



### Letter from our CEO

*“We set high standards of ethics and respect in our relationships with each other and our customers, so it is equally imperative that we apply the same high standards to our suppliers and business partners,”* says Johan Andersson, CEO and President, Addnode Group.

Addnode Group consists of around 20 cutting edge enterprises. The digital solutions we develop in close partnership with our customers help create a more sustainable society. Our solutions are used for sustainable resource-efficient design and product lifecycle management, simulations that benefit the environment and health, and better engagement and dialogue with citizens.

Addnode Group actively contributes to sustainable development for people, the environment, and society. We support the principles of the United Nations Global Compact (UNGC), the UN Sustainable Development Goals and the Paris Agreement.

Our aim is to do this together with our business partners and suppliers. In this Supplier Code of Conduct, we therefore describe what we require and expect in terms of human and labour rights, health and safety for employees, environmental protection including mitigation of climate change and ethical business practices.

If you have any questions about this Supplier Code of Conduct or want to report any known or suspected non-compliance with this Supplier Code of Conduct, legislation or any other policy, contact your Addnode Group representative. Alternatively, report according to our whistle blowing routine, described at <https://www.addnodegroup.com/en/corporate-governance/whistleblower-policy>.

**Johan Andersson**

**CEO and President, Addnode Group**

### Scope and Applicability

This Supplier Code of Conduct applies to all business partners of and suppliers to Addnode Group and its affiliated companies. This Supplier Code of Conduct will apply to and be part of supplier agreements (or similar agreements) entered into by Addnode Group or any of its affiliated companies.

By ‘supplier’, we mean partners and suppliers of products and services, including contractors, consultants, and intermediaries.

By ‘affiliated companies’ we mean any company controlled by or under the same control as Addnode Group.

Products and services delivered to Addnode Group and its affiliated companies must be produced under conditions that are compatible with the:

- UN Universal Declaration of Human Rights.
- ILO's eight core conventions Nos. 29, 87, 98, 100, 105, 111, 138 and 182.
- UN Convention on the Rights of the Child.
- UN Declaration against Corruption.

**The supplier is required to conduct business operations in accordance with this Supplier Code of Conduct, and in full compliance with all applicable laws and regulations and ordinances, as well as applicable collective agreements, in the countries in which the supplier operates.** In the event of differences between requirements in this Supplier Code of Conduct and in legislation, the requirements that offer the greatest protection to the individual and the environment must be satisfied.

The requirements apply to all employees at all positions, i.e. permanently employed staff and seasonal employees, staff employed through intermediaries, migrant workers, temporary employees, students, and all other workers carrying out assignments on behalf of the supplier.

## 1. Human Rights

- 1.1. The supplier must respect and support human rights. Employees must be treated with dignity and respect. Harassment and discrimination must not occur in the business operation. Abusive treatment, threat, or punishment must not occur, whether it be physical, psychological, verbal, or sexual.
- 1.2. The supplier must respect employees' rights to be members of organisations that represent their interests as employees and bargain collectively. The supplier must collaborate with labour union organisations or similar organisation representing employees. In countries where the freedom of association is limited, or under development, representatives chosen by the employees must be able to meet the company management to discuss salaries and terms of employment without negative consequences.
- 1.3. The supplier must ensure that work is voluntary and that no form of forced, bonded (including debt bondage) or indentured labour, involuntary or exploitative prison labour, slavery or trafficking of persons occurs. Employees must not be charged any fee in connection with recruitment. The supplier must not demand payment from employees in return for work. Employees must have the right to terminate their work after giving a reasonable period of notice. The supplier must not demand that employees hand over original personal identity documents or similar. Deductions to wages as a disciplinary measure are not permitted.
- 1.4. Only merit and qualifications are to be considered in relation to recruitment, salary levels, promotion, allocation of work tasks, and skills development. Discrimination on the basis of gender, age, religion, race, health and disability, ethnicity, national origin, nationality, union membership, political affiliation, sexual orientation, or marital status is not accepted.
- 1.5. Work may not be performed by children under 15 years of age. Suppliers located in countries with a high risk of child labour must have a child labour prevention and remediation plan in place that promotes the best interests of the child if child labour is detected.
- 1.6. Children between the ages of 15 and 18 may work on condition that the work does not impact statutory schooling. Young workers must not perform tasks that can be harmful to health, safety, or psychological development. Young workers must not work in night shifts, regardless of the work tasks.

## 2. Labour Rights

- 2.1. Every employee must have a written employment agreement in a language that the employee understands. The agreement must clearly show the terms of employment, such as job description, working time, salary and frequency of payment, overtime payment, and period of notice.
- 2.2. Consecutive short-term contracts to avoid meeting obligations that apply to regular employment (e.g. pension payment, holiday payment) are not accepted.
- 2.3. All working time must be recorded in a truthful and correct way. Normal working time may not exceed 48 hours per week. Overtime work must not exceed 12 hours per week. Overtime must not be requested systematically and regularly.
- 2.4. Employees must have at least one whole day of rest per seven-day period. Employees are entitled to statutory paid holiday and leave, with appropriate remuneration for absences such as sick leave, parental leave, and statutory public holidays.
- 2.5. The supplier must pay their employees at least the statutory minimum wage, a living wage, or a wage according to a collective agreement. The alternative that gives the employee the highest wage level must apply.
- 2.6. Wages must be paid regularly and directly to the employee. Payments must be made at the agreed time and in full, and in the currency of the country in which the business activity takes place. A detailed salary slip must be provided in a language that the employee understands, to verify accurate compensation for work performed.
- 2.7. Employees must receive statutory benefits, such as pension. Employees must be covered by an accident insurance that includes medical care for occupational injuries and compensation in the event of invalidity caused by occupational accidents.

### 3. Health and Safety

- 3.1. The supplier must provide its employees with a safe and healthy work environment. The supplier must regularly carry out and document assessments of work environment risks, and document how it manages these risks. Preventive measures must be taken to minimise injuries and health risks.
- 3.2. The supplier must have focus on constant improvement. Performance must be monitored and measurements implemented to ensure continuous improvement. Employees must regularly undergo training, including training in health risks, fire safety, evacuation plan, and first aid.
- 3.3. The supplier must encourage employees to give feedback on health and safety issues, injuries, and incidents. Any accidents and occupational injuries must be reported to the management and rectified.
- 3.4. All employees must have free access to clean drinking water and hygienic toilets.

### 4. Environmental Protection and Circularity

- 4.1. The supplier must assess the risks and impacts of its activities on the environment, the climate, and local community, in both the production and distribution chains.
- 4.2. The supplier must strive to constantly improve resource efficiency e.g., water and energy use, and minimise waste and chemical use.
- 4.3. Supplier must strive to apply the principles of circular economy i.e., circular inputs (e.g. bio-based or recycled materials and renewable energy), product as a service (selling a function rather than a physical product), resource recovery (expanding recycling) and product use extension (e.g. extending product life time through and expanding re-use).
- 4.4. Supplier must commit to reduce greenhouse gas emissions from own operations (scope 1 and 2).
- 4.5. Suppliers must use as little packaging material as possible, without compromising on quality and safety of products. Packaging material should be made from renewable material and should be easy for Addnode Group to recycle.

### 5. Business Ethics and Integrity

- 5.1. The supplier must exercise a zero-tolerance approach to bribery, corruption, extortion and embezzlement. The supplier must have established procedures in place to prevent corrupt behaviour.
- 5.2. The supplier must not offer or accept any benefits or other means with the aim of gaining undue or improper advantage.
- 5.3. The supplier must win business only through fair and honest competition. The supplier must for example not propose or enter into any agreement with any competitor that harms or reduces competition, such as agreements to fix or control prices, boycott suppliers or customers, divide or allocate customer or territories, or coordinate on the bidding process.
- 5.4. The supplier must avoid conflicts of interest that can affect the supplier's credibility and objectivity with regards to Addnode Group's interests or other external parties' confidence in Addnode Group.
- 5.5. The supplier shall respect the personal integrity of individuals. Personal data may only be collected and used for legitimate purposes, must be protected by adequate organisational and technical security measures, and shall be processed in compliance with the applicable data protection legislation.
- 5.6. The supplier must implement high cybersecurity standards, including regular risk analyses and maintaining high-quality systems and infrastructure, to mitigate cyber threats.
- 5.7. Suppliers that develop Artificial Intelligence, Machine Learning, Autonomous and Intelligent Systems or similar technologies (collectively "AI") must have policies and procedures to safeguard that the technology is reliable and developed in accordance with globally recognized ethics standards that address potential adverse risks or impacts on human rights and ecosystems.

## 6. Confidential information and intellectual property

- 6.1. If the supplier gains access to material, non-public information relating to Addnode Group, its business, its customers or any other business partner, they must not buy or sell securities or engage in any other action to take advantage of that information, including passing that information on to others.
- 6.2. Suppliers and their contractors and employees must at all times maintain confidentiality with regard to trade secrets, know-how, business sensitive information and other confidential information of Addnode Group, that they have access to.
- 6.3. The supplier must respect the intellectual property rights of Addnode Group as well as intellectual property rights of other legal entities and physical persons.
- 6.4. Suppliers must not misuse any Addnode Group trademarks or copyrighted materials.

## 7. Sustainable Supply Chains

- 7.1. The supplier must pass on requirements in this Supplier Code of Conduct to its sub-suppliers or any other party working on its behalf with products or services provided to Addnode Group.
- 7.2. The supplier must implement a management system to assess and document risks in its supply chain (due diligence). The supplier's management team must be made aware of the outcome of the risk assessment on a regular basis.
- 7.3. The supplier must implement systematic, risk-based follow-up procedures to ensure that its sub-suppliers or any other party working on its behalf with the products or services provided for Addnode Group or its affiliated companies comply with all the requirements in this Supplier Code of Conduct.
- 7.4. Suppliers of products that contain gold, tin, tantalum and/or tungsten (the 'conflict minerals') and/or cobalt, must work proactively to ensure that these are responsibly sourced and that human rights are not violated. Suppliers shall have a policy and due diligence procedures in place, consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

## 8. Implementation and Communication

- 8.1. The supplier's management is responsible for implementing and following up the requirements in this Supplier Code of Conduct. I.e., management shall have strategies and management systems to implement the requirements and allocate sufficient resources to ensure compliance and continuous improvement in its implementation. This includes at a minimum:
  - Processes to identify, monitor and ensure conformity with applicable laws, regulations, and customer requirements, including the requirements of this Supplier Code of Conduct.
  - A systematic work environment management.
  - Risk assessment procedures for business partners and suppliers regarding violations of human rights and labour rights, and environmental impact (due diligence).
  - Efficient anti-corruption procedures including internal anti-corruption training.
  - Systems for secure handling of confidential and proprietary information as well as personal data.
  - Internal and external whistle-blower channels as well as procedures for retaliation-free handling of cases.
- 8.2. The supplier must ensure that employees are made aware and understand those requirements in this Supplier Code of Conduct that are relevant to their respective roles and responsibilities.
- 8.3. The supplier must establish, or help to set up, a grievance procedure at the workplace. The aim of such a procedure is to enable open communication between management and employees, and to ensure that employees can have their complaints investigated and remediated. Employees must be protected from any retaliatory measures.
- 8.4. The supplier must ensure that information regarding its business activities, labour practices, health and safety, and environmental protection is accurately recorded. When requested, the supplier must provide information about its sustainability work relating to products and/or services without falsification and misrepresentation, and the information must be provided in a transparent and reliable way.

**9. Compliance**

- 9.1. If the supplier detects deviations from the requirements in this Supplier Code of Conduct in their own business operation or in that of a sub-supplier, this must be communicated to Addnode Group without delay. There will be no retaliation or negative consequences for persons reporting in good faith.
- 9.2. Addnode Group reserves the right to check the supplier’s compliance with the requirements. Follow-up activities may be carried out by Addnode Group employees or via an appointed third party. The follow-up may either be through a self-assessment procedure or via a site audit. In such a follow-up, Addnode Group expects transparency and cooperation. In audits, the supplier must ensure that Addnode Group’s representatives have access to premises and relevant documentation, and that Addnode Group can interview the management and employees.
- 9.3. If deviations are detected, the supplier is expected to investigate the root causes. The supplier must draw up an action plan with corrective measures that must be approved by Addnode Group. The implementation and improvements will be followed up.
- 9.4. Addnode Group believes that a long-term relationship and dialogue is the key to mutual development and success. However, Addnode Group reserves the right to terminate its agreements with suppliers that:
  - Do not rectify deviations within the agreed time period.
  - Show a lack of engagement and/or transparency or present false records.
  - Repeatedly and/or seriously violate the requirements in this Supplier Code of Conduct.

**Acknowledgement supplier/business partner**

I, the undersigned (first name and last name):

\_\_\_\_\_

Acting as (position/function in the company):

\_\_\_\_\_

Representing the company:

\_\_\_\_\_

Registered address of the company:

\_\_\_\_\_

Accept and undertake to comply with this Addnode Group’s Supplier Code of Conduct and commit the Company detailed above to respect all the provisions of this document.

Signature:

\_\_\_\_\_

for and on behalf of the Company.

Date

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