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## Sepson Supplier Code of Conduct

### References

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

### 1. Introduction

Sepson's Supplier Code of Conduct defines the requirements for suppliers regarding relevant social and environmental aspects such as human rights, working conditions, environmental protection, and integrity in business conduct. Suppliers' agreement to these criteria and alignment with the principles of the United Nations Global Compact serves as a foundation for our cooperation and business.

Sepson encourage all business partners to meet the standard of ISO 9001 and ISO 14001 or equivalent. Business partners are furthermore encouraged to adopt standards similar to those found in this document within their own organisations and to pass it on within their supply chains. Respect for applicable laws, rules, and social and environmental values, is central to Sepson's culture and governance. Sepson expect the same commitment from our suppliers.

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

Business partners must 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.

### 3. Elimination of all forms of forced and compulsory labour (GC 4, ILO 29)

Business partners must not have any forced or involuntary labour. 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.

### 4. Rejection of child labour (GC 5, ILO 138)


Sepson does not accept child labour. 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 were 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.

### 5. 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.

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

Business partners are required to always make employees' safety a priority. Premises/factory conditions must allow workers to 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 safeguard individuals' dignity and hygiene. 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.

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## **7. Integrity and free competition (GC 10)**

Business partners must work against all forms of corruption, including extortion, bribery, money-laundering, and terrorist financing. There can be no use of fake documents or other illegal practices or use of undeclared production units or suppliers. Accurate financial records must always be maintained and applicable tax and duty regulations must be adhered to.

Business partners must 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. Collusive agreements and behaviour in violation of competition law and antitrust law is prohibited. Business partners shall also work against fraud and not knowingly enter into conflicts of interest in connection with the business relationship with Sepson.

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

Business partners must 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.

## **9. 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 that ensures continuous improvement of the environmental performance. Targets and efforts to reduce emissions, including greenhouse gas emissions, and energy usage are highly encouraged.

Suppliers shall strive to ensure the best possible environmental protection in production, continuous reduction of environmental impacts, the use of energy management systems and ensuring energy efficiency. Applicable national and international environmental laws, regulations and standards must always be followed, including regulations regarding waste and waste management. Sepson encourage all suppliers to increase the level of reuse and recycling in their organisations. Material supplied to Sepson shall be recyclable to as high degree as possible.


## **10. 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. Causing harmful soil alteration, water contamination, air contamination, harmful noise emissions or excessive water consumption is prohibited, together with eviction and prohibition on unlawful deprivation of land, forests, and waters.

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 designs.

## **11. Compliance with prohibited and restricted lists (ECHA)**

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 labelled 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 must be followed. Sepson reserves the right to request a copy of MSDS documents relating to Sepson articles.

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Sepson requires all suppliers to be familiar with and compliant to current EU regulations and directives, including REACH, RoHS and SCIP reporting on the usage of Substances of Very High Concern (SVHC). In addition, suppliers must have processes in place to monitor compliance with and continuously review all applicable laws, sanctions, and regulations. Suppliers need to inform Sepson regarding usage of SVHC substances in material delivered to Sepson. Suppliers shall make an effort to replace, within technical limitations, hazardous substances with substances that are not harmful or toxic.

## 12. Conflict minerals

Sepson works towards ensuring that our products do not contain Conflict Minerals that have been sourced from mines that support or fund conflict (for example within the Democratic Republic of Congo). Suppliers are therefore required to:

- Identify which components are impacted.
- Not buying products and materials containing Conflict Minerals directly from Conflict Mines.
- Asking suppliers to work towards ensuring that any minerals contained in the products and materials supplied to Sepson originate from Conflict Free Sources.
- Engaging with suppliers so that they respond in a timely manner to requests for evidence of compliance.

## 13. Export Control

Business partners need to comply with any applicable Import and Export Control laws and regulations regarding controlled material, technology, or data. Business partners shall provide information concerning their export-controlled material to Sepson and shall in a timely manner apply for, obtain, and secure all necessary import and export, re-export, transfer, re-transfer agreements and other authorizations necessary to ensure delivery to Sepson.

## 14. Information Security and Intellectual Property

Business partners are required to ensure adequate data protection, information security and documentation standards.

Intellectual Property or information shared by Sepson, or Sepson customers, must be protected and not shared with third parties without the prior written consent from Sepson. Drawings, specifications, technical data and similar are property of Sepson and Sepson articles may not be manufactured (counterfeited) and offered to any other entities or organisations.


## 15. Compliance and follow-up

Sepson require business partners to maintain suitable documentation to demonstrate compliance with the above-mentioned criteria or demonstrate the intention and willingness to comply with the criteria by establishing an action plan with activities. Business partners are obliged to report any violation of these rules and criteria, including violations committed by a third party or a representative of Sepson.

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 within a reasonable timeframe from the audit request. Sepson shall be granted access to all documents, business areas and premises relevant for the audit, including manufacturing sites.

## 16. Breach of obligations

If a business partner breaches its obligations under these criteria, or if a breach is imminent, remedial actions must be taken to ensure the performance of its obligations and to prevent or minimise the extent of the breach. If possible, breaches shall be mitigated. If remedial actions are not possible, or not taken, Sepson has the right to suspend the business relationship. In these cases, the supplier is obliged to indemnify Sepson from all resulting consequences and damages, including fines and penalties from third parties and/or authorities.

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We have read and approve of the Sepson Supplier Code of Conduct:

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organisation: \_\_\_\_\_