

Mycronic Group Supplier Code of Conduct

Introduction

This Supplier Code of Conduct (SCoC) outlines the minimum ethical standards and expectations Mycronic AB and its group companies ("Mycronic") require its Suppliers (as defined below) to comply with when doing business with Mycronic in terms of employment and labor practices, workplace practices, ethical business practices and environmental management practices in addition to ensure compliance with laws and regulations governing their activities. These principles are based on the Ten Principles of the UN Global Compact. These standards apply to all Suppliers of goods and services to Mycronic, irrespective of where the company is based. This SCoC forms an integral part of all contracts between the Supplier and Mycronic. Mycronic reserves the right to terminate business relationships with Suppliers who fail to comply with these standards.

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1. Definitions

A "Supplier" is any person or legal entity which provides Mycronic with products or services. In addition to Suppliers who have a direct contractual relationship with Mycronic, this definition also includes the Suppliers' sub-suppliers.

"Mycronic Representatives" include the company's employees and legal representatives.

2. Laws and Regulations

The Supplier is expected to operate in full compliance with applicable national, government and/or local laws, regulations and guidelines of the countries in which it operates and that are applicable to the Suppliers business operations. In addition, the Supplier shall fulfil its legal obligations with respect to applicable agreements, understandings or any other binding obligation. This SCoC goes further and sets out Mycronic's standards, in order to advance ethical, social and environmental responsibilities.

3. Management Systems

The Supplier shall have appropriate management systems in place to enable adherence to this SCoC or its own equivalent code of conduct, whichever is stricter, as well as all other relevant and applicable laws and regulations. The functioning and quality of the management system shall be in proportion to the size, complexity and risk environment of the Supplier's business. This means that, at a minimum:

3.1 the Supplier shall adopt a systematic approach to the assessment, mitigation and management of risks related to human and labor rights, occupational health and safety, responsible business and environmental impact (hereafter referred to as "Code of Conduct Issues"),

3.2 the Supplier shall adopt measurable performance targets in relation to Code of Conduct Issues and define related actions to reach these targets with a view to ensure continuous performance improvement,

3.3 all applicable laws, regulations and contractual terms governing the Supplier's assignments shall be duly applied and communicated, with sufficient training provided to relevant employees and business partners,

3.4 the Supplier shall have systems in place to enable the reporting of Code of Conduct Issues-related grievances (e.g. a whistle-blowing system),

3.5 the Supplier shall duly ensure and monitor that its own suppliers and sub-suppliers comply with this SCoC or their own equivalent code of conduct. The Supplier is liable for the compliance of its sub-suppliers as for its own work.

4. Human and Labor Rights

These principles shall apply to all recruitment and employment practices such as applications for employment, promotion, access to training, job assignments, wages, benefits, rewards, transfers and redundancies.

4.1 Human Rights

The Supplier is required:

- 4.1.1 to respect human rights and not be complicit in human rights violations within its sphere of influence,
- 4.1.2 to duly map its human rights impacts whenever the need for such action is agreed,
- 4.1.3 to have in place adequate remedial mechanisms in case of any human rights violations.

4.2 Basic Workers' Rights

The Supplier is required:

- 4.2.2 to ensure that no person who is below the minimum legal age for employment shall be employed or engaged. Minimum age is the age of completion of compulsory schooling, or not less than 15 years, or not under the minimum age for employment in the country, whichever is greatest. Employees under the age of 18 shall not perform night shifts, overtime and alike which is likely to jeopardize their health or safety,
- 4.2.3 to fully recognize employees' freedom of association and right to bargain collectively. Representatives for trade unions shall not be subject to any discrimination,
- 4.2.4 not to use any kind of involuntary or forced labor and to prohibit mental and physical threats, slavery and human trafficking,
- 4.2.5 not to harass or discriminate against any employee, including grounds of age, culture, gender, ethnicity, disability, sexual identity or orientation, family status, country of birth, race or skin color or any other factor as established under applicable law,
- 4.2.6 to treat all employees fairly and respectfully and to provide a workplace free of harassment and abuse. Any form of harassment, corporate punishment, bullying, physical, mental, sexual or verbal abuse or other cruel or abusive disciplinary practices in the workplace are prohibited.

4.3 Wages and Working Hours

The Supplier is required:

- 4.3.1 to pay employees at least the minimum wage and applicable overtime wages defined by national laws or any applicable collective agreements,
- 4.3.2 to ensure that the terms of the employment and working hours shall be fair and reasonable and comply with applicable local law and collective agreements.

5. Occupational Health and Safety (OHS)

The Supplier is required:

- 5.1 to fulfill all applicable legal OHS requirements,

5.2 to have a policy that includes OHS regulation, and to assign responsibility for OHS issues within its organization,

5.3 to ensure that operational controls such as rules and procedures are in place and communicated to all employees,

5.4 to have emergency preparedness and response procedures in place,

5.5 to increase its employees' awareness of health and safety issues, including safety sheets and training relevant for the use of hazardous or toxic substances in the workplace, to enhance safety culture through open communications, and to ensure that its staff have received appropriate OHS training, including written health and safety information and warnings,

5.6 to measure and monitor its OHS performance and OHS hazards with the help of properly conducted workplace inspections and audits,

5.7 to report and investigate all health and safety incidents,

5.8 to provide workers with appropriate personal protective equipment,

5.9 to prohibit the illegal use or possession of alcohol, drugs and other controlled substances.

6. Environment

The Supplier is required:

6.1 to fulfill all environmental requirements defined in relevant laws, regulations and environmental permits,

6.2 to have a policy that includes environmental regulations and to assign responsibility for environmental issues within its organization,

6.3 to ensure that its employees have appropriate know-how and experience in relation to environmental issues, as well as resources to enable them to effectively meet their responsibilities,

6.4 to ensure that written instructions covering all processes with potential environmental impacts, such as the storage and handling of hazardous materials, are available and that the relevant information is communicated to all employees involved,

6.5 to proactively work to prevent emergencies and ensure the capacity to react appropriately to such events, by analyzing, identifying and adopting suitable preventive and corrective measures,

6.6 to work actively to reduce adverse environmental impact by using the most environmentally effective means of transportation as possible, such as fuel-efficient and low emission vehicles,

6.7 to work actively to reduce its water and energy consumption,

6.8 to work actively towards sound manufacturing practices,

6.9 to provide Mycronic, upon request, with information regarding the Suppliers use of packaging material, means of transportation and production sites,

6.10 to handle environmental violations and complaints systematically and communicate them to employees and external stakeholders, including Mycronic if affected,

6.11 to provide Mycronic with up-to-date material safety data sheets (MSDS or SDS), as applicable, and any other relevant documents and information requested by Mycronic, including declaration of the full material content of products delivered to Mycronic,

6.12 to have in place or establish a procedure for the identification, safe handling, storage, transportation, utilization and disposal of waste in accordance with the applicable legislation and avoid materials and methods posing environmental and health risks.

7. Responsible Business

Mycronic has a zero-tolerance policy towards any form of corruption and financial irregularity, for example bribery, facilitation payments, fraud, money laundering, extortion or embezzlement and requires that there are adequate procedures in place to prevent bribery in all commercial dealings undertaken by the Supplier. The Supplier is required to conduct its business in full compliance with Mycronic's Supplier Code of Conduct, or the Suppliers' own equivalent ethical rules, whichever are stricter. This means, among other things, that the Supplier is required and undertakes:

7.1 to conduct business in full compliance with all applicable antitrust and fair competition laws,

7.2 to prevent situations where there is a conflict of interest between the Supplier and Mycronic. Any conflict of interest in any business dealings with Mycronic, of which the Supplier is aware, shall be declared to Mycronic to allow Mycronic the opportunity to take appropriate action,

7.3 to act in compliance with applicable procurement laws, regulations and particular procurement contracts when entering into business relations with governmental agencies and their officials,

7.4 to act in compliance with all applicable anti-corruption laws, by, among other things, refusing to receive or offer bribes, facilitation payments or anything of value for the purpose of obtaining or retaining business or any improper benefit or advantage, this includes cash or undeclared discounts, payments for advertising or other concealed price reductions or expenses,

7.5 to act so that neither the Supplier, nor its directors, officers or employees, will violate any applicable anti-bribery laws or standards. Specifically, the Supplier agrees that it will not, directly or indirectly, pay, promise or offer to pay, accept or authorize the payment of any undue money or other advantage to a public official or representative of a state-owned enterprise, or to any person or entity in connection with any public business function or activity. In addition, no payment shall be made to anyone for any reason on behalf of or for the benefit of Mycronic which is not properly and accurately recorded in the Supplier's books and records, including amount, purpose and recipient, all of which shall be maintained with supporting documentation,

7.6 to ensure that all business and commercial dealings are transparently performed and accurately recorded in the Supplier's books and records, and that there is no actual or attempted participation in money laundering,

7.7 to ensure that no confidential information in the Supplier's possession regarding Mycronic is used to either engage in or support insider trading,

7.8 that Mycronic's Representatives shall pay for their own travel and accommodation costs when visiting the Supplier, conferences, reference plants etc.,

7.9 that Mycronic's Representatives shall not be offered any gifts, hospitality or expenses that could be considered unreasonable or inappropriate with regard to possible business transactions. Courtesy gifts of low value shall be permitted, but the acceptance of any other gifts and other benefits (particularly cash), which are offered to employees or close relatives, are expressly prohibited,

7.10 to the best of its knowledge (reasonable enquiries having been conducted by the Supplier), at the date of entering into force of the SCoC, neither the Supplier, nor its directors, officers or employees, have directly or indirectly, paid, promised or offered to pay, authorized the payment of, or accepted any undue money or other advantage of any kind in connection to its business dealings with Mycronic,

7.11 to act in compliance with all rules and regulations related to the safety and quality requirements of products and services, including rules defined by Mycronic,

7.12 to transparently and accurately record and disclose details of its business activities, corporate structure, financial situation and performance in accordance with applicable laws and regulations,

7.13 to ensure that it shall not authorize its subcontractors, agents or other third parties to request, agree to receive or accept a financial or other advantage where, in anticipation of or in consequence thereof, a relevant function or activity is or may be performed improperly,

7.14 to ensure that it has taken and will continue to take reasonable measures to prevent its subcontractors, agents or any other third parties, subject to its control or determining influence, from engaging in any conduct that would contravene to the requirements set out under this section 7.

8. Customs and Trade Restrictions

The Supplier is required:

8.1 to conduct all transactions in accordance with applicable export control and customs laws and regulations. The Supplier shall ensure that export or import of any Mycronic merchandise, samples, spares, replacement parts, or software, by shipment, mail, courier or other means, only are approved by employees designated to clear the import or export,

8.2 to conduct all business in compliance with laws, regulations and trade restrictions imposed by the sanctions authorities e.g. governments, international organizations (such as the United Nations) and supranational bodies (such as the European Union).

9. Data Privacy

When obtaining and processing personal data, the Supplier must comply with all applicable laws and regulations on the processing of personal data and ensure an adequate level of data protection for both employees and customers.

10. Confidential and Competitor Information

The Supplier undertakes that all competitive information is obtained and used legitimately and in compliance with applicable laws and regulations. No attempt is made to divulge to Mycronic any information about its competitors. Likewise, Mycronic's confidential information must not be shared with any third party unless expressly permitted by Mycronic.

11. Land Rights of Communities

The Supplier shall ensure that the rights and title to property and land of the individual, indigenous people and local communities are respected. All negotiations with regard to their property or land, including the use of and transfers of it, adhere to the principles of free, prior and informed consent, contract transparency and disclosure.

12. General Requirements

The Supplier is required:

12.1 to immediately report any non-compliance with this SCoC to Strategic Sourcing at Mycronic.

Reports can be submitted confidentially and anonymously (where permitted by law) via Mycronic's whistleblowing system. For more information or to raise a concern, please see Mycronic Whistleblowing Policy or visit <https://report.whistleb.com/mycronic>.

12.2 to let any of its employees raise their concerns about any of the compliance requirements outlined in this SCoC and all workers who speak out about an issue shall be protected from retaliation. Further, workers are provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties which may arise as part of their working relationship,

12.3 to disclose information and data regarding issues covered by this SCoC at the request of Mycronic, unless this would conflict with its statutory obligations on disclosure of information.

12.4 to allow Mycronic, or any third party authorized by Mycronic and reasonably acceptable to the Supplier, to conduct in the presence of the Supplier an audit of the Supplier's operations relevant for this SCoC including but not limited to the Supplier's facilities, and relevant extracts from books and records. At the Supplier's request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit.

13. Enforcement

13.1 If Mycronic finds that the Supplier is not meeting the requirements and expectations set out in this SCoC, Mycronic will offer guidance specifying which issues need to be corrected or improved. The Supplier must then take corrective actions promptly as advised by Mycronic. Mycronic nevertheless reserves the right to cancel outstanding orders, suspend future orders or terminate the contract with the Supplier in case of a material breach of this SCoC.

13.2 Should the main contract between Mycronic and the Supplier, to which this SCoC forms an Appendix, contain separate termination rules, it is nevertheless understood by both parties that breach of this SCoC may be considered a material breach of contract, thus entitling Mycronic to terminate the contract.

13.3 In the event that Mycronic terminates this SCoC as set out in this section 13, without prejudice to any charges owing or any other pre-existing liabilities, no member of the Supplier group shall be entitled to claim compensation or any further remuneration, regardless of any activities or agreements with additional third parties entered into before termination.

14. Responsible sourcing

Due diligence shall be exercised with respect to the sourcing and extraction of raw materials, including e.g. tin, tantalum, tungsten and gold used in products. The due diligence shall be consistent with relevant parts of the OECD Due Diligence Guidance or equivalent processes. The Supplier shall make due diligence measures available to the customer upon the customer's request.

Herby _____ [Please fill in your company's name] agrees to at all times comply with the ethical standards and requirements outlined in Mycronic Supplier Code of Conduct.

Company name:

Business ID number (if any):

Place:

Date:

Title:

Texted name:

Signature