

## Arxada's Supplier Code of Conduct

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Arxada's activities have broad global reach across a wide range of industries. Arxada promotes innovation and strives for economic, social, and environmental sustainability in order to ensure the long term success of our company and its stakeholders. Arxada is committed to compliance with the law, sustainability and applying the highest ethical standards to its business activities. In support of this goal, Arxada expects strict adherence to our principles for labor, environment, health and safety as outlined in this Supplier Code of Conduct.

Arxada follows the Principles of the United Nations Global Compact as well as the International Labour Organization (ILO) Forced Labor Standards, the Foreign Corrupt Practices Act, the UK Bribery Act, and all anti-bribery and anti-trust laws of other countries.

Arxada is dedicated to conducting its business in light of these principles.

In this document Arxada has set forth principles that reflect its commitment to integrity and compliance within its supply chain and are instrumental for dealings with suppliers and specifies applicable standards. Arxada expects its suppliers to strictly observe and comply with all the principles expressed herein, in all of their activities and sites worldwide and to ensure that these standards are met within their supply chains.

### 1. Principles

a. All dealings by Arxada with its business partners are executed on the basis of competitive prices, highest suitability and required quality. Suppliers

with certifications such as ISO 14000 or similar and with a comparable sustainability commitment to Arxada shall be preferred.

- b. Arxada requires that its suppliers' business behavior must be in compliance with all applicable international, national and local laws and contractual terms, as well as with generally accepted standards in relation to forced labor, child labor, safety, and anti-bribery. Arxada requires its suppliers to act in a socially responsible and ethical manner.
- c. The principles of this Supplier Code of Conduct shall also apply to third parties (subcontractors) if suppliers have outsourced parts of their contractual obligations.

### 2. Ethics

Suppliers will conduct their business in an ethical manner and act with integrity:

#### a. Fair Competition

Suppliers will be committed to working against corruption, including extortion and bribery. Suppliers shall conduct their business using fair business practices, consistent with fair competition and in compliance with all applicable laws, rules, and regulations.

#### b. Anti-Corruption and Anti-Bribery

Suppliers shall not give or offer anything of value, directly or indirectly, to any government official or any commercial party for the purpose of im- properly obtaining or retaining a business ad- vantage. "Anything of value" includes cash, gifts to family members, forgiveness of a debt, loans, personal favors, entertainment, meals and travel, political and charitable contributions, business opportunities and medical care, among

other items. Similarly, suppliers shall not solicit or accept such payments. Suppliers must at all times conduct their activities in full compliance with all applicable anti-corruption laws, including the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

**c. Trade Sanctions**

Suppliers shall comply with all applicable trade sanctions laws, including the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctions regulations, the U.S. Export Administration Regulations (EAR), the UK Export Control Act of 2002, the State Secretariat for Economic Affairs (SECO) laws and regulations, and the E.U. sanctions regulations. Suppliers shall not engage in any business or dealings with embargoed countries, blocked persons, or individuals or entities listed as a sanctions target by applicable legislation; or facilitate transactions with third parties that involve embargoed countries, blocked persons, or individuals or entities listed as a sanctions target by applicable legislation.

**d. Business Integrity**

Suppliers shall refrain from proposing to any Arxada employees any sum of money, gifts, loans or valuable objects, with the exception of pre-sents or promotional gifts of an insignificant monetary value, which are in accordance with local customs and all applicable laws, rules, and regulations.

**e. Conflicts of Interest**

Suppliers shall avoid all conflicts of interest or circumstances which give the appearance of a conflict of interest. Conflict of interest typically occurs when personal interests interfere with suppliers' ability to perform their work without bias. Suppliers shall notify Arxada immediately of any actual or perceived conflicts of interest.

**f. Identification of Concerns**

Suppliers shall encourage their workers to report concerns or illegal activities within their workplace without threat of reprisal, intimidation or harassment. Suppliers shall investigate and take corrective action where needed. All reported

cases will be officially recorded by suppliers.

**g. Privacy**

Suppliers shall secure and use properly any confidential information made available by Arxada in order to ensure that the privacy rights of the company, its employees, and its customers are protected.

## **3. Labor**

**a. Forced Labor and Human Trafficking**

Suppliers shall not use or benefit from any form of human trafficking or forced or involuntary labor or labor that otherwise violates the ILO Standards on Forced Labor, whether bonded, indentured or involuntary prison. This includes the recruitment, transportation or harboring of any persons by means of violence, coercion, deception, abduction or fraud.

**b. Child Labor and Young Workers**

Suppliers shall not use child labor below the age of 16 or the applicable minimum legal age, whichever is higher. The employment of young workers (workers above the minimum legal age of employment but under the age of 18) shall occur only in nonhazardous work and when young workers are above a country's legal age for employment.

**c. Fair Treatment**

Inhumane treatment and/or physical punishment, of workers are prohibited.

**d. Nondiscrimination**

Any discrimination in hiring, training, promotion, compensation, etc. based on race, color, gender, age, sexual orientation, religion, political affiliation, union membership, marital status or any additional illegally discriminatory characteristic is not acceptable.

**e. Wages and fringe benefits**

Work hours, minimum wages and overtime hours paid to employees as well as the fringe benefits must be in compliance with the applicable regulations. Suppliers must notify their employees of the method used to  
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calculate wages. Wages should be paid at regular intervals and with reasonable frequency in cash, by check or bank transfer, except in specific cases provided for by national regulations. Deductions from wages for disciplinary reasons are prohibited or as part of debt bondage.

**f. Freedom of Association**

Suppliers should encourage their employees to communicate freely with their superiors concerning working conditions, compensation, etc., without fear of reprisals, intimidation, or harassment. Employees should be free to join any trade union of their choice, to seek representation, and join workers' councils.

## 4. Health and Safety

Suppliers must provide a safe and healthy working environment, including any company-provided living quarters. Suppliers should have a health & safety organization to define, implement, and follow up on policies and management systems that include compliance with local and national regulations. The health and safety elements should include:

**a. Workers' Health and Protection**

The suppliers shall protect workers from exposure to chemical, biological and physical hazards in the workplace as well as from risks associated with any infrastructure used by their employees.

**b. Maintenance, Emergency Preparedness and Response**

Suppliers shall have programs in place to operate and maintain all operations in the safest manner possible. Suppliers shall identify and assess possible emergency situations in the workplace and minimize their impact by implementing emergency response plans and procedures.

**c. Process Safety and Quality**

In particular, the suppliers shall have programs in place to prevent or mitigate catastrophic release of chemicals and ensure compliance with Arxada's quality requirements as updated from time to time.

**d. Hazard Information and Training**

Safety information shall be available to educate, train, and protect workers from hazards. This includes safety information about hazardous substances used: chemicals, pharmaceuticals, intermediate products, etc.

## 5. Environment

a. Suppliers should ensure that their activities have a minimal impact to the environment. Suppliers must operate as environmentally responsibly and efficiently as possible. Suppliers are encouraged to use their best efforts to reduce or eliminate emissions generated by their activities, to preserve natural resources, to avoid or minimize the use of hazardous substances, and when possible to promote waste recycling or reuse. Additionally and where applicable, suppliers shall have deforestation prevention policies and requirements as well as agro-forestry requirements where it has been determined to be beneficial to the agricultural ecosystem.

**b. Environmental Authorizations**

Suppliers shall ensure compliance with all applicable regulations and recommendations relating to environmental protection in force within the countries where they carry out activities. All required environmental permits, licenses, registrations, etc., shall be obtained and their operational/reporting requirements followed.

**c. Waste and Emissions**

Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, management of waste, air emissions, and wastewater discharge. Any waste, wastewater or emissions shall be measured, tested, controlled, and (if required) treated prior to release into the environment. Waste should be reused or recycled where possible.

#### **d. Spills and Releases**

Suppliers need to have systems in place to prevent and mitigate accidental spills and releases into the environment. Emergency procedures and personnel should be in place to treat any accidental event presenting an environmental risk.

### **6. Internal Measuring Procedures**

Suppliers should possess internal measuring procedures, tools, and indicators required to guarantee adherence to the principles mentioned in this policy. On occasion, Arxada may request the results of such internal reviews, request its suppliers undertake a review and provide such results to Arxada, or for any other information necessary to support Arxada's compliance with applicable laws.

Arxada also expects its suppliers to provide these guidelines or similar guidelines to their suppliers, including the internal measuring procedures, as well as include contractual requirements to follow such guidelines in their contracts with their suppliers.

### **7. Information**

False information must not be given to Arxada,

including without limitation during Arxada supplier screening and assessment and commercial negotiation.

### **8. Report to Arxada**

Suppliers shall make all reasonable efforts to report any violations of ethics and compliance by Arxada employees and by other suppliers to Arxada.

Suppliers can report any potential ethical violations by sending an e-mail to [Arxada.Compliance@arxada.com](mailto:Arxada.Compliance@arxada.com) or by using our ethics reporting system that is located at [www.convercent.com/report](http://www.convercent.com/report).

### **9. Termination of Agreement**

In the event that Arxada becomes aware of any actions or conditions not in compliance with this Supplier Code of Conduct, Arxada reserves the right to request corrective actions and the right to terminate any agreement with any Suppliers who do not comply or violate this Supplier Code of Conduct unless our supplier agreement provides otherwise, as well as possible legal action.