

## **Mycronic Group Supplier Code of Conduct**

### **Introduction**

The purpose of this Supplier Code of Conduct ("SCoC") is to outline 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 protection of human rights, promoting fair employment conditions, ensuring safe working conditions, ensuring ethical business practices and responsible management of environmental issues. This SCoC is based on the Ten Principles of the UN Global Compact.

In addition to the Suppliers compliance with all relevant laws, regulations and standards in the countries in which the Supplier operates, this SCoC applies also when it stipulates a higher standard than required by national laws and regulations. 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

"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"	Includes 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 which are applicable to the Suppliers business operations. The Supplier shall also 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 Documentation or Management System

The Supplier shall have appropriate documentation or a management system in place to ensure 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.

A management system shall be in proportion to the size, complexity and risk environment of the Supplier's business. ISO 9001 certification is not required but seen as positive in a selection process.

## 4 Human Rights

The Supplier is required:

- To respect human rights, including the internationally recognized standards in the Universal Declaration of Human Rights, and not be complicit in human rights violations within its sphere of influence.
- To conduct business in a manner that avoids contributing to indirect adverse human rights impacts, such as violations of the human rights of workers in the value chain or of communities in the areas where the supplier operates.
- To duly map its human rights impacts whenever the need for such action is agreed.
- To have in place adequate remedial mechanisms in case of any human rights violations.

## 5 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.

### 5.1. Fair Employment Conditions

The Supplier is required:

- 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 or alike which is likely to jeopardize their health or safety.
- To fully recognize employees' freedom of association and right to bargain collectively. Representatives for trade unions shall not be subject to any discrimination.
- Not to use any kind of involuntary or forced labor and to prohibit mental and physical threats, slavery and human trafficking.
- Not to harass or discriminate against any employee, including based on 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.
- To treat all employees fairly and respectfully and to provide a workplace free from harassment and abuse. Any form of harassment, corporal punishment, bullying, physical, mental, sexual or verbal abuse or other cruel or abusive disciplinary practices in the workplace are prohibited.
- To support and promote fair employment conditions in its value chain.

### 5.2. Wages and Working Hours

The Supplier is required:

- To pay employees at least the minimum wage and applicable overtime wages defined by national laws or any applicable collective agreements.
- 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.

## 6 Occupational Health and Safety ("OHS")

The Supplier is required:

- To ensure full compliance with applicable OHS laws, regulations and requirements.
- To have an OHS policy and to assign responsibility for OHS within its organization.
- To proactively work to eliminate risks and hazards.
- To have emergency preparedness and response procedures in place.
- To allow for incident reporting, investigate reports and have an established process for corrective measures.
- To ensure that all employees and consultants receive appropriate OHS training and information.
- To have procedures and governance arrangements in place to identify and evaluate significant health and safety risks.
- To record and investigate all health and safety incidents in order to, amongst other things, prevent recurrence.
- To measure and monitor its OHS performance and OHS hazards with the help of workplace inspections and audits.
- To have safety procedures and training relevant for the use of hazardous or toxic substances in the workplace.
- To provide workers with appropriate personal protective equipment.
- To prohibit the illegal use or possession of alcohol, drugs and other controlled substances.
- ISO 45001 is not required but seen as positive in a selection process.

## 7 Environment

The Supplier is required:

- To fulfill all environmental requirements defined in relevant laws, regulations and environmental permits.
- To have a policy that includes environmental regulations and to assign responsibility for environmental issues within its organization.
- 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.
- 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.
- 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.

- To work actively to reduce its environmental impact, in particular its use of energy, water and resource consumption.
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- To provide Mycronic, upon request, with information regarding the Supplier's use of packaging material, means of transportation and production sites.
- To handle environmental violations and complaints systematically and communicate them to employees and external stakeholders, including Mycronic if affected.
- 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.
- 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.
- To work actively towards sound manufacturing practices, ISO 14001 certification is not required but seen as positive in a selection process.

## 8 Responsible Business

Mycronic has a zero-tolerance policy for any form of corruption and financial irregularity, for example bribery, facilitation payments, fraud, money laundering, extortion or embezzlement and requires 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:

- To conduct business in full compliance with all applicable antitrust and fair competition laws.
- 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.
- To act in compliance with applicable procurement laws, regulations and particular procurement contracts when entering into business relations with governmental agencies and their officials.
- 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.
- 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.

- 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.
- To ensure that no confidential information in the Supplier's possession regarding Mycronic is used to either engage in or support insider trading.
- To ensure that Mycronic's Representatives shall pay for their own travel and accommodation costs when visiting the Supplier, conferences, reference plants etc.
- To ensure 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.
- 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.
- 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,.
- 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.
- 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.
- 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 8.
- The Supplier shall have systems in place to enable the reporting of Code of Conduct issues and related grievances (e.g. a whistle-blowing system).
- To 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.

## 9 Customs and Trade Restrictions

The Supplier is required 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.

The Supplier is required 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).

## 10 Data Privacy, Cybersecurity and IT

The Supplier is required to adequately and lawfully handle sensitive information, including confidential proprietary and personal information. The Supplier is also required to ensure that such information will not be used for any other purpose than for which it was provided. 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.

The Supplier is required:

- To not use public computers with/or public networks in connection with assignments from Mycronic.
- To ensure that the IT equipment used to perform assignments from Mycronic is equipped with updated anti-virus protection and protection against breaches of the IT systems, such as a firewall or equivalent.
- To ensure that devices used for Mycronic assignments are password protected and that all employees has individual accounts with password protection. Passwords must be changed at least once every 6 months and follow best practice regarding password strength e.g., more than eight characters etc.
- To keep up to date on security related happenings.
- To apply healthy suspicion with regard to the reliability of websites and email messages. Email messages from an unknown origin or sender should not be opened, links shall not be clicked on and attachments shall not be opened. Caution shall be applied in respect to pop-up windows, advertisements, and invitations.
- To ensure good industry practices regarding cyber security has been followed for all delivered products containing any software or firmware. ISO/IEC 27001 or IEC 62443 certification is not required but seen as positive in a selection process.



## 10.1 Security reporting

The Supplier is required to report to Mycronic IT ([corporateit@mycronic.com](mailto:corporateit@mycronic.com)) if the Supplier suspects that there may have been a security breach or system abuse in the Suppliers IT environment.

If in doubt about the security level of your devices, please contact Mycronic prior to any data processing.

## 11 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 cannot be shared with any third party unless expressly permitted by Mycronic.

## 12 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.

## 13 General Requirements

The Supplier is required 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>.

The Supplier is required 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.

The Supplier is required 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.

The Supplier is required 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.

## 14 Responsible Sourcing

The Supplier shall exercise due diligence to identify, prevent, mitigate and address risks related to violations of human and labor rights, environmental impact and business ethics, throughout its supply chain.

Due diligence shall be conducted in line with relevant parts of the OECD Due Diligence Guidance or equivalent frameworks and shall be appropriate to the size, the nature and context of operations and the severity of the risks. Specific consideration shall be taken to ensure responsible sourcing and extraction of raw materials, including conflict minerals (tin, tantalum, tungsten, and gold) and other critical raw materials with social or environmental risks.

The supplier shall make due diligence measures available to Mycronic upon Mycronic's request.

## 15 Guidance

Notwithstanding Mycronic's right to terminate the agreement subject to section 16, in the event Mycronic finds that the Supplier is not meeting the requirements and expectations set out in this SCoC, Mycronic may offer guidance specifying which issues need to be corrected or improved. The Supplier must then take corrective actions promptly as advised by Mycronic.

## 16 Enforcement

A breach of this SCoC that is not possible to rectify or, if possible to rectify, is not rectified within thirty (30) days from notification will be considered a material breach of the main contract between Mycronic and the Supplier.

If Mycronic has the right to terminate the Agreement, such termination will also apply to all outstanding orders unless otherwise notified by Mycronic. This notwithstanding, a breach which causes Mycronic significant economic or reputational loss and which Mycronic cannot reasonably be expected to tolerate will always constitute a material breach without a right for the Supplier to rectify such breach.

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

Company name:

Business ID number (if any):

Place:

Date:

Title:

Texted name:

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Signature