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THIRD PARTY CODE OF CONDUCT

ABOUT THE CODE

The objectives of the Code

Sandberg Development AB are committed to high standards of business ethics and sustainability. Respect for human rights, fair and safe working conditions, and ethical and sustainable business practices are essential to our business, and we expect the same from third parties we do business with.

Sandberg Development AB believes that strong relationships with third parties, such as suppliers, collaboration partners, customers, etc built on transparency and a common understanding of overall objectives. Ethical behaviour is a pre-requisite for developing and maintaining such relationships.

This Third Party Code of Conduct outlines the minimum requirements that apply for all business relationships between Sandberg Development AB and third parties. The standards set out in this Code are based on internationally recognised treaties and agreements such as the United Nations Global Compact's ten principles, the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Who is the Code for?

This Code applies to all third parties, e.g. suppliers, collaboration partners and customers, which Sandberg Development AB has a contractual agreement with. All Third Parties are individually responsible for understanding and complying with the Code. We expect and encourage our Business Partners to establish and maintain their own codes of conduct and compliance and sustainability programs based on the principles and standards of this Code and to promote these principles and standards in relation to all parties they do business with, such as suppliers, collaboration partners and customers.

A failure by a Third Party to meet our expectations as outlined in this Code gives the Sandberg Development Group the right to termination of our business relationship.

COMPLIANCE WITH THE CODE

Legal compliance

Third Parties must comply with all applicable laws and regulations and the requirements set out in this Code. Compliance with the requirements set forth in this Code is mandatory even when they stipulate higher standards than those required by national laws or other applicable laws and regulations. Third Parties are strongly encouraged to observe international and industry standards and best practices.

Reporting compliance concerns

Third Parties must ensure that every employee has the right to raise concerns about potential breaches of the Code or other policy documents without fear of reprisals. These issues should be raised through the Third Parties´ standard reporting channels. Third Parties are encouraged to maintain a secure whistleblowing system and must not tolerate any form of retaliation against anyone who in good faith submits a report of an alleged violation.

MONITORING AND AUDIT RIGHTS

We expect all Third Parties to understand and comply with the Code, and we expect and encourage all to promote these standards in relation to all parties they do business with, such as suppliers, collaboration partners, customers etc. We reserve the right to make periodic information requests of Third Parties to substantiate their compliance with the Code.

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BUSINESS ETHICS

Anti-bribery and anti-corruption

We do not tolerate any forms of bribery and corruption. Third Parties must perform their operations in accordance with all applicable laws and regulations and in such a way that high ethical standards are upheld. Third Parties must not seek, accept, or retain business advantages based on illegal, improper, or unethical behaviour. An adequate management system for the prevention of corruption should be maintained.

Trade sanctions and export control

The terms trade sanctions and embargoes refer to laws and regulations imposed by countries or international organisations – usually in furtherance of foreign affairs, national security, or human rights objectives – that restrict dealings with targeted individuals, entities, and governments. Third Parties are required to comply with applicable trade sanctions regulations, including those published by the United Nations, the United States, and the European Union.

Furthermore, Third Parties shall at all times comply with applicable export control laws and regulations.

Anti-money laundering

All financial transactions shall be carried out in accordance with applicable laws and regulations and Third Parties shall under no circumstances be complicit in any activities of money laundering or financing of terrorism.

Fair competition

Fair and healthy competition benefits consumers, society, and our business. Competition laws promote or seek to maintain competition in the market by regulating anti-competitive conduct. Third Parties must respect and comply with all laws and regulations designed to promote fair and healthy competition and not enter into discussions or agreements with competitors concerning pricing, market sharing, or other similar activities.

HUMAN RIGHTS AND WORKING CONDITIONS

Terms of employment, working hours and wages

Third Parties are expected to have written agreements stipulating clear terms and conditions with their employees and must comply with applicable legislation regarding working hours (including but not limited to overtime and overtime compensation) and rest rules. Third Parties must pay employees wages and benefits that meet or exceed the legal minimum standards, collective bargaining agreements or appropriate prevailing industry standards, whichever is higher.

Non-discrimination and fair treatment

Third Parties must commit to treating all employees and job applicants equally and fairly and must establish an environment where everyone is treated with respect and dignity, and not tolerate discrimination, harassment, or bullying of any kind in the workplace.

Health and safety

Third Parties must establish a safe and sound work environment. Most work-related injuries and illnesses, whether physical or psychosocial, are preventable and Third Parties must maintain adequate systems designed to prevent such injuries.

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Child labour and young workers
Third Parties are strictly forbidden from employing persons who are below the minimum age for employment, i.e. the age of completion of compulsory schooling or fifteen (15) years old, whichever is higher.

Young workers between the ages 15 and 18 cannot be employed for any hazardous, heavy or unsafe work, or work that is inconsistent with the child's physical and mental health and personal development.

Forced labour and modern slavery
Third Party are strictly forbidden from engaging in or tolerating modern slavery and exploitation, including forced, coerced, bonded, or compulsory labour and human trafficking. This means not engaging in or tolerating restrictions of movement, confiscation of identity documents, excessive recruitment fees, debt bondage, withholding of wages, violence, or any other kind of exploitation or abuse.

Freedom of association and collective bargaining
Third Party must ensure that all employees are free to form and to join, or not to join, trade unions and other representative organisations and to bargain collectively. Third Parties are strictly forbidden from discriminating, intimidating, or retaliating against employees who openly communicate and share ideas and concerns with management regarding working conditions and management practices.

If the right to freedom of association and collective bargaining is restricted by local laws and regulations, Third Parties must allow alternative forms of worker representation.

Privacy
Third Parties must protect the privacy of employees, business partner representatives, and other individuals, and process personal data lawfully, fairly, and transparently. Third Parties must take all reasonable steps to ensure that the personal data they process is accurate and up to date, protected by appropriate standards of security and confidentiality, and deleted when retention is no longer necessary. Personal data breaches must be reported to the relevant national authority in accordance with applicable laws.

ENVIRONMENTAL SUSTAINABILITY

Protecting the environment
Environmental sustainability is an important factor in long-term business success, and Third Party must ensure they comply with all applicable environmental laws, regulations, and standards.

Minimising environmental impact
Third Party should strive to conduct their operations with the least possible negative impact on the environment. This includes looking for opportunities to reduce energy, greenhouse gas emissions, and waste, and considering the environmental impact of business decisions. Third Party are encouraged to (i) manage and recycle waste, (ii) measure and follow up on environmental performance, processes, products, and services, (iii) reduce environmental impact from transportation whenever possible, and (iv) prioritise energy from renewable sources.

THIRD PARTY DUE DILIGENCE
Third Parties are encouraged to perform and document a risk-based due diligence consistent with the scope of this Code prior to entering relationships with business partners in order to investigate and evaluate the quality, suitability, and credibility of all potential business partners.

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Adopted on 2023-06-26
Sandberg Development AB Board of Directors