

## Introduction to the Ovako Code of Conduct for Suppliers

Ovako's vision is "Innovative steel for a better engineered future". We are convinced that together with our business partners we can create shared potential for a better and sustainable future for the world by taking into consideration the economic, environmental and social impact of our mutual activities.

Ovako is committed to follow the principles laid down in the ILO Declaration<sup>1</sup>, the Rio Declaration<sup>2</sup>, the Ten Principles of the UN Global Compact 2000 and the Universal Declaration of Human Rights as a basis for human rights, labour rights, the fight against corruption and environmentally destructive activities. We also follow the OECD Guidelines for Multinational Enterprises, in relevant parts. Ovako believe that by following these fundamental principles, and by asking our business partners to do so as well, we can all together help to create a better and more sustainable future.

For Ovako it is vital to have integrity, to be honest and to behave ethically and this is something Ovako's employees live by. It is equally important that our business partners commit to the same level of integrity, honesty and ethical behaviour as our business partners can expect from us.

At Ovako we place great value on constantly improving our performance and our three core values – innovative, responsible and skilled – define the Ovako spirit and inspire our employees at work.

By **innovative** we mean that Ovako contribute to progress and new ways of thinking.

By **responsible** we mean that Ovako take responsibility for our tasks and for each other and act with respect for our society.

By **skilled** we mean that Ovako use knowledge and collaboration to provide and offer our business partners improved sustainable solutions.

Our core values can however not be achieved without the help and cooperation of our business partners.

This Code of Conduct for Suppliers (the “**Code**”) defines the basic requirements placed on Ovako and our business partners concerning each party's responsibilities towards each other, its employees and the environment. Ovako reserves the right to reasonably change the requirements of the Code. In such event Ovako expects our business partners to accept such reasonable changes.

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<sup>1</sup> ILO Declaration on Fundamental Principles of Rights at Work, June 1998

<sup>2</sup> The Rio Declaration on Environment and Development, 1992

## The Code on Legal Requirements, Legal Awareness and Compliance

The common starting point for Ovako and our business partners is ensuring awareness of, and compliance with, relevant legal requirements. Ovako strives to be updated on, and comply with, applicable international regulations and conventions, as well as regional and national legislation and we expect nothing less from our business partners.

Hence together we shall commit

- to follow applicable laws and regulations (including obtaining valid permits) as well as internationally recognised standards and UN declarations, including UN decisions regarding trading boycotts and embargoes, to ensure that we are compliant with relevant legislation regarding human rights, labour rights, working conditions, health and safety, environment, tax and anti-corruption practices and obtain all legally required permits, licenses and registrations; and
- to be aware of and make the other party aware of any domestic regulations or its enforcement which may come in conflict with the internationally recognised standards and declarations above and where practically possible, strive to honour them.

In cases where local laws or regulations provide a stronger protection than the requirements in this Code, or should the Code be in violation with laws or regulations, then we shall comply with such law or regulations and allow such local laws or regulations to prevail.

### Conflict-free origin of minerals

The Parties agree to document the work done to supply material which originates from conflict-free areas. The Parties shall also

- Be conscious of the possible link between the production of raw materials and armed conflict or gross violation of human rights. Supply chains that either directly or indirectly contribute to conflicts are unacceptable and the Parties agree, where possible, to influence the supply chain towards responsible sourcing.
- Follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Compliance with Section 1502 of the Dodd-Frank Act

- It is important that the Parties help each other to comply with the provisions of the SEC<sup>3</sup> Conflict Minerals Rule with respect to the supply chains of products containing tin, tantalum, tungsten or gold as covered by the Dodd-Frank Act. Hence any Party supplying material to Ovako shall conduct a reasonable country of origin inquiry and

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<sup>3</sup> U.S. Securities and Exchange Commission

follow internationally accepted due diligence guidelines to assure that supplies to Ovako qualify as “DRC<sup>4</sup> conflict free” according to the SEC rule.

- Ensure that these minerals are traceable to smelter level at a minimum, and that only conflict-free smelters<sup>5</sup> are used.

## The Code on Ethics

Ovako compete fairly and honestly and, is committed the principals of fair competition. Ovako always compete for business through product quality and price of our services. Therefore, there must be zero tolerance of corruption, including bribery, conflicts of interest, fraud, embezzlement, unlawful kickbacks, extortion and nepotism/cronyism and, we expect our business partners to have an anti-bribery policy in place.

We must comply with competition laws, which prohibit anti-competitive agreements and abuse of market power, and we expect our business partners to have an anti-trust policy in place.

We must respect the protection of whistle blowers.

We shall commit in the way of

### ***Prohibition of corruption and bribery:***

- to tolerate no form of and not to engage in any form of corruption or bribery, including towards the other party’s employees;
- to comply with local laws and international anti-corruption conventions;
- to make no illegal contribution, directly or indirectly, to any third parties or public officials; and
- to provide relevant training regarding the above and where needed, establish local processes and policies to prevent corruption and bribery.

### ***Whistle blower protection:***

to not discriminate or take disciplinary action against employees who make reports in good faith to management or, as appropriate, to the competent local authorities, on practices that contravene the law/regulations etc. (*whistle blowers*).

### ***Competition laws:***

- to be aware of and comply with applicable competition laws and regulations; and

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<sup>4</sup> Democratic Republic of the Congo

<sup>5</sup> As defined by Conflict-Free Sourcing Initiative and Tungsten Industry-Conflict Minerals Council or other established industry schemes.

- to establish systems, policies and provide relevant training to prevent competition law infringements, e.g. price fixing, market sharing or bid rigging.

## The Code on Labour and Human Rights

The parties recognise that our employees are an important and valuable asset which helps us succeed in our respective businesses.

Each party hereby declare to comply with these requirements

***Fair treatment:*** each party must uphold the human rights of its employees, and treat them with dignity and respect as understood by the international community. This includes

- to promote equal opportunities for and treatment of its employees irrespective of skin colour, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age;
- to not make anyone work against his/her will, to ensure that employees are free to leave an employment after giving reasonable notice and that employees shall not be required to deposit money, passports or similar in order to get or keep an employment;
- to prohibit behaviour and unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination and including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative;
- to not use unlawful disciplinary practices, e.g. financial penalties;
- to ensure that all employees have the right to report concerns regarding compliance with legal requirements or company policies/rules to their employer without fear of reprisal (see also whistle blower protection);
- to inform the employees of their employment conditions (rights and obligations) in a language that the employee understands.

***Wages and Benefits:*** to provide fair remuneration and to guarantee the applicable national statutory minimum wage, statutory holidays or any other legally stipulated leaves (including paid sick leave and parental leave).

***Working Hours:*** to comply with the maximum number of working hours laid down in the applicable laws and regulations or agreed with local trade unions.

***Freedom of Association:*** to recognise, as far as legally possible, the right of free association of employees and to neither favour nor discriminate against members of employee organisations or trade unions.

***Prohibition of child labour:*** to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14.

## The Code on Environmental Impact and Protection

Ovako works continuously to increase the positive and limit the negative impact of our operations on the environment. Hence it is equally important for us that our business partners strive to protect the environment in their businesses so that we together can contribute to a more sustainable supply chain in the future.

The parties agree

- to act in accordance with applicable law and regulations and international standards regarding environmental protection, such as emissions to the air, noise pollution, ground and water pollution (including obtaining necessary permits, environmental classification, reporting and tests, inspections by authorities and taking corrective actions from such inspections);
- to take precautionary measures as soon as there is a reason to believe that an action could have an adverse effect on, or otherwise harm, the environment or human health;
- to strive to minimise environmental pollution and negative environmental impact by developing and supporting environmental friendly techniques in the production, in processes, in designs and in the selection of material;
- to be responsible by paying the social and economic costs arising from damages caused by the party; and
- to establish relevant and documented strategies and systems on sustainability.

## The Code on Health and Safety

Ovako strives to provide a safe and healthy working environment in our facilities. We expect that our business partners have the same ambition and that there are policies, instructions and training in place at our business partners, which are appropriate in relation to the nature of the business and the risks of the respective business partner.

Each party shall

- create safe working conditions and a healthy work environment for its employees, (including controlling hazards, ensuring that fire alarms and equipment are functional and clearly marked, that emergency exits are accessible and maintained) and take the best reasonably possible precautionary measures against accidents and occupational diseases;

- ensure that relevant and functioning personal protection equipment is provided, free of charge, to all employees and to any other person visiting the facilities;
- provide training and ensure that employees are educated in health and safety issues and to provide information in a language that the employees understand.

Ovako's procedure for alcohol and/or drug control testing

Ovako strives to provide a safe and healthy working environment in our facilities and expects the same from our partners and suppliers, therefore it is absolutely forbidden for both Ovako employees and non-Ovako employees to be under the influence of alcohol or other drug substances while working at or visiting Ovako sites. Hence, as a precautionary measure, Ovako has implemented a procedure for alcohol and drug testing to be used randomly as well as in cases of suspected alcohol or drug influence. In case a person is found to be under the influence of alcohol or other drugs, Ovako reserves the right to dismiss the person from the work site. In case of an alcohol or drug incident, the parties shall always inform each other and take relevant action.

The signed party shall clearly identify a company representative responsible for ensuring implementation of the Code and the systems required to uphold the Code.

Violations of this Code may result in the immediate termination of any agreement entered into between Ovako and the signed party.

This Code and this declaration is subject to the substantive law in Sweden without reference to any of its conflict of law rules.

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 City Date

\_\_\_\_\_  
 (Company name)

\_\_\_\_\_  
 (Signature)

\_\_\_\_\_  
 (Name in block letters)

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 (Position in company)