

## Tibro Såg AB's Code of Conduct

Tibro Såg AB is committed to avoiding and addressing adverse impacts on the basic principles for social, environmental, and economic development that we cause, contribute, or are linked to via our business relationships. We wish to create a balance between our financial goals, and our passion for the environment and workers' rights, in a way that allows continued profits, while at the same time ensuring our activities are a benefit to society, both locally and internationally. We, at Tibro Såg AB, are certain that growth and responsible business practices can coexist.

Therefore, we seek to ensure that our own company as well as our suppliers operate in accordance with the requirements of the enclosed Code of Conduct and thereby work towards alignment with the internationally recognised principles for sustainable development.

Our company recognises that establishing the required processes outlined in the Code of Conduct requires both time and resources, especially in the initial phases. The Code of Conduct should therefore be understood as a tool for cooperation and dialogue with our supply chain partners about improving systems to manage adverse impacts on human rights, labour rights, the environment, and anti-corruption.

In case of non-compliance with requirements in our Code of Conduct, we will focus on suppliers' ability and willingness to demonstrate continuous improvements. We feel confident that cooperation and dialogue will result in a more efficient partnership, which both parties will benefit from.

Please refer to the enclosed Code of Conduct for more information about the specific requirements. If you have any questions regarding this letter, our Code of Conduct or our responsible supply chain management program in general, please do not hesitate to contact our offices.

Kind regards,

**Tibro Såg AB**

# TIBRO SÅGVERK

## INTRODUCTION

The purpose of this Code of Conduct (Code) is to ensure that our suppliers demonstrate responsible business conduct. The Code follows globally agreed minimum standards and asks our suppliers to manage adverse impacts on:

- Human rights
- Labour rights
- Environment principles
- Anti-corruption principles

We expect our suppliers, and sub-suppliers, to operate in full compliance with all applicable international and national laws, regulations and prevailing industry standards.

A CSR questionnaire, or a similar form of communication, may be distributed to our suppliers. We, at Tibro Såg AB, expect this to be completed truthfully, and returned no later than 4 weeks after receiving it.

In addition, suppliers shall accommodate visits from Tibro Såg AB. This includes providing physical access to any representative from Tibro Såg AB or assigned by our company. Tibro Såg AB reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the requirements of this Code.

Should a supplier, repeatedly and knowingly violate this code of conduct, and refuse to collaborate with Tibro Såg AB on implementing plans for improvement, Tibro Såg AB will seek to end the business relationship with said client.

In cases of severe violations of human rights, significant damage to environment and/or in cases of bribery, termination of the business relationship will be immediate.

Tibro Såg AB reserves the right to put forward additional or more specific requirements and conditions related to sustainable development; e.g. on use of chemicals.

Suppliers must ensure that the content and understanding of this code of conduct are communicated to all relevant employees.

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## CODE OF CONDUCT REQUIREMENTS

Through the establishment of the processes outlined above, the principles that Tibro Såg AB expects suppliers to manage adverse impacts upon are described in the following subsections:

### Human rights including labour rights

Suppliers are expected to manage adverse impacts on internationally recognised human rights including labour rights as stated in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. This includes prohibition of child and forced labor and requires that a living wage is being paid. This also includes managing adverse impacts on consumers, as stated in the OECD Guidelines on Multinational Principles' chapter on Consumer Interests.

### Human rights and labour risks that suppliers in specific must manage:

- Risk of child labor
- Risk of forced labor
- Risk of excessive work time
- Risk of sector average wage being lower than the country's minimum
- Risk of noise exposure and non-fatal injuries
- Risk of sector average wage being lower than country's non-poverty guideline
- Risk of accidents and death
- Risk of toxicity or chemical exposure

### Environment principles

Suppliers are expected to establish adequate processes to manage all significant potential and actual impacts on the external environment and support the principles in the Rio Declaration on Environment and Development. These principles are further described in the UN action plan Agenda 21. This corresponds to the environmental principles described in the OECD Guidelines for multinational enterprises.

### Anti-corruption principles

Suppliers should establish adequate processes to counter corrupt practices. Such processes should support and be in line with the United Nations' Convention against Corruption.

### Signature

As a supplier to Tibro Såg AB, I hereby confirm that the company I represent will work in accordance with the Tibro Såg AB Supplier Code of Conduct now, and in the future.

Binding signature and possibly the suppliers' stamp.

*Date*

*Signature*

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## Modern Slavery and Anti-Human Trafficking Policy

### INTRODUCTION

This policy sets out our commitment and the steps we have taken to reduce the risk of slavery and human trafficking occurring within the business or our supply chain.

As part of an international business, we at Tibro Såg AB recognise that modern day slavery, human trafficking and worker exploitation are significant problems in our global society. As a responsible employer, we support the legislation introduced by the Swedish government to help address these issues.

### Our Business Supply Chain

Tibro Såg AB has established long term relationships with many suppliers. We expect businesses or individuals who supply us with products or services to share our ethical values and take reasonable steps to guard against exploitation within their business and their own supply chain. Our commitment to ensuring compliance with the Modern Slavery Act and the Ethical Trading Initiative Base Code is incorporated in supplier selection, evaluations and approval process. Ongoing compliance is further reinforced via an annual supplier review which is backed up with documented evidence.

We believe this is a proportionate approach, as it is not practical for us or our suppliers to have direct contact at every level in the chain. Furthermore, all Directors and Managers involved in the selection, approval and monitoring of suppliers are required to assess supplier compliance and report any concerns to the Production Manager who will (where required) consult the Managing Director who has overall responsibility for compliance.

### Raising Awareness within Tibro Såg AB

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we incorporate policy awareness and training within the company introduction programme. Furthermore, continued awareness is achieved by displaying copies of our policy on the company website, as well as internal notice boards. All directors and managers are aware of the content of this policy and our continued commitment to comply with the Modern Slavery Act and the Ethical Trading Initiative Base Code, they will ensure awareness of the Act and Initiative is disseminated throughout the business.

We have a Whistleblowing policy to reassure employees that they may raise concerns about suspected malpractice safely and without fear of retribution.

This policy will be reviewed and updated annually for each financial year to ensure continued compliance with section 54 (*Transparency in supply chains*) of the Modern Slavery Act 2015.

## Ethical Trading Initiative (ETI) Base Code

Tibro Såg AB recognises the importance and value our employees are to our business success. We therefore not only ensure compliance with associated employment legislation but also support compliance with the ETI base code.

This Tibro Såg AB Timber ETI Base code document has been produced in line with the contents and elements of ETI base code and has been introduced to promote awareness, understanding and compliance with the ETI base code.

### **ABOUT THE TIBRO SÅG AB TIMBER ETI BASE CODE**

The Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of good labour practice. The Base provisions of the Base Code constitute minimum and not maximum standards.

Tibro Såg AB and its suppliers applying this code are expected to comply with national and other applicable laws. Where the law and the Base Code address the same subject, companies are expected to apply the provision that affords the greater protection to workers.

The ETI Base Code will assist in driving improvements within the current supply chains by demonstrating a clear commitment to ethical trade, to integrate ethical trade into core business practices, and to tackle any issues that arise in the supply chain.

As a minimum Tibro Såg AB and current suppliers are required to commit to the ETI Base Code and follow our business principles detailed within this code. To assist in confirming and demonstrating suppliers understanding and commitment to the ETI base code, all suppliers will be required to sign and return an ETI and Modern Slavery Act continued awareness and compliance questionnaire.

Tibro Såg AB believes that deep-seated worker rights issues are best tackled through clear and effective communication and the involvement of all employees and suppliers alike.

### **TIBRO SÅG AB BASE CODE PRINCIPLES**

#### **1. Employment is freely chosen**

- a. There are no forces, bonded or involuntary prison labour.
- b. Employees are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

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## 2. Freedom of association and the right to collective bargaining are respected

- a. Employees have the right to join or form trade unions of their own choosing and to bargain collectively.
- b. Tibro Såg AB adopts an open attitude towards the activities of trade unions and their organisational activities.
- c. Employee representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- d. Where the right to freedom of association and collective bargaining is restricted under law, Tibro Såg AB facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

## 3. Working conditions are safe and hygienic

*Tibro Såg AB will:*

- a. Provide and maintain a safe and hygienic working environment.
- b. So far as is reasonably practicable take steps to prevent accidents and injury to health arising from work activities.
- c. Identify and adequately manage workplace hazards, risk and ensure suitable control measures are in place which will be reflected within associated risk assessments.
- d. Ensure employees will receive regular health and safety training in line with business needs and associated legislative requirements.
- e. Provide and maintain adequate welfare facilities (*sufficient toilet and washing facilities, drinking water, clothing accommodation, changing facilities and facilities for rest and eating meals*).
- f. Ensure compliance with this code and have assigned clear responsibility for health and safety. The Managing Director has overall responsibility for health and safety. The management supervisory teams are also responsible for ensuring compliance with the company safety policy and any associated legislative requirements.

## 4. Child labour shall not be used

- a. Tibro Såg AB will not and does not employ children under the minimum working age established by local law.

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## 5. Living wages are paid

- a. Tibro Såg AB wages and benefits paid for a standard working week meet, at minimum, national legal standards. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- b. All employees will be provided with written contract of employment confirming any salary details prior to commencement of employment.
- c. Tibro Såg AB will not instigate deductions from wages as a disciplinary measure.

## 6. Working hours are not excessive

*Tibro Såg AB will:*

- a. Ensure that working hours comply with national laws. Working hours, excluding overtime are not defined in a contract.
- b. Overtime will be managed to meet the needs of the business in accordance with employment contracts. In addition, and in order to ensure overtime hours are not excessive, all employees have been given free choice to opt in or out of the working time regulation.
- c. The total hours worked in any seven-day period shall not exceed 60 hours. Only in exceptional circumstances hours may exceed 60 hours in any seven day where all the following are met:
  - i. This is allowed by national law
  - ii. This is allowed by a collective agreement freely negotiated with a worker's organisation representing a significant portion of the workforce
  - iii. Appropriate safeguards are taken to protect the workers' health and safety
  - iv. Tibro Såg AB can demonstrate that exceptional circumstances apply such as unexpected production peaks, planned/unplanned maintenance activities, accidents or emergencies.

## 7. No discrimination is practiced

Tibro Såg AB will ensure that there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

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## **8. No discrimination is practiced**

Regular employment is provided to every extent possible, work performed must be on the basis of recognised employment relationship established through national law and practice.

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

## **9. No harsh or inhumane treatment is allowed**

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards.

Tibro Såg AB and suppliers applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

Tibro Såg AB has made every effort to ensure that the translations of the ETI Base Code and Principles of Implementation are as complete and accurate as possible.

*References used in the creations of the Tibro Såg AB ETI Base Code include:*

<https://www.ethicaltrade.org/eti-base-code>

## Anti-bribery and Corruption Policy

### INTRODUCTION

Tibro Såg AB values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of the organisation's staff as well as others acting on the organisation's behalf are key to maintaining these standards.

The purpose of this document is to set out the organisation's policy in relation to bribery and corruption. The policy applies strictly to all employees, partners, agents, consultants, contractors and to any other people or bodies associated with Tibro Såg AB within all offices, areas, and functions.

### UNDERSTANDING AND RECOGNISING BRIBERY AND CORRUPTION

Acts of bribery or corruption are designed to influence an individual in the performance of their duty and incline them to act in a way that a reasonable person would consider to be dishonest under the circumstances.

Bribery can be defined as offering, promising or giving a financial (or other) advantage to another person with the intention of inducing that person to act or to reward them for having acted in a way which a reasonable person would consider improper under the circumstances. Corruption is any form of abuse of entrusted power for private gain and may include, but is not limited to, bribery.

Bribes are not always a matter of handing over cash. Gifts, hospitality, and entertainment can be bribes if they are intended to influence a decision. For high risk areas, consider some of the following points:

- How do other international companies in the same area operate? Can they recommend individuals or groups to work with?
- The relationship with the local or national government. Do you have direct lines of communication with trustworthy officials, and do your operations comply with your company's anti-money laundering and anti-bribery policies?
- Engage with local labour groups and NGOs. Establish relationships with groups on the ground who can advise on good practices and provide local knowledge.

### POLICY

Tibro Såg AB will not tolerate bribery or corruption in any form.

The organisation prohibits the offering, giving, solicitation or acceptance of any bribe or corrupt inducement, whether in cash or in any other form:

- To or from any person or company wherever located, whether a public official or public body, or a private person or company
- By any individual employee, partner, agent, consultant, contractor or other person or body acting on the organisation's behalf
- To gain any commercial, contractual, or regulatory advantage for the practice in any way which is unethical or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual

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This policy is not intended to prohibit the following practices provided they are appropriate, proportionate and are properly recorded:

- Normal hospitality
- Fast tracking a process which is available to all on the payment of a fee; and/or
- Providing resources to assist a person or body to decide more efficiently, if it is for this purpose only

It may not always be a simple matter to determine whether a possible course of action is appropriate. If you are in any doubt as to whether a possible act might be in breach of this policy or the law, the matter should be referred to the Managing Director.

The organisation will investigate thoroughly any actual or suspected breach of this policy, or the spirit of this policy. Employees found to be in breach of this policy may be subject to disciplinary action which may ultimately result in their dismissal.

## KEY RISK AREAS

Bribery can be a risk in many areas of the organisation. Below are the key areas you should be aware of in particular:

- Excessive gifts, entertainment and hospitality can be used to exert improper influence on decision makers. Gifts, entertainment, and hospitality are acceptable provided they are within reasonable limits and are authorised by a partner. Any gift or hospitality, either given or received, over the value of EUR 50 per person should be reported to the MD.
- Facilitation payments are used by businesses or individuals to secure or expedite the performance of a routine or necessary action to which the payer has an entitlement as of right. The practice will not tolerate or excuse such payments being made.
- Reciprocal agreements or any other form of 'quid pro quo' are never acceptable unless they are legitimate business arrangements which are properly documented and approved by a partner. Improper payments to obtain new business, retain existing business or secure any improper advantage should never be accepted or made.
- Actions by third parties for which the practice may be held responsible can include actions by a range of people, e.g. agents, contractors, and consultants, acting on the practice's behalf. Appropriate due diligence should be undertaken before a third party is engaged. Third parties should only be engaged where there is a clear business rationale for doing so, with an appropriate contract. Any payments to third parties should be properly authorised and recorded.
- Record keeping can be exploited to conceal bribes or corrupt practices. We must ensure that we have robust controls in place so that our records are accurate and transparent.

## EMPLOYEE RESPONSIBILITY AND HOW TO RAISE A CONCERN

The prevention, detection and reporting of bribery or corruption are the responsibility of all partners and employees of the practice. If you become aware or suspect that an activity or conduct which is proposed or has taken place is a bribe or corrupt, then you have a duty to report this to the MD without delay.