

Introduction

At Pågen AB ("Pågen") we summarise our values with one phrase - We bake with love - which means that we strive, every day and with a long-term perspective, to conduct our business activities with consideration for ethics, the environment and social and economic issues. Climate change and the future availability of necessary raw materials and food is one of the greatest challenges of our time. Through our conduct and our role as a leading bread supplier and provider of a vital function for society, Pågen can make a difference.

This Code of Conduct has been adopted with the aim of promoting an ethical and environmentally and socially responsible conduct throughout the whole of Pågen's value chain and describes the requirements we impose on our suppliers. Pågen AB and its subsidiaries (Pågen AB, Pågen Färsbröd AB, Lilla Harrie Valskvarn AB and SpecialTeknik AB) shall be at the forefront of sustainable development. This can only be achieved by working together with our suppliers and imposing requirements on them which they in turn impose on their suppliers and subcontractors.

This Code of Conduct applies to all of Pågen's suppliers and their suppliers and subcontractors as well as all other business and collaboration partners (hereinafter jointly referred to as "Supplier") of wholly and partially owned companies within the Pågen Group, and defines the requirements we impose on them. This Code of Conduct is based on internationally accepted initiatives and standards such as the UN Global Compact, the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention on the Elimination of All Forms of Discrimination Against Women, the OECD Guidelines for Multinational Enterprises and the ILO Conventions. Suppliers of goods and services to Pågen must comply with the requirements specified in this Code of Conduct and must take measures to ensure equivalent compliance on the part of their suppliers and subcontractors. This Code of Conduct constitutes a minimum level of conduct.

Compliance

As a general rule, the Supplier must comply with national legislation in the countries in which they conduct business activities. If any of the requirements in this Code of Conduct differ from the requirements specified in national legislation, the highest level of conduct shall apply.

Freedom of association and the right of collective bargaining

All employees shall enjoy freedom of association and shall have the right to form, join and organise trade unions and bargain collectively with the Supplier. If freedom of association and/or the right of collective bargaining is restricted by law, the Supplier shall permit employees to choose their own representatives. The Supplier must not in any way prevent or obstruct the establishment, maintenance or administration of such trade unions, workers' rights organisations or collective bargaining agreements. The Supplier may not take disciplinary or discriminatory action against employees who organise workers or are affiliated with a trade union.

Prohibition of discrimination

With regard to employment, the setting of wage levels and the training, promotion, termination or retirement of employees, a strict prohibition shall apply against all forms of discrimination, including discrimination on grounds of ethnic background, nationality, religion, race, caste, age, disability, gender, civil status, family responsibilities, health status, sexual orientation, membership of workers' rights organisations (including trade unions), political beliefs or membership of political organisations.

Measures must be taken to protect employees against sexual harassment, offence or utilisation and against discrimination or termination on unreasonable grounds, for example marriage, pregnancy, parenthood or HIV status.

Remuneration

Employees with the same experience and qualifications shall receive equal pay for equal work. Remuneration levels shall reflect the qualifications, training and skills of employees.

Employees are entitled to receive a reasonable level of remuneration that covers the cost of a decent standard of living as well as the social benefits prescribed by law. Employee remuneration must at least be in

compliance with national regulations regarding minimum wage or industry standards that have been adopted or established through collective bargaining.

Remuneration for standard working hours, overtime work and other overtime compensation must at least amount to the minimum level prescribed by law, although with the ambition to develop employee remuneration to a level that at least covers the actual cost of living.

Remuneration levels, as well as procedures for how and when remuneration is to be paid to employees, must be agreed, and documented before the work is commenced. Such an agreement must be formulated in a manner that the employee can understand. Remuneration must be paid regularly, on time and in a legal currency.

Unlawful, unauthorised or disciplinary payroll deductions are not permitted. Payroll deductions are only permitted in accordance with that which is prescribed in applicable laws or collective agreements. The Supplier must ensure that employees regularly receive clear and unambiguous information about their remuneration and benefits.

Working hours

The Supplier must comply with applicable national legislation and industry standards regarding working hours and public holidays. When it comes to the issue of maximum permitted working hours per week, an employee's working hours may not regularly exceed 48 hours per week, and the maximum amount of overtime permitted per week is 12 hours. Employees shall have the right to at least 24 consecutive hours of time off work per week. Applicable national laws, industry standards and collective agreements shall be interpreted within the framework of the international frameworks established by ILO. Exceptions may apply if the following two conditions are met:

national law allows for working hours to exceed these limitations, and
there is a freely negotiated and applicable collective agreement that allows for the averaging of working hours, including sufficient periods of rest.

Health and safety at the workplace

The Supplier must provide a safe and healthy work environment and must take measures to prevent the risk of accidents at the workplace. The Supplier must establish and follow clear rules and procedures for safety and health at the workplace. Personal protective equipment must be provided and used. There must be emergency exits on all floors of buildings. These emergency exits must be clearly signposted and have good lighting, and they must not be blocked and must be able to be used for evacuation during working hours. All employees must have access to clean toilets, drinking water and hygienic and suitable areas for the storage of food. All personnel must receive regular and documented training regarding health and safety. One member of the Supplier's management team must be specifically designated as the person responsible for the health and safety of personnel. If the Supplier provides sleeping quarters for workers, these areas must be clean and safe with sufficient ventilation. Such areas must have access to clean sanitary facilities and clean drinking water.

Prohibition of child labour

Child labour is not permitted, and the Supplier must have a documented policy to this effect. No employee may be under 15 years of age, or under the age of 14 or 16 in accordance with certain national legislation. The Supplier may employ persons under the age of 18, however, if such persons are subject to regulations regarding compulsory schooling then they may only work outside of school hours. For workers under the age of 18, the combined time they spend in school, at work and travelling between home, school and work may not under any circumstances exceed 10 hours per day, and they must not under any circumstances be expected or allowed to work more than 8 hours per day. Workers under the age of 18 must not be expected or allowed to perform hazardous work tasks or work at night.

Prohibition of forced labour and disciplinary measures

All forms of forced or punitive labour are prohibited. Personnel shall always have the right to leave the Supplier's premises and work area upon completion of a normal working day and shall always have the right to terminate their employment. The Supplier may not withhold any part of an employee's remuneration,

benefits, assets or documents. The Supplier must treat all employees with dignity and respect. The Supplier must not use or tolerate any form of corporal punishment, mental or physical coercion or verbal abuse of personnel.

Bribery and corruption

The Supplier must comply with national laws and must work to counteract all forms of corruption, including extortion, fraud and bribery. The Supplier must establish and comply with a policy against bribery and corruption. Such policy must cover all business activities conducted by the Supplier.

Environment, utilisation of resources and impact on the local area

The Supplier must comply with applicable environmental legislation and must apply the precautionary principle. The Supplier must respect and operate within the limitations set by nature with regards to climate, water, biological diversity, animal care, fishing and forests. Methods and standards for waste management (including the ambition to reduce the amount of waste in the production process), management of hazardous waste and management and treatment of emissions to air and water must comply with or exceed the minimum requirements prescribed by law. The Supplier must support preventive measures aimed at counteracting environmental problems. Where applicable, the Supplier must actively support production methods aimed at minimising animal suffering and facilitating the natural behaviour of animals.

The Supplier must perform an assessment of their significant environmental impact and must take necessary measures to avoid negative impact on the environment, natural resources and the local community.

The area surrounding the Supplier's production facility must not be over-utilised or allowed to be destroyed by contamination. Hazardous chemicals and other harmful substances must be managed and handled with caution.

In the event of a conflict with the local community regarding the utilisation of land or other natural resources, the Supplier must ensure, by way of negotiation, the observance of respect for individual and collective rights to land and other resources and assets based on customs and traditions, even in cases where such rights are not formally registered.

The production and extraction of raw materials for production purposes must not contribute to the ruination of natural resources and sources of income for marginalised population groups, for example by consuming large areas of land or other natural resources on which such population groups are dependent.

The Supplier's production processes must not violate national environmental legislation or international regulations.

Procedures and rules for waste management, the management and disposal of chemicals and other hazardous substances, and the management and treatment of emissions must be established and must at least comply with legal requirements. Information about the Supplier's use of substances which are hazardous to health and/or the environment must be made available to everyone who comes into contact with such substances. Particularly hazardous substances must be used to the minimum extent possible, with the ambition of phasing out the use of such substances entirely.

Consideration must be given to environmental aspects throughout the entire value chain, and not just to the Supplier's own business activities. Local, regional and global environmental issues must be taken into account.

Management systems - expectations of you as a Supplier

The Supplier must design and implement a policy for the acceptance of social, ethical and environmental responsibilities and must implement a management system that ensures compliance with the criteria specified in this Code of Conduct by the Supplier as well as the Supplier's own suppliers and subcontractors. The Supplier's management team is responsible for ensuring the implementation of and compliance with this Code of Conduct, and for ensuring that corrective measures are taken in the event of any departures from this Code of Conduct. The Supplier must inform relevant employees about this Code of Conduct and its contents and

must act on any information from employees or other parties regarding failure on the part of the Supplier to comply with the requirements specified in the Code of Conduct.

The Supplier must investigate and respond to any viewpoints or opinions of employees regarding how the company follows its own policies and/or complies with the requirements in this Code of Conduct and must take necessary measures accordingly. In support of this process, the Supplier must introduce or assist in the introduction of an effective complaint's mechanism at the workplace. The purpose of such a complaints mechanism is to enable employees at the workplace or other relevant persons or organisations in the local community to submit complaints and have their complaints examined and actioned. Such complaints mechanisms shall not be deemed to replace applicable legal systems but are instead intended to act as a supporting mechanism in situations where conflicts can be resolved at the workplace before they escalate.

The Supplier shall refrain from taking disciplinary action against, terminating the employment of or discriminating against employees who have submitted information regarding deficient compliance with this Code of Conduct.

Monitoring compliance with this Code of Conduct

The Supplier must notify Pågen upon detection of non-compliance with any of the conditions specified in this Code of Conduct. At the request of Pågen, the Supplier must be able to provide a written report of how they comply with the requirements in this Code of Conduct, and the Supplier undertakes to answer all questions and enquiries promptly, transparently and truthfully, and to provide all relevant documentation.

Pågen reserves the right to make an unannounced visit to the Supplier's business premises and/or production facilities at any time, either with its own resources or with the assistance of an independent third party, in order to check compliance with this Code of Conduct. If such a visit is undertaken, Pågen shall be provided with full access to all relevant documents and personnel for the purpose of the inspection/audit. If the Supplier does not solely perform the entire production process, in other words, if some part of the production process is performed by a third party, Pågen also reserves the right to carry out an inspection/audit at the premises of suppliers and subcontractors involved in underlying tiers of the supply chain.

Pågen reserves the right to terminate the business relationship with the Supplier with immediate effect if the Supplier is found to be in non-compliance with this Code of Conduct and fails to take corrective action within a reasonable time frame after notification of such non-compliance, or with immediate effect if, in the reasonable opinion of Pågen, the Supplier's violation of this Code of Conduct is of a material nature.