



Bilia Group Supplier Code of Conduct

Issued: 2022-09-09

Responsible: CEO, Bilia AB

Bilia AB Area of use: Internal

Here at Bilia, sustainability means good corporate citizenship that leads to the creation of long-term solutions. To succeed in this, we have to bring our suppliers and business partners along on our sustainability journey. Suppliers and business partners are a key factor in guaranteeing good corporate citizenship at Bilia, from raw material to finished product.

For that reason, we look to work with suppliers who, alongside Bilia, take active responsibility for people and the environment within their own operation and throughout the supply chain. Bilia's Code of Conduct (hereafter 'the Code') is based on the ten principles of the UN Global Compact and its underlying conventions, declarations and guidelines.

The Code sets out the minimum requirements that our suppliers are expected to adhere to in terms of human rights, workers' rights, the environment and business ethics.

1. Obligations

All Bilia's suppliers, subcontractors¹ and corporate partners, hereafter referred to as 'suppliers', who provide Bilia with products and/or services, bear a responsibility to comply with the Code. The purpose of the Code is to protect people and the environment in the supplier's and any subcontractors' operations, which we do by systematically monitoring compliance with:

Human rights, including protection for particularly vulnerable groups, responsible extraction of high-risk minerals, and observance of workers' rights

Frameworks and principles that aim to reduce environmental and climate impact, and safeguard responsible use of chemicals

Business ethics legislation, guidelines and norms regarding anti-corruption, conflicts of interest, taxes, fair competition and sound business practices, intellectual property rights and information security, protection of personal data, as well as export controls and economic sanctions.

2. Regulatory compliance

Suppliers and subcontractors in Bilia's supply chains must hold all relevant commercial permits and ensure compliance with national legislation in the countries where they operate, as well as observe applicable international legislation with a broad territorial scope. In case of discrepancy between the requirements set out in the Code and national or international legislation, the requirements that provide the highest level of protection for workers shall take precedence.

3. Due diligence

The supplier has a responsibility to ensure compliance with the Code in its own operation and supply chains. To do this, the supplier must have a due diligence process in accordance with the UN Guiding Principles on Business and Human Rights and/or the OECD Guidelines for Multinational Enterprises. This process is expected to enable the supplier to regularly identify, prevent, mitigate and address actual and potential adverse impacts on people and the environment within its own operation and throughout the supply chain. The supplier must, as an element of this process, advise subcontractors in writing of the require-

ments in points 1-4 of the Code, or equivalent, and ensure that subcontractors in turn promote awareness of the requirements throughout the supply chain.

4. Complaint mechanisms

The supplier must establish or participate in effective complaint mechanisms at operational level for individuals and groups that may have been negatively impacted. It must be possible for complaints to be made anonymously without risk of reprisal or harassment.

5. Human rights, including workers' rights

5.1. HUMAN RIGHTS

The supplier must respect all internationally recognised human rights expressed in the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Convention on the Rights of the Child.

5.2. PROTECTION OF PARTICULARLY VULNERABLE GROUPS AND HUMAN RIGHTS DEFENDERS

Suppliers must pay special attention to particularly vulnerable groups, including indigenous peoples, women, persons belonging to national or ethnic, religious or linguistic minorities, children, persons with a disability, and migrant workers and their families. The supplier must also uphold the right of human rights defenders to promote and protect human rights and fundamental freedoms, at both national and international level, where such an activity is linked to operations in the supplier's supply chain.

5.3. HIGH-RISK MINERALS

Conflict minerals, such as tin, tantalum, tungsten, gold and other high-risk minerals, such as cobalt and mica, are minerals that can contribute directly or indirectly to serious human rights abuses occasioned by, among other things, the funding of armed conflict, child labour, a hazardous work environment, poor working conditions and serious environmental harm. Goods supplied to Bilia must be produced in accordance with the requirements in applicable laws and regulations on conflict minerals, e.g. the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

¹ The term 'subcontractors' refers to suppliers throughout the supply chain, irrespective of the number of middlemen.

5.4. WORKERS' RIGHTS

5.4.1 Ban on forced labour in ILO conventions 29 and 105, and the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families

The supplier or its subcontractors must not participate in, or by means of business partners be party to, any form of slave labour, forced labour, bonded labour, human trafficking or involuntary labour, including state-sanctioned forced labour. Workers must not be obliged to hand over a deposit or identity documents to the employer or other party and must be able to terminate their employment without delay.

5.4.2 Ban on child labour and protection for young workers in ILO conventions 79, 90, 138 and 182, and the UN Convention on the Rights of the Child

Child labour refers to all economic activity performed by a person of compulsory school-age or younger. No worker must be less than 15 years of age (or 14 years of age if national laws permit this), or younger than the minimum age of employment, if this age exceeds 15 years. Children under the age of 18 years must not, under any circumstances, perform work that is harmful or detrimental to their health, safety or mental and social development, or that prevents the child's attendance at school.

Young people between the ages of 15 and 18 years must not engage in hazardous work. Work is only permitted if they have completed national compulsory schooling or the work allows for the completion of compulsory schooling in parallel. Young persons must not work during the night, in accordance with ILO conventions 79 and 90.

If the supplier identifies the use of child labour, the supplier must act in the child's best interests and find suitable solutions in consultation with the child and the child's family.

5.4.3 Ban on discrimination, violence and harassment in ILO conventions 100, 111 and 190, as well as all the conventions on particularly vulnerable groups (see point 5.2)

Discrimination as regards employment, remuneration, training, promotion, termination, retirement or other factors based on ethnicity, cast, religion, age, disability, sex, civil status, sexual orientation, union work or political affiliations is prohibited. Physical abuse, sexual and other harassment, punishments or threats thereof, and other forms of humiliation are prohibited. There must be protection against threatening, abusive or exploitative behaviour, and against discrimination or termination on unfair grounds.

5.4.4 Freedom of association and collective bargaining in ILO conventions 87, 98, 135 and 154

Workers must, without exception, have the right to form or join trade unions, engage in collective bargaining, as well as have the right to refrain from such activities. The employer may not interfere with, prevent or oppose trade unions or collective

bargaining. Trade union representatives must not be discriminated against or prevented from carrying out trade union work.

If the right to freedom of association and/or collective bargaining is restricted by law, the employer must facilitate and not prevent alternative mechanisms for free and independent organisation and bargaining.

5.4.5 Health and safety in ILO conventions 155 and 170

Efforts must be made to guarantee all workers a safe and healthy work environment, taking into account, as a minimum, chemical, physical, biological, organisational, social and ergonomic factors. Necessary measures must be taken to prevent and minimise accidents and injuries as a result of, or related to, workplace conditions. The employer must provide relevant and appropriate protective equipment, free of charge, and ensure that health and safety information is easily accessible in the workplace. Suppliers must also maintain an up-to-date and efficient system for measures in the event of accidents or illness and evacuation in the event of a fire or other emergencies.

The supplier must, in dialogue with workers, ensure that systematic work environment management is conducted in a manner that identifies, assesses and prevents risks. Workers must receive regular and documented health and safety training.

Workers must have access to clean and hygienic sanitary facilities, as well as clean drinking water. If possible, the employer must also provide facilities for safe storage of food. If the employer offers accommodation, this must be clean, safe and adequately ventilated, with access to clean sanitary facilities and clean drinking water.

5.4.6 Wages and benefits in ILO conventions 95 and 102

Workers' wages must be in line with national minimum wages or industry standards, whichever is the higher. As far as possible wages must be sufficient to cover basic needs, including some savings.

Wage conditions and conditions for payment of wages must be agreed in writing by the time employment commences. The use of wage deductions as a disciplinary measure is prohibited.

Workers must receive statutory benefits, such as, for example, health and accident insurance and a pension.

5.4.7 Working hours in ILO conventions 1, 30 and 106

Working hours must be in line with national legislation or industry standards and not exceed working hours laid down in current international conventions. Normal working hours per week must not generally exceed 48 hours. Workers must have at least one day off in each period of 7 days, as well as annual leave, parental leave and leave in accordance with applicable legislation and local traditions.

Overtime work must be limited and voluntary and only used in the event of special circumstances. The recommended maximum overtime limit is 12 hours per week, i.e. total working hours of 60 hours per week. Workers must always receive overtime pay for work performed outside normal working hours, at least in accordance with current legislation.

Exemptions from the above may only be permitted following agreement with trade union representatives or other workers' representatives.

5.4.8 Stable employment relationships in ILO conventions 122, 158 and 175

Obligations to workers, in accordance with international conventions, national laws and regulations on stable employment, must not be circumvented through improper use of short-term employment (for example, contract workers, day labourers), subcontractors or other employment relationships (for example, apprenticeship programmes).

All employees must receive a signed employment contract before employment commences. The worker must be able to understand the contract. The employment contract must, as a minimum, include the name of the employer, the name and personal ID number/date of birth of the employee, position, wage or salary, working hours, overtime pay, benefits and period of notice.

6. Environment

The precautionary principle

Suppliers must apply the precautionary principle regarding environmental and climate challenges, and operations must be conducted in a manner that ensures the least possible impact on the environment and people's health.

Environmental and climate impact

Suppliers' climate efforts must set out to achieve the 1.5°C target in the Paris Agreement. This includes, depending on the circumstances of the business, reducing emissions from own operations and in the supply chain.

Suppliers must strive for circular, efficient and sustainable use of resources, including water and energy, and as far as possible choose renewable sources of energy and minimise waste. Emissions and discharges to air, ground and water must be minimised.

Suppliers must set targets, follow up on and continuously improve the operation's environmental and climate impact, as well as implement preventive measures as soon as there is reason to believe that an activity has the potential to cause environmental harm or ill health in people. Efficient technology that aims to reduce environmental impact must be introduced.

Chemicals

Hazardous chemical substances must be eliminated where possible, or be kept to an absolute minimum. When hazardous chemical substances are used, suppliers must guarantee safe handling, storage and disposal of the substances. Up-to-date safety data sheets (SDS) must be available in a national language for all chemical substances and chemicals used in the manufacture of products. To ensure the safety of employees and the environment, information about risks and how chemicals are to be handled safely must be available in a language that workers understand.

All chemical products and goods supplied to Bilia must comply with EU legislation.

If a product contains > 0.1% (weight by weight) of a substance on the European Chemical Agency's (ECHA) Candidate List, the supplier has a duty to inform Bilia of this, as per Article 33 of REACH.

Please note the judgement of the Court of Justice of the European Union of 10 September 2015 in case [C-106/14](#) on the clarification of 'once a product, always a product', i.e. individual components that form a complex object are also a product. The concentration of SVHC is calculated for each individual component and not for the complete complex object.

<https://echa.europa.eu/sv/candidate-list-table>

7. Business ethics

Anti-corruption in the UN Convention against Corruption

Suppliers must not engage in any form of corruption, extortion or embezzlement, or bribery, including but not limited to: promising, offering, giving or accepting inappropriate monetary or other incentives.

Conflicts of interest

Business decisions must not be motivated or influenced by personal relationships or interests. The supplier may not enter into a financial or other agreement with a party where a conflict of interest may be suspected.

Taxes

The supplier must comply with current legislation and principles for tax treatment and payment of tax, and be able to describe the principles that govern this. Bilia opposes all forms of aggressive tax planning.

Fair competition and sound business practices

Suppliers must comply with all competition and antitrust legislation. This includes agreeing not to begin planning or enter into agreements with competitors on fixed pricing, market sharing, bid rigging or other similar activities.

Intellectual property rights and information security

Suppliers must respect intellectual property rights and protect confidential information by safeguarding it from misuse, falsification, theft, fraud or improper disclosure.

Protection of personal data

Suppliers must comply with all applicable laws and principles on protection of personal data and only use personal data when necessary for legitimate commercial purposes.

Export controls and economic sanctions

Suppliers must comply with all sanctions and laws and regulations on export controls applicable to operations conducted by Bilia, customers of Bilia, or the supplier and its subcontractors.

8. Enforcement of the Code

Suppliers must, at Bilia's request, report in writing on how compliance with the Code is enforced. The supplier must use self-reporting to explain how compliance with the requirements in the Code is ensured and provide evidence of this in the form of relevant certificates, documents and data.

Bilia is also entitled to initiate a review, with visits to suppliers and/or subcontractors, to examine real-world compliance with the Code. The supplier must, on request, allow Bilia or an agent of Bilia to audit the supplier's operation. The supplier is also expected to allow Bilia or an agent of Bilia to audit the operations of any subcontractors engaged by the supplier. The supplier and any subcontractors must, in connection with audits, provide the information requested by Bilia. Suppliers must also, depending on resources and conditions and in partnership with Bilia, work to enable audits more widely in the supply chain.

Bilia endeavours to have open and honest dialogue and wants to contribute to continuous improvements as a way of achieving sustainable development. If deviations are identified, Bilia would first like to see suitable measures taken to prevent, limit, address

and/or restore a negative impact. Suppliers must also provide for or cooperate in the remediation of human rights abuses through legitimate processes², and pay the social, environmental and financial costs that arise if their operation causes environmental harm.

If the supplier fails to take action or rectify identified deviations within an agreed timeframe, exhibits shortcomings regarding transparency, appears unwilling to cooperate, or repeatedly breaches the Code, Bilia may terminate the partnership.

9. Reporting violations

Violations of the Code may be reported anonymously to Bilia's whistleblowing service, which is managed by 2Secure.

To submit a report, use one of the following channels. Use company code ndl302.

Internet: wb.2secure.se

Post: 2Secure, Box 34037, SE-100 26 Stockholm, Sweden

Telephone: +46 771-77 99 77

If the supplier has reasonable cause to assume that there is or has been a zero-tolerance deviation in its operation or the supply chain, the supplier must, within a reasonable period, report the circumstances of the matter, as well as implemented and planned measures to ensure compliance with the Code.

The term 'zero-tolerance deviations' refers to forced labour, child labour, work environment risks that pose a danger to life, serious environmental harm and widespread corruption.

10. About the Code

Date: 2022-09-09

This Supplier Code of Conduct was adopted by Bilia's senior management on 2022-09-09. This document will be reviewed every other year or as required.

Published by:

Bilia AB
Norra Långebergsgatan 3
SE- 421 32, Västra Frölunda

We, the undersigned, hereby confirm that we understand and undertake to comply with the Bilia Group Supplier Code of Conduct in all its parts.

NAME OF COMPANY

SIGNATURE

NAME AND TITLE

DATE

² The role assigned to the supplier in the remedial process is set out in Guiding Principle 22 of the UN Guiding Principles on Business and Human Rights.