



## MIDSONA AB - SUPPLIER CODE OF CONDUCT

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Version 1 March 2019

### 1. INTRODUCTION

Midsona AB is committed to conducting business in a responsible manner. It is our highest priority to respect human and labour rights, protect health, safety and the environment, and act with integrity.

Sustainability is a key element of Midsona AB's core values and forms an integral part of our business strategy. By integrating sustainability, responsibility and accountability into our business, we will be able to achieve sustainable value for all of our stakeholders.

The Supplier Code of Conduct is based on the UN Global Compact Principles, which include Global Guidelines on Human Rights, Sustainability & Environment, Work Environment & Labor Law, and Business Ethics & Anti-Corruption. These principles are based on the UN Declaration of Human Rights, ILO Conventions on Human Rights at Work, the Rio Declaration and the United Nations Convention against Corruption.

The Supplier Code of Conduct specifies the minimum requirements that Midsona AB and Midsona AB's subsidiaries impose on all suppliers and its subcontractors with the aim of ensuring a responsible and respectful conduct.

The Supplier Code of Conduct shall be regarded as a contract document between Midsona AB and the supplier. In addition, the supplier and the supplier's subcontractors must follow their respective national laws. Should the provisions of national law and the requirement of Midsona AB's Supplier Code of Conduct differ, the highest standard shall apply.



## 2. HUMAN RIGHTS & LABOR LAW

### 2.1 Forced labor/slave labor

*(ILO Conventions Nos. 29 and 105)*

No form of forced labor, slave labor or involuntary labor shall take place.

Employees shall not be required to pay a deposit or surrender their identity papers to an employer, and they shall be free to terminate a work contract after a reasonable period of notice.

### 2.2. Freedom of Association and Collective Bargaining

*(ILO Conventions Nos. 87, 98, 135 and 154)*

Employees shall without exception have the right to join or establish trade unions by their own choice, and to bargain collectively.

The employer shall not discriminate against trade union representatives or prevent them from doing trade union work. If such rights are limited by law, the employer shall facilitate, and in no way hinder, parallel mechanisms for free and independent association and bargaining.

### 2.3 Child labor

*(UN Convention on the Rights of the Child, ILO Conventions Nos. 79, 138, 182 and ILO Recommendation No. 146)*

Children under the age of 18 shall not engage in labor that is hazardous to their health or safety, including night work. Children under the age of 15 (14 or 16 in certain countries) shall not engage in labor that may be detrimental to their education.

New recruitment of child labor in contravention of the above-named conventions is unacceptable. If such child labor already takes place, efforts shall be made to phase it out as quickly as possible. At the same time, the children concerned shall be given the possibility of earning a livelihood and acquiring an education until they are no longer of compulsory school age.

### 2.4 Discrimination

*(ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women)*

There shall be no discrimination in working life based on ethnicity, religion, age, disability, gender, marital status, sexual orientation, trade union membership, nationality, race, color of skin, disease, social background, caste or political affiliation.

Measures shall be established to protect employees from sexually intrusive, threatening, insulting or exploitative behavior, and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

All workers with the same experience and qualifications shall receive equal pay for equal work.

### 2.5 Harsh or inhuman treatment

Physical abuses or punishment or the threat of physical abuse shall be prohibited. The same applies to sexual or other abuse, and to other types of humiliation.



## 2.6 Occupational health and safety

*(ILO Convention No. 155 and ILO Recommendation No. 164)*

The working environment shall be safe and conducive to good health, bearing in mind the prevailing knowledge of the industry and of any specific hazards.

Necessary measures shall be implemented to prevent and minimize accidents, injuries and damage to health as a result of or related to conditions at the workplace.

Employees shall receive regular, documented health and safety training. Health and safety training shall be repeated for new employees.

Employees shall have access to clean sanitary facilities and clean drinking water. If necessary, the employer shall also ensure access to facilities for safe food storage.

If the employer provides accommodation, it shall be clean, safe and adequately ventilated, and have access to clean sanitary facilities and clean drinking water.

## 2.7 Wages

*(ILO Convention No. 131)*

Employees' wages shall at least be in accordance with national provisions concerning minimum wages or industrial standards, and shall always be sufficient to cover fundamental needs.

Wages, as well as the modalities of how and when wages are to be paid, shall be agreed in writing before work begins.

The contract shall be comprehensible to the employee.

It is prohibited to use wage deductions as a disciplinary measure.

## 2.8 Working hours

*(ILO Convention No. 1 and 14)*

Working hours shall be in accordance with national legislation or industrial standards and shall not exceed the working hours laid down in current international conventions. *It is recommended that working hours do not exceed 48 hours per week (8 hours per day).*

Employees shall have at least one free day per week.

Overtime is recommended to be limited to maximum 12 hours per week.

Employees shall always receive overtime pay, as a minimum in accordance with current legislation.

## 2.9 Regular employment

Obligations to employees in accordance with international conventions and/or national legislation and regulations concerning regular employment shall not be avoided by using short-term contracts (such as contract labor, casual labor or day labor), subcontractors or other labor relationships.

All employees are entitled to a job contract written in a language they understand.

The duration and content of apprenticeship programs shall be clearly defined.



### 3. ENVIRONMENT & ANIMAL WELFARE

#### 3.1 Use of resources and impact on the local community

No form of environmental criminal activity or ruthless exploitation of resources shall take place in the local environment. The local environment at the production site shall not be excessively exploited or degraded by pollution. Hazardous chemicals and other harmful substances shall be carefully managed.

In cases of conflict with local communities concerning the use of land or other natural resources, the parties shall, through negotiation, ensure respect for individual and collective rights to land and other resources based on common custom or tradition, including in cases where such rights have not been formally registered.

Production and the extraction of raw materials for production shall not contribute to the destruction of the resource and income base for marginalized population groups, for example by laying claim to large land areas or other natural resources upon which such population groups depend.

#### 3.2 National and international environmental legislation and regulations

Production shall not conflict with national or international environmental legislation and regulations.

Necessary emission and discharge permits shall be obtained where required.

Environmental aspects should be taken into consideration throughout the production and distribution chain, from the production of raw materials to the sale of end-user products or services and shall not be limited to the company's own operations and suppliers. As far as possible, local, regional and global environmental issues shall be taken into account.

#### 3.3 Animal Welfare

When manufacturing products stemming from animals, considerations to animal welfare shall be taken in the entire value chain.

### 4. BUSINESS ETHICS

The supplier is required to conduct business in compliance with applicable antitrust and fair competition laws. All forms of bribery, money laundering and financing of illegal activities, corruption are strictly prohibited.

Supplier is required to act in compliance with all rules and regulations related to the quality and safety requirements of products and services

The supplier must transparently and accurately disclose details of its business activities, financial situation and performance in accordance with applicable laws and regulations.

The supplier shall not offer gifts to Midsona employees or business representatives, unless the gift is of insignificant value. Hospitality or expenses may be offered if there is a legitimate business purpose involved, and the cost is kept within reasonable limits.



## 5. GENERAL

In some cases, political or cultural circumstances may make it difficult to comply with certain standards or to obtain the identities of or contact with all subcontractors. In such cases, Midsona AB will be open to discuss an alternative approach.

The supplier shall immediately report any suspected violations of regulations, laws and the Supplier Code of Conduct to the Midsona AB's contact person or confidentially to the Midsona AB CEO:

Midsona AB  
Att: CEO  
BOX 21009  
SE-200 21 MALMÖ

It is the supplier's responsibility to ensure that the content of this Supplier Code of Conduct is implemented, and assure that the Supplier Code of Conduct is being followed. Midsona AB reserve the right to conduct unannounced inspections and inspections conducted by a third party.

If the supplier fails to comply with the terms of this Supplier Code of Conduct, Midsona AB may terminate the business relationship if improvements are not made within an agreed period.

I hereby declare that I have read this document and that our company is following the above:

.....  
*Place & Date*

.....  
*Name of the Company*

.....  
*Title & Name*

.....  
*Signature of Authorized representative*

