

Habo Gruppen AB
Habo Group
2013-01-01

CODE OF CONDUCT



The Habo Group Code of Conduct

1. INTRODUCTION

The Habo Group is an environmentally and socially responsible business partner. The Habo Group actively works to contribute to sustainable development and continuous improvements in the organization and throughout the supply chain. Our sustainability work includes activities such as careful management of natural resources, pollution prevention, recycling thinking, awareness raising, stakeholder dialogues and Code of Conduct compliance.

This Code of Conduct is applicable to all suppliers and their subcontractors to the Habo Group. Work relations within the Habo Group and between the Habo Group and its suppliers shall be characterized by honesty and integrity. The requirements in this Code of Conduct is based upon the UN Global Compact's principles and on the guiding standard ISO 26000 Social Responsibility in the areas of human rights, labour, environment and anti-corruption (please see www.unglobalcompact.org for more information).

The Habo Group's Code of Conduct for suppliers has been developed in order to help achieve our environmental, economic and social ambitions and to fulfil the company's basic principles and core values; customer focus, respect, tradition and continuous improvement.

2. IMPLEMENTATION AND CODE OF CONDUCT COMPLIANCE

The Habo Group expects that suppliers and their subcontractors shall conduct their business according to the highest standards, principles and norms described in this Code of Conduct.

The Habo Group will follow up the compliance with the requirements described in this Code of Conduct; this includes the right for on-site visits (e.g. compliance audits).

The Habo Group is willing to actively support suppliers and their subcontractors in the interpretation of the principles and requirements set in this Code. The Habo Group expects that suppliers communicate this Code of Conduct to employees and subcontractors of all suppliers in a manner that is understood by all. In some cases, political or cultural circumstances may make it difficult to comply with certain requirements specified in this code. We expect from our suppliers to communicate such cases and Habo Group will be open to discuss alternatives.

2.1. Compliance with Laws and Regulations

The Habo Group's suppliers and their subcontractors shall comply with laws and regulations in the country where they operate. If any requirement specified in this Code should be in conflict with the law of the country of operation, the law shall take precedence.

Each supplier and their subcontractor are responsible for that all employees receive enough information and training in relation to all relevant legal, regulatory and internal requirements applying to their employments.

2.2. Management Systems and Systematic Work

The Habo Group encourages suppliers and their subcontractors to work according to and/or be certified against an internationally recognized Environmental Management System, such as ISO 14001 or equivalent; a Quality Management System, such as ISO 9001 or equivalent; ¹ Safety and Health management system, e.g. OHSAS or equivalent; ISO 26000: Guidance on Social Responsibility and the Social Accountability Standard SA 8000 or equivalent. ²

3. SUPPLIER ENVIRONMENTAL AND BUSINESS ETHICS REQUIREMENTS

3.1. Basic Employment Rights

All suppliers and their subcontractors shall follow the Basic Employment Requirements stated below.

3.1.1. Equality and Discrimination

No form of discrimination on the ground of race, gender, maternity, age, religion, political opinions, national origin, social origin, sexual preference or other comparable grounds shall occur at the workplace or in any business relations. There shall be no such discrimination in relation to activities such as recruitment, salary, training, promotion, and dismissal at the workplace.

In addition, all employees and subcontractors shall adhere to and be treated with equal rights, at the workplace and in business relations.

With reference to the ILO Conventions No. 100 and 111 and the UN Convention on Discrimination Against Women

3.1.2. Employment Contracts

All Habo Group's and its supplier's employees shall be entitled to a written and signed contract of employment. The contract shall include basic employment conditions such as position, salary, working hours, and tasks.

With reference to the Universal Declaration of Human Rights Article 23:3

3.1.3. Forced Labour, Harassment and Disciplinary Measures

The Habo Group does not accept forced and/or bonded labour.

Corporal punishment or the threat thereof, unreasonable disciplinary measures, mental or physical intimidation, verbal abuse, sexual or other harassment and violations of an employee are completely unacceptable.

With reference to the ILO Conventions No. 29 and 105

3.1.4. Child Labour

The Habo Group is a responsible partner and carefully considers the aspect of unlawful conduct or the occurrence of child labour. Where not stated otherwise in local legislation ³, persons younger than 15

¹ For more information, please visit <http://www.iso.org/>

² For more information, please visit <http://www.sa-intl.org/>

³ The definition of a child vary between 14 to 16 according to countries national legislations. If no legislation is applicable, persons below the age 15 shall be considered as children.

years of age shall be considered as children and persons below 18 years of age shall be considered as young persons. Children shall be protected from economic exploitation and from performing work that may interfere with the education of the child.

If a supplier employs persons between the age of 15 and 18, these young persons shall not be allowed to perform any hazardous work, including night. ⁴

If children work as apprentices or trainees, in accordance with the employment legislation of the country of operation, they must be afforded protection against any and all exploitation. Furthermore, the employer must secure that the work is not interfering with the education of the child, the apprenticeship is limited to a few hours per day, the work is light and clearly aimed for training and that the child is compensated.

With reference to the UN Convention on the Rights of the Child, the ILO Conventions No. 79, 138, 182 and the ILO Recommendation No. 146

3.1.5. Wages and Working Hours

The statutory minimum wage is the lowest acceptable; however, we encourage our suppliers to ensure living wages for their employees. Wages must be paid regularly and on time. Overtime must be in accordance with national law.

All employees should be entitled to a payslip clearly stating all wages including overtime compensation, hours worked, benefits, legal deduction, bonuses and other relevant posts in a comprehensible manner.

With reference to the ILO Convention No. 131 and the ILO Conventions No. 1 and 14

3.1.6. Leave and Sick Leave

All Habo Group's employees and subcontractors shall be granted their relevant legal rights such as annual leave, sick leave and maternity/paternity leave without any form of repercussions or harmful consequences.

With reference to the Universal Declaration of Human Rights Article 23:3

3.2. Human Rights

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The Habo Group expects its suppliers and their subcontractors to support and respect the protection of internationally proclaimed human rights and to ensure that they are not involved in human rights abuses.

3.2.2. Freedom of Association and Collective Bargaining

The Habo Group expects its suppliers and their subcontractors to recognize and respect the rights of employees to form and join trade unions of their choice and to negotiate collectively. In situations or countries in which the law restricts the rights regarding freedom of association and collective bargaining, parallel means of independent and free organisation and bargaining shall be facilitated for all employees.

⁴ For more information, please visit: <http://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/lang-en/index.htm>

It shall be ensured that representatives of employees have access to their members in the workplace.

With reference to the ILO Conventions No. 87, 98, 135 and 154

3.3. Health and Safety Requirements

Habo Group's suppliers and their subcontractors shall provide a safe, healthy and sound working environment for its employees. The Habo Group's minimum requirements are:

- Pregnant women shall be adequately protected and have sufficient space for integrity.
 - Workplace accidents and injuries shall be minimized and eliminated.
 - Emergency routines must be documented, communicated and trained and whenever necessary also updated.
 - Emergency evacuation plans and emergency routes shall be visible throughout the entire facility.
 - Workplace temperature, noise level and air quality shall be compliant with the local law.
- Proper Personal Protective Equipment (PPE) shall be used whenever necessary and required.

With reference to the ILO Convention No. 155, the ILO Recommendation No. 164 and the ILO Guidelines on Occupational Safety and Health (ILO-OSH-2001)

3.4. Housing Conditions

The living area per employee shall comply with the statutory minimum requirements, be hygienic, safe and offer satisfactory personal integrity. Suitable workplace safety requirements are also significant.

3.5. Corruption, Bribery and Unfair Practices

The Habo Group does not tolerate corruption, bribery, fraud, and unfair practices that may limit competition.

The Habo Group's employees shall not receive, offer or make undue payments. Nor give other compensations to any person or any organization with the purpose of encouraging them to act in breach of suggested duties.

The Habo Group and its suppliers and their subcontractors shall not act in breach of applicable competition legislation in each country where they have operations, market their products or perform business with customers and/or suppliers. Participation in cartels or other unlawful cooperation with competitors, customers or suppliers that limits or distorts competition is strictly forbidden.

The Habo Group supplier and their subcontractor that is exposed for any of the activities listed above shall report such activities to The Habo Group. The Habo Group and its supplier will thereafter take further actions against such activities.

With reference to the United Nations Convention against Corruption (UNCAC)

3.6. Environmental Requirements

The Habo Group strives to minimize negative environmental impact from its operations and activities. The company also strives to optimize the use of resources and to find new solutions.

The Habo Group's suppliers and their subcontractors shall prevent severe environmental pollution, always take into account the precautionary principle and use the safest process or material from an environmental point of view. The supplier and their subcontractor must have the relevant environmental permits and licences for its operations.

Clarifications: Severe Environmental Pollution is to be understood as pollution that is likely to spread widely from the site and where the effects will be very difficult or expensive to correct.

3.6.1. Minimize Waste, Maximize Recycling

Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

3.6.2. Handling of Chemicals and Hazardous Materials

Chemicals used must be in compliance with the Reach regulations (Check substances concerned under: http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp).

Chemical containers must be properly labelled and safely stored. Chemical and other materials posing a hazard, if released to the environment, are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

With reference to the ILO Convention No. 170 and REACH regulations

CONTACT INFORMATION

Habo Gruppen AB / Habo Group

Visiting address:

Södergatan 2
SE 566 32 Habo
Sweden

Postal address:

Box 203
SE 566 24 Habo
Sweden

Phone: +46 36-484 00
Fax: +46 36-414 55
E-mail: info@habo.com