we expect of ourselves - to avoid or abandon discrimination based on race, color, pregnancy, religion, gender, sexual orientation, age, physical or intellectual disability, health status, political belief, nationality, social or ethnic background, membership in a trade union or material status in recruitment, employment or access to further qualification measures¹.

2.2 Safety and health

AN expects of its business partners - as we expect of ourselves - to ensure a safe and healthy working environment.

This includes without limitation appropriate hygienic conditions, health and safety guidelines and procedures. We expect that all employees are being provided with suitable protective equipment free of charge. Safety-relevant information on hazardous substances have to be made available to the employees if there is a justifiable need.

¹ General Equal Treatment Act

Code of Conduct

In the event of a fire or other emergency, sufficient and clearly marked emergency exits have to exist. Escape routes have to be clearly described, kept clear and marked. Fire detectors and fire extinguishers should be available on every floor. All applicable laws on employment protection, health and safety, hygiene, fire protection and risk aversion have to be complied with and trained on a regular basis.

All required approvals, licenses and registrations have to be complied with, maintained and valid.

Strict compliance with safety regulations is an indispensable prerequisite. Possible shortcomings have to be remedied immediately.

2.3 Working time

AN expects of its business partners - as we expect of ourselves - not to exceed the statutory maximum working hours. The weekly working time including extra hours must not exceed 60 hours. Emergencies and extraordinary circumstances are an exception to this. Employees are entitled to one day off within a seven-day week, as well as to an appropriate annual vacation.

2.4 Compensation

AN expects of its business partners - as we expect of ourselves - to remunerate their employees with an appropriate pay and to compensate them for any ordered overtime in accordance with the applicable legal regulations. Wages have to be paid regularly and in legal tender. Wage deductions as disciplinary measure are not allowed.

2.5 Ban on child labor

AN does not tolerate any child labor or any form of exploitation of children and adolescents.

The term "child" refers to persons under the age of 15 (or, in accordance with different national legislations, under the age of 14), or to persons who are not over compulsory school age or have not yet reached the minimum legal age for employment in accordance with the applicable national legislation. The higher age limit of the above provision shall apply. Approved training programs complying with all laws and regulations are supported. Employees under the age of 18 must not be engaged in work that may pose a risk to the health and safety of young employees.

AN expects of its business partners - as we expect of ourselves - to observe the ban on child labor.

2.6 Rejection of forced labor

AN rejects any form of forced labor. AN expects of its business partners - as we expect of ourselves - not to force any employee to work, either directly or indirectly, through the use of force or through intimidation².

2.7 Trade union

AN expects of its business partners - as we expect of ourselves - to respect the employees' right to freedom of association, freedom of assembly and collective bargaining, as long as this is legally permitted and possible in the respective country.

² Convention No. 29, 105 of the International Labour Organization (ILO)

Code of Conduct

3 Environmental protection

We expect that the resources energy, water and raw materials be dealt with carefully and efficiently.

Each individual should feel obliged to promote the use of renewable resources and the development of environmentally compatible packaging.

This is why AN expects of its business partners - as we expect of ourselves - to comply with the provisions and standards on environmental protection applicable at the locations of our business partners' operations and reduce any environmental impacts to a minimum in accordance with ISO 14001.

Moreover, AN and the undersigned companies treat natural resources responsibly and in accordance with the principles of the Rio Declaration³.

3.1 Environmental permits and reporting

AN expects of its business partners - as we expect of ourselves - to obtain all necessary environmental permits, approvals and registrations and to keep them updated. All requirements with regard to notifications and reporting have to be observed. Moreover, a procedure guideline should be in place to inform the authorities or city councils in the event of unintended release or discharge of hazardous substances into the environment, or in the event of an environmental disaster.

3.2 Avoiding contamination and reducing the resources needed

Any form of waste, including waste water and energy, shall be avoided or reduced. This is to be achieved either directly at the point where it is used/created or by processes and measures, such as an improved production and maintenance process or operating processes, the use of alternative resources, efficient resources use, recycling and the re-use of resources.

3.3 Hazardous substances

AN expects of its business partners - as we expect of ourselves - to determine chemicals or other material posing a risk to the environment upon release and handle them in a safe way during processing, transport, storage, use, recycling, reuse and disposal.

3.4 Waste water and solid waste

AN expects of its business partners - as we expect of ourselves - to characterize, monitor, control and adequately treat any waste water and solid waste generated from operations, industrial processes and sanitation facilities prior to discharge or disposal.

3.5 Air emissions

AN expects of its business partners - as we expect of ourselves - to characterize, monitor, control and adequately treat any emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations.

³ The 27 principles of the "Rio Declaration on Environment and Development" from 1992 were the result of a conference of the United Nations on the environment and development in Rio de Janeiro

Code of Conduct

3.6 Product content restrictions

AN expects of its business partners - as we expect of ourselves - to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

4 Social commitment

AN expects of its business partners - as we expect of ourselves - to make a contribution to the social and economic development of the country or region in which they operate and to promote the corresponding voluntary activities of their employees.

5 Data protection

AN expects of its business partners - as we expect of ourselves - to protect personal data of all customers and employees and to respect national and international data protection rules. AN expects of its business partners - as we expect of ourselves - to protect personal data from access or improper use by unauthorized third parties.

6 Confidentiality

AN expects of its business partners - as we expect of ourselves - to keep any confidential information, and trade and business secrets strictly confidential.

7 Competition and antitrust provisions

7.1 Corruption, bribery and corruptibility

AN does not tolerate any form of corruption, bribery, corruptibility, or any other form of illegal granting of advantages.

Our business partners - as AN themselves - have to make sure that no personal dependencies or obligations to customers, suppliers or business partners occur based on bribe money, slush money, kickback payments or any other form of illegal payment.

All parties have to undertake not to accept any presents or invitations which can reasonably be expected to have an impact on business decisions.

7.2 Antitrust law

The business partners - as AN themselves - commit themselves to ensure fair competition. Applicable competition laws, especially the antitrust law, any other laws governing the competition have to absolutely be adhered to.

Illegal agreements concerning prices or other conditions, markets or customers, as well as any abuse of market power or boycotting (e.g. non-delivery to a customer) contradict the basic principles of AN.

Code of Conduct

8 Responsible sourcing of raw material

Suppliers shall establish measures to make sure, to the best of their knowledge and belief, that their manufactured products do not contain any tantalum, tin, tungsten, cassiterite, coltan and gold that are used, directly or indirectly, to fund or support armed groups guilty of severe violations of human rights in crisis regions in accordance with the Dodd-Frank Act §1502. The suppliers shall act with due diligence when it comes to the origins and tracing of these minerals and to disclose these precautionary measures to their customers⁴.

9 Import and export regulations

The business partners - as AN themselves - commit to observing all applicable import and export control laws, including without limitation all sanctions and embargoes, as well as any other laws, regulations and government decrees and orders governing the transport or shipping of goods and technologies.

10 Communication and obligation to provide evidence

The business partners of AN shall inform their employees, customers, suppliers, sub-contractors or any other interested or stakeholding group openly about the requirements of this Code of Conduct and its implementation. All documents and papers shall be duly prepared. They shall not be unfairly changed or destroyed and shall be properly stored.

Upon request, the undersigned company shall disclose to AN any information necessary to verify compliance with this code and shall notify AN of its own accord of circumstances that are incompatible with the provisions of this code.

AN reserves the right to carry out unannounced inspections. To that end, auditors shall be granted entry and access to all relevant areas.

Moreover, AN reserves the right to have its business partners checked for compliance with this Code of Conduct by an independent, specialized organization. AN is obliged to inform its business partners about the results of such an inspection. All employees need to be granted the opportunity to report inappropriate behavior by means of an anonymous system.

AN intends this Code of Conduct to be valid for an undetermined period but reserves the right to change or cancel this Code of Conduct in any way and at any time with or without disclosing any reasons why.

11 Consequences

AN reserves the right to terminate a business relationship by means of an extraordinary cancellation notice upon repeated violation of this Code of Conduct and an insufficient improvement of the situation. AN will not immediately terminate a business relationship after an infringement of this Code of Conduct as long as the will to improve the situation according to an agreed plan is evident.

⁴ Title 15 Dodd-Frank Act §1502