

Saferoad Supplier Code of Conduct

At Saferoad we promote corporate responsibility and sustainability also from our suppliers. We cooperate closely with our suppliers and business partners in pursuit of this aim. Accordingly, we have prepared this Supplier Code of Conduct to define what we demand of our suppliers and business partners. When selecting new suppliers, emphasis will be given to social, corporate governance and environmental standards. This Supplier Code of Conduct covers human rights, workers' rights, children's' rights, the environment, corruption, conflict of interest and trade sanctions.

Suppliers to Saferoad are to supply goods and services that are produced in compliance with applicable laws, regulations and this Supplier Code of Conduct. Moreover, the suppliers are to communicate the Supplier Code of Conduct to their subcontractors, and to monitor compliance.

A supplier must be able to document compliance with the Supplier Code of Conduct at Saferoad's request. Such documentation may take the form of self-declaration, follow-up meetings, due diligence by external service provider and/or inspections of the working conditions at production sites in the sole discretion of Saferoad, and in cooperation with the supplier. The supplier will be obliged to name and provide contact information for any sub-supplier that Saferoad wishes to inspect.

In the event of a breach of the Supplier Code of Conduct, Saferoad and the supplier will jointly prepare a plan for remedying the breach. Remediation must take place within a reasonable period of time. The supply contract may be terminated without prejudice if the supplier remains unwilling to remedy the breach, or in the event of a material breach of this Supplier Code of Conduct.

1. No forced or compulsory labour

Ref. to *ILO Conventions Nos. 29 and 105*

- 1.1. There shall be no forced, bonded, or involuntary prison labour.
- 1.2. Workers are not to be required to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice.

2. Freedom of association and the right to collective bargaining

Ref. to *ILO Conventions Nos. 87, 98, 135 and 154*

- 2.1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer cannot interfere with, obstruct, the formation of unions or collective bargaining.
- 2.2. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3. Workers' representatives shall not be discriminated and shall have access to carry out
- 2.4. their representative functions in the workplace.
- 2.5. Where the right to freedom of association and/or collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of alternative forms of independent and free workers association and bargaining.

3. No use of child labour

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

- 3.1. If work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals, the minimum age for workers shall be the higher of 18 and
- 3.2. the national minimum age for employment, or
- 3.3. the age of completion of compulsory education.
- 3.4. The types of employment or work to which the aforementioned requirement applies shall be determined by national laws or regulations or by the competent authority. The employer should review the requirements of the national legislation and consult with experts to determine the type of employment and the corresponding minimum working age.
- 3.5. In case if national legislation, standards, or requirements do not consider the work performed as likely to jeopardize the health, safety or morals, the minimum age for workers could be the higher of 16 on condition that the health, safety, and morals of the young persons concerned are fully protected and that the young persons have received adequate specific instruction or vocational training in the relevant branch of activity.
- 3.6. There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.7. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.
- 3.8. Policies and procedures for remediation of child labour prohibited by ILO conventions no. 79, 138 and 182, shall be established, documented, and communicated to personnel and other interested parties. Adequate support shall be provided to enable such children to attend and complete compulsory education.

4. No discrimination

Ref. to *ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women*

- 4.1. There is no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on ethnic background, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- 4.2. Measures shall be established to protect workers 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.

5. No harsh or inhumane treatment

- 5.1. Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation are prohibited

6. Health and safety

Ref. to *ILO Convention No. 155 and ILO Recommendation No. 164*

- 6.1. The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 6.2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.
- 6.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 6.4. Accommodation, where provided, shall be clean, safe, and adequately ventilated, and shall have access to clean toilet facilities and potable water.

- 6.5. The company observing this Supplier Code of Conduct shall assign responsibility for health and safety to a senior management representative.

7. Wages

Ref. to *ILO Convention No. 131*

- 7.1. Wages and benefits paid for a standard working week shall as minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some discretionary income.
- 7.2. Prior employment, all workers shall be provided with a written, comprehensible, and understandable contract outlining their wage conditions, including the amount of taxes paid in case of if fixed taxation applies, as well as method of payments and pay period concerned each time that they are paid.
- 7.3. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned.

8. Working hours

Ref. to *ILO Convention No. 1 and 14*

- 8.1. Working hours shall comply with national laws, collective agreements, benchmark industry standards, and not more than prevailing international standards. Working hours should not on a regular basis be more than 48 hours per week.
- 8.2. Workers shall be provided with at least one day off for every 7-day period.
- 8.3. Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.
- 8.4. Workers shall always receive overtime pay for all hours worked over and above the normal working hours, minimum in accordance with relevant legislation. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 8.5. Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where all the following are met:
- this is allowed by national law;
 - this is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety; and
 - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents, or emergencies.

9. Regular employment

- 9.1. Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided using short-term contracting (such as contract labour, casual labour, home working or day labour), subcontractors or other labour relationships.
- 9.2. All workers are entitled to a contract of employment in a language they understand.
- 9.3. The duration and content of apprenticeship programs shall be clearly defined prior the assignment and beginning of the apprenticeship period.

10. Marginalized populations

- 10.1. Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

11. Environment

Ref. to UNDP Social and Environmental Standards (2014)

- 11.1. Measures to minimize adverse impacts on human health and the environment shall be taken throughout the value chain. This includes minimizing pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimizing greenhouse gas emissions in production and transport. The local environment at the production site shall not be exploited or degraded.
- 11.2. Supplier should conduct annual environmental risk assessments any place its facilities are present to exclude unaccounted risks of environmental pollution and degradation. Based on risk assessments, Board of Directors, supervisory board, or other applicable corporate body of Supplier should take measures to minimize risks where possible.
- 11.3. National and international environmental legislation and regulations shall be respected, and relevant discharge permits obtained.
- 11.4. The supplier is expected to continuously improve its environmental performance in the value chain by means of operational control and monitoring and by focus on awareness and training. Supplier shall seek continual improvement of environmental performance on the basis of sound science and technical and economic feasibility.

12. Corruption

- 12.1. The highest standard of integrity is expected in all business interactions, and the supplier must comply with all applicable laws and regulations on bribery and corruption.
- 12.2. Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers, or employees of any such party or government officials.
- 12.3. The supplier shall refrain from offering gifts and entertainment to Saferoad's purchasers, agents, other employees, or other persons acting on behalf of Saferoad in an attempt to influence business decisions.

13. Conflict of interests

- 13.1. In our suppliers' business dealings with us, we expect our suppliers to take decisions based on objective criteria only. Any factors that influence the suppliers' decisions due to private, business or other conflicts of interest must be prevented from the start. The same applies to relatives and other related parties.
- 13.2. Board members, employees and other persons acting on behalf of Supplier must behave impartially in all business dealings and not give other individuals, companies, or organisations improper advantages.

14. No money laundering

- 14.1. At Saferoad we expect our suppliers to comply with all applicable statute governing the prevention of money laundering, and not to participate in any money laundering activities.
- 14.2. Board members, employees and other persons acting on behalf of Supplier shall only conduct business with partners involved in legitimate business activities with funds derived from legitimate sources.
- 14.3. Our suppliers shall take reasonable steps to prevent and detect any illegal form of payments, and prevent Saferoad's Owner, Saferoad or any of its subsidiaries from financial transactions used by others to launder money.

15. Compliance with national and international sanctions

- 15.1 At Saferoad we expect our suppliers to comply with all applicable, national, and international sanctions. We expect to be immediately informed if our suppliers are subject to any national and international sanctions or breach any national or international sanctions laws.

16. Third parties

- 16.1 At Saferoad we expect our suppliers to adopt a risk-based approach by conducting integrity due diligence reviews of third parties.