



Sepson's criteria on Business Partners in regards of business ethics, safety, health and environmental as well as social performance

References

- United Nations International Bill of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work (ILO)
- United Nations Global Compact (GC)

1. Support and respect of human rights (GC 1 and GC 2)

Business partners have to support and respect the protection of human rights. They have to be able to confirm that they are not complicit in human rights abuses and they should comply with the main international ethical guidelines supported by Sepson.

2. Elimination of all forms of forced and compulsory labor (GC 4, ILO 29)

Business partners must not have any forced or involuntary labor. It is not tolerated in any form. This includes any work or service extracted from a person under the threat of penalty and for which the person has not offered himself or herself voluntarily, or employees who have had to deposit money or original documents such as passports, education certificates and the like, during their employment.

3. Rejection of child labor (GC 5, ILO 138)

Sepson does not accept child labor. Business partners have to take necessary preventive measures to ensure that they do not employ anyone below the legal age of employment. This means that unless local law stipulates a higher age limit, no person younger than the age for completing compulsory education or younger than 15 (or 14 where permitted by ILO convention No. 138) may be employed. For authorized minors, management is responsible for providing working conditions, hours of work and wage appropriate for his or her age in compliance with applicable local law as a minimum. The minimum age for hazardous work is 18 years.

4. Elimination of discrimination with respect to employment and occupation (GC 6, ILO 111)

Business partners must support equal opportunities, fairness and diversity and ensure that all employees are treated strictly according to their abilities and qualifications in any employment decisions, regardless of race, religion, gender, age, nationality, disability, personal relationship, union membership and/or political opinion.

5. Safe and healthy working environment, factory conditions and housing (ILO 115)

Business partners are required to make employees' safety a priority at all times. Premises/factory conditions have to be such that workers can perform their functions in a safe and healthy environment, including fire prevention. To minimize risks, there should be appropriate policies to safeguard this, provide training and give responsibility to appropriate people. Facilities for employees should be such that individuals' dignity and hygiene are safeguarded. Business partners should take appropriate action to ensure safety and prevent accidents and illnesses resulting from workplace conditions, on behalf of their employees. This includes availability of first aid equipment, for example.

6. Integrity (GC 10)

Business partners have to work against all forms of corruption, including extortion and bribery. There can be no use of fake documents or other illegal practices or use of undeclared production units or suppliers. We require a cooperative management, free access to premises, including manufacturing facilities. Business partners have to confirm their commitment to fair competition and agree not to enter into discussions or agreements with competitors concerning pricing, market sharing or other similar activities.



7. Freedom of association and the effective recognition of the right to collective bargaining (GC 3, ILO 87)

Business partners have to confirm that their workers are free to communicate openly with management to resolve workplace and compensation issues. Employees have the right to choose whether or not to be represented by trade unions for the purpose of collective bargaining. No discrimination should be directed at any employee exercising such rights.

8. Initiatives to promote greater environmental responsibility (GC 8)

Business partners should ideally have an Environmental Management System or, as a minimum, be committed to developing an environmental policy or system, which ensures continuous improvement of their own environmental performance.

9. A precautionary approach to environmental challenges and the development and diffusion of environmentally friendly technologies (GC 7 and 9)

Business partners must conduct their business so that the environment is preserved, including water use and wastewater treatment. When developing products and services, suppliers should address and minimize the negative environmental effects that the products and services may have when being manufactured, distributed and used, as well as during their disposal. Business partners should confirm their willingness to encourage the development and promotion of environmentally friendly technologies in products, processes and design.

10. Compliance with prohibited and restricted lists

The Prohibited List identifies chemical substances not to be used in products supplied to or manufactured for Sepson AB. The Restricted List identifies chemical substances, the use of which must be limited. Business partners must confirm their compliance with these lists. Chemical containers must be properly labeled and safely stored. A material safety data sheet (MSDS) or similar should be available (in the local language) in the workshop. The instructions in the MSDS should be followed.

11. Conflict minerals

We are working towards ensuring that our products do not contain Conflict Minerals that have been sourced from mines that support or fund conflict within the Democratic Republic of Congo or neighbouring countries. Therefore, we are committed to:

- Identifying which Sepson components are impacted and targeting our efforts accordingly
- Not buying products and materials containing Conflict Minerals directly from Conflict Mines
- Asking our suppliers to work towards ensuring that any Conflict Minerals contained in the products and materials supplied to Sepson originate from Conflict Free Sources
- Engaging with our suppliers so that they respond in a timely manner to our requests for evidence of compliance. In the future, our suppliers willingness to comply with this initiative will be a factor in our sourcing decisions.

Compliance and follow-up

Sepson require their business partners to maintain adequate documentation to demonstrate their compliance with the above-mentioned criteria or demonstrate the intention and willingness to comply with the criteria by establishing an action plan with activities. As a condition of doing business with Sepson, business partners and their subcontractors must authorize Sepson and its designated agents (including third parties) to perform audits.

We have read and approved of the above.

Date _____

Name _____

Organisation _____