

Folksam – Code of Conduct for suppliers

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Folksam ömsesidig livförsäkring ("Folksam Life") and Folksam ömsesidig sakförsäkring ("Folksam General"), together with their subsidiaries, have entered into an agreement on cooperation through a joint operational organisation ("Folksam's joint operational organisation"). All companies that are part of the joint operational organisation are referred to collectively as "Folksam". Folksam's vision is for customers to feel secure in a sustainable world. This includes Folksam persuading industries and companies to assume responsibility for pursuing sustainable operations. Folksam does this by, among other means, ensuring that the suppliers with which Folksam chooses to cooperate comply with the requirements set out in Folksam's Code of Conduct for suppliers "Code of Conduct").

The Code of Conduct is based on internationally recognised conventions concerning human rights, the working environment, labour law and international environmental and anti-corruption legislation. These are primarily but not exclusively:

- The ILO Conventions
- The UN Global Compact's ten principles
- The UN Declaration of Human Rights

In cases where Folksam specifies additional requirements, these are contained in the agreement between Folksam and the supplier.

1. General terms and conditions

1.1. Scope

The Code of Conduct specifies the requirements that apply to Folksam's suppliers and, where applicable, partners and business partners who conduct business with or perform services on behalf of Folksam. The term "supplier" includes the supplier's subsidiaries and subcontractors.

In cases where the term "employee" appears, it refers to all individuals, such as employees and consultants, whether they are temporarily or permanently employed or have assignments with the supplier.

It is the responsibility of the supplier to ensure that the requirements of the Code of Conduct are met by suppliers and any subcontractors.

1.2. Compliance

The supplier's activities shall be conducted in accordance with the laws and regulations that apply in each country where Folksam and the supplier operate and which apply to the business. In cases where the Code of Conduct imposes more stringent requirements than applicable laws and regulations, the requirements in the Code of Conduct shall apply unless otherwise stated.

The supplier must have processes and procedures in place to ensure compliance with the requirements set out in the Code of Conduct.

1.3. Reporting and communication

It is the responsibility of the supplier to immediately provide notification of and report on existing or suspected violations of applicable laws and regulations, as well as breaches of the Code of Conduct. This must be done in writing to inkop@folksam.se.

1.4. Follow-up and audit

Folksam, Folksam's auditors, or a third party appointed by Folksam, reserve the right to review the operations of the supplier (including a review of the supplier's premises) in order to ensure that the supplier is complying with the Code of Conduct. Folksam also reserves the right to be provided with information by the supplier in order to ensure that

the subcontractors are evaluated. Folksam's right to review does not include information that the supplier can demonstrate that it does not have the right to disclose to Folksam, owing to the information being subject to confidentiality by law or an agreement with a third party. Any rights to review that accrue to Folksam in the agreement shall also apply when reviewing the Code of Conduct.

1.5. Continuous improvement

Folksam is aware that suppliers are at different stages regarding the social, environmental and business ethical issues addressed in the Code of Conduct. Folksam encourages the supplier to work to continuously improve and develop its operations in accordance with the Code of Conduct.

1.6. Breaches of the Code of Conduct

All breaches of the Code of Conduct always constitute a material breach of contract. Where this happens, Folksam has the right, at its own discretion, either to request an action plan from the supplier that shall be shared immediately with Folksam or to terminate the contract with immediate effect.

2. Supplier requirements

A supplier of products and/or services to Folksam must conduct its operations in accordance with the requirements defined below.

2.1. Human rights

2.1.1. General

The supplier shall work to ensure that human rights are respected in accordance with the UN Declaration of Human Rights. This applies within both its own operations and its supply chain.

2.1.2. Equality, discrimination and diversity

The supplier shall take an active approach to preventing discrimination and ensure that everyone is treated equally. It is also the responsibility of the supplier to work proactively for equality and diversity within its own organisation and in its relations with its customers and suppliers. The supplier shall work to ensure that discrimination, threats and harassment due to ethnicity, age, gender, pregnancy, religion or other belief, social origin, disability, political opinions, sexual orientation or transgender identity or expression, do not occur in the workplace.

The supplier may not subject employees to health tests that are not relevant to the work that is to be performed or related to workplace safety.

2.1.3. Social engagement and development

The supplier's social engagement shall take place in a way that is inclusive, fair, gender sensitive and culturally appropriate and shall be compatible with human rights.

Folksam encourages the supplier to promote employment for people who are outside the labour market. This may be done through traineeships, for example, or the supplier reserving contracts or parts of contracts for companies whose main purpose is to support social and professional integration for these people.

2.1.4. Freedom of opinion and speech and the right to privacy

The supplier undertakes to respect the freedom of opinion and speech of employees and must not infringe the employee's rights by publishing information about this. When collecting, processing or storing personal data from employees or other individuals, the supplier undertakes to respect the individual's right to privacy and to comply with applicable data protection legislation.

2.2. Labour rights

2.2.1. Freedom of association

The supplier undertakes to respect its employees' freedom of association, freedom to join a union and the right to collective bargaining. The supplier must support the employees' right to form unions. The supplier shall allow the employee to meet the company management in order to discuss pay and working conditions without any negative consequences. The latter applies in particular in countries where freedom of association is restricted or developing.

The supplier shall have signed collective bargaining agreements for all its employees in Sweden. Exemptions are granted only where there are specific reasons to do so.

2.2.2. Child labour

The supplier shall combat all forms of child labour and shall not participate in or benefit from any form of child labour.

The supplier undertakes to ensure that child labour does not occur in the business or in its supply chain in accordance with the "Children's Rights and Business Principles".

The supplier shall not employ anyone who, under the applicable legislation, has not reached the minimum age for employment. The minimum age is the age of a child when the child has completed compulsory schooling, i.e. at least 15 years (14 years in countries whose business and education systems are insufficiently developed).

The supplier shall not allow a child to be employed for any work that is not compatible with a child's personal development. The supplier undertakes to ensure that no employee under the age of 18 years carries out work that may be classified as unsafe work.

If the supplier discovers the use of child labour in its business, it is the responsibility of the supplier to take action in the best interests of the child.

2.2.3. Forced labour

The supplier undertakes to ensure that no form of forced labour or modern slavery occurs. This includes the supplier not benefitting from involuntary prison labour, slave-like work, involuntary work or work under the threat of punishment. Work shall be done of the employee's own free will and the employee shall have the right to terminate their employment with a reasonable notice period.

The supplier may not withhold identity documents, work permits or wages in order to force employment.

2.2.4. Pay and employment conditions

The supplier undertakes to comply with the regulations concerning mandatory minimum wages, working hours and overtime described in the ILO Conventions and national legislation, or as agreed in a written agreement between an employee organisation and an employer organisation.

The supplier shall pay equal pay for equal work regardless of gender. Wages must be paid directly to the employee at the agreed time and shall amount at least to the minimum wage stipulated by local legislation or agreements binding in labour law.

A working week shall not normally exceed 60 working hours, including overtime. In exceptional cases, or under special circumstances, however, the supplier has the right to require employees to work overtime. Employees shall be allowed at least one day off of 24 consecutive hours per seven-day period, as well as locally regulated holidays and leave on national holidays.

2.2.5. Health and safety

The supplier undertakes to comply with all applicable legislation concerning employee health and safety.

The basis for this is that the supplier is responsible for ensuring that the employee, when located in a place over which the supplier has direct or indirect control, is free from risks that may endanger the physical or mental health of the employee.

All employees must be informed about any health risks the work may involve and have access to appropriate safety equipment in order to work in a safe and healthy working environment. Written occupational health and safety instructions must be available for all employees. In addition, the supplier must document and report all incidents, accidents and work injuries in its operations and take preventive measures to minimise risks.

The supplier is responsible for ensuring that the emergency exits are clearly marked and properly lit and that they are not blocked.

Travel to Folksam and Folksam's customers must take place with due regard for road safety and must comply with Swedish legislation.

2.2.6. Workplace conditions

The supplier undertakes, as a minimum, to provide free access to drinking water and toilets for employees and visitors to use as necessary. Employees shall also be entitled to rest breaks that are reasonable in relation to the workplace conditions, as well as to shorter breaks.

The supplier shall ensure that work areas are clean, well lit and adapted to the activity performed there.

2.3. Environment and climate

2.3.1. General

Folksam's suppliers must pursue active environmental protection and strive to limit and reduce their environmental impact. Folksam's suppliers must have knowledge of their environmental impact in terms of heavy metals and chemicals, greenhouse gas emissions from, for example, heating, transport or other fuels.

The supplier must strive to develop and disseminate environmentally friendly technologies where appropriate and otherwise carry out proactive environmental work, for example, work aimed at making energy and resource use more efficient.

2.3.2. Environmental legislation and environmental management systems

The supplier shall hold all current and necessary environmental permits and licences for its operations and shall comply with the operational and reporting requirements arising therefrom.

Suppliers whose operations have a negative climate impact must have procedures in place for a structured and systematic approach that takes into account environmental aspects. This shall include a management system such as ISO 14001 or similar describing action plans to improve the supplier's environmental work by setting targets and carrying out follow-ups, as well as training, informing and raising awareness among employees.

2.3.3. Measurement and monitoring

The supplier shall measure and monitor its environmental impact. The supplier shall also require its subcontractors to actively measure and monitor their environmental impact.

Emissions shall be reported as carbon dioxide equivalents and any requirements for limit values and target figures will, if Folksam considers it relevant, be unique and specified in the current agreement.

The supplier is encouraged to and should endeavour to evaluate the environmental impact of its business from a life cycle perspective.

2.3.4. Precautionary principle and substitution principle

The supplier shall apply the precautionary principle by refraining from using substances, materials or processes where there is uncertainty about negative environmental impact.

The supplier undertakes to ensure that heavy metals and chemicals used in consumables, production or the end product are inventoried, restricted or replaced according to the substitution principle.

The substitution principle involves replacing environmentally hazardous products and substances and harmful chemicals with less harmful products or methods whenever possible, without prejudice to function or quality.

2.3.5. Waste management and transport

The supplier undertakes to ensure the correct handling and recycling of waste in an environmentally friendly and traceable manner.

The supplier shall reduce the environmental impact of transport where possible, including, but not limited to, prioritising low-emission, fuel-efficient vehicles for transport and logistics.

2.4. Business ethics**2.4.1. Anti-corruption, bribery and unlawful influence**

Folksam has a zero tolerance policy towards the giving and taking of bribes, unreasonable entertainment and other unlawful influence. Folksam expects the supplier to take an active position in support of the sustainable conduct of business and demands high standards of compliance on the part of the company and its employees.

The supplier shall not give or receive gifts or other benefits as part of a business deal. The supplier may not engage in activities that influence behaviour or which may engender a feeling of obligation or gratitude or which risk influencing the recipient's decisions or manner of completing assignments. The supplier must therefore comply with the Code on Gifts, Rewards and Other Benefits (the Business Code) established by the Swedish Anti-Corruption Institute.

The supplier undertakes to comply with applicable legislation concerning the payment of taxes and financial crime, such as money laundering, fraud, extortion and the financing of terrorism. The supplier shall actively work to ensure that such offences do not occur in the business or in its supply chain and shall enable employees to report suspected financial crime.

2.4.2. Fair competition

The supplier shall conduct business in line with fair competition and may not engage in unlawful discussions or enter into agreements with competitors concerning pricing, market sharing or other activities under applicable law.

2.4.3. Protection of rights and information

The supplier shall respect Folksam's intellectual property rights and protect Folksam's information. The supplier may only use or pass on information and data necessary for the assignment for Folksam in accordance with contractual and legal provisions.

2.4.4. Responsible management of artificial intelligence

Suppliers who develop and utilise artificial intelligence, machine learning, autonomous and intelligent systems or similar technologies ("AI") for or with Folksam, are expected to ensure that the technology is reliable and developed in accordance with globally recognised ethical standards addressing potential negative effects regarding human rights and also complies with the GDPR where applicable.

2.4.5. Trademarks and other distinguishing features

The supplier may not use Folksam's name, trademark or other distinguishing features without this being approved in writing by Folksam.