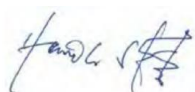


## Holmen's Supplier Code of Conduct

Holmen works to ensure that its operations are characterised by responsible behaviour towards employees, shareholders, customers, suppliers, stakeholders, agencies, and the wider community. This is made clear in Holmen's own Code of Conduct. Holmen supports the ten principles of the UN Global Compact and expects suppliers and sub-suppliers to follow internationally recognised principles relating to anti-corruption, human rights, health and safety, and the environment. Compliance with this Supplier Code of Conduct is taken into account when deciding who we want to work with and when evaluating ongoing contractual relationships.

Stockholm, August 2019



Henrik Sjölund  
President and Group CEO

### The Supplier's commitments

#### Anti-corruption

Holmen does not tolerate any form of corruption or fraud.

The Supplier must not give, promise, offer, request or receive compensation or benefits that conflict with applicable laws and good business practice or which may affect or be considered to affect the objectivity of decision-making.

The Supplier's agreements with agents, intermediaries, sub-suppliers, and consultants shall contain a section on fighting corruption and a requirement that applicable laws and good business practice shall be followed.

#### Human rights

The Supplier must support and respect protection of internationally recognised human rights, including rights under the UN Convention on the Rights of the Child. The

Supplier must not commit or benefit from war crimes, genocide, or crimes against humanity under international law.

Where the Supplier identifies a risk that, through its operations, it is contributing towards breach of human rights and children's rights, appropriate action must be taken.

#### Child labour

The Supplier must not use or benefit from child labour. A particularly strong stand will be taken against slavery, prostitution, and other forms of work that risk damaging a child's health, safety and well-being.

The Supplier must not hire employees under the age of 18 for any form of work that may pose a risk to their health, safety, or well-being.

The lowest age of employment must in no case be lower than the compulsory school leaving age and must never lower than 15 years. If permitted under national law, the

Supplier may employ children aged 12–15 for “light work” or on an apprenticeship scheme. Wages shall be paid, and the work tasks must be simple and not interfere with schoolwork.

## **Forced labour**

The Supplier must not use or benefit from any form of forced labour. Forced labour is considered to include debt bondage or other forms of slavery, forced prison labour, hard labour or human trafficking. Employees must be able to move freely during their employment and must be free to leave their employment following termination in line with applicable legislation and agreements. The Supplier is thus not permitted to withhold the employees’ pay, benefits, property or documents, such as ID documents and travel documents.

## **Freedom of association**

The Supplier must not prevent or work against the right of each employee to join, or refuse to join, a union or other organisation. The Supplier shall recognise the employees’ chosen representatives and negotiate with them in good faith on all key issues affecting the workplace.

If unions are not permitted in the area where the operation is located, or if only state-approved organisations are permitted, the Supplier must not prevent the employees from gathering independently under other forms to discuss issues concerning their work, and the Supplier must offer the employees a forum for bringing up work-related concerns with the management.

## **Health and safety**

The Supplier must provide a healthy and safe working environment, including the Supplier’s own workplace, during transports and within Holmen’s areas.

Health and safety work are to take a preventive approach and in accordance with applicable legislation. Risks must be constantly evaluated, and protective measures taken. The Supplier must provide

protective equipment and safety training for carrying out tasks.

Employees must not be exposed to risks inherent in the work environment that may pose a danger to life without them first being informed about the dangers and the safety measures that have been taken.

The Supplier is to ensure that its employees must contribute to their own and their colleagues’ healthy and safe working environment, by acting in a safe manner and complying with existing instructions and procedures and also by addressing risks and incidents. The Supplier must not, in any circumstances, submit employees to harsh, inhumane, or abusive treatment or punishment.

## **Gender equality, diversity and equal opportunities**

All decisions concerning employment must be based on relevant and objective criteria such as competence, experience, and performance. The Supplier’s employees are to be treated with dignity and respect and given equal development opportunities. There must be no incidence of discrimination, harassment, abuse or threats in the workplace.

## **Pay, working hours and other terms of employment**

The Supplier must pay a living wage that meets the requirements regarding a minimum wage as set out in law or in an agreement. The wage must be paid regularly and in the form of legal tender.

The Supplier’s employees must be provided with a written, comprehensible, and legally binding contract of employment.

The Supplier must comply with applicable legislation, agreements, and industry standards regarding working hours. The employees are entitled to at least one day off per week and they are to be given sufficient breaks during their work and sufficient daily rest between shifts. The Supplier must give its employees paid

holiday every year, plus sick leave, and parental leave.

The Supplier must respect employees' privacy and handle personal data in confidence and in line with applicable legislation.

Employees must have access to clean, hygienic and, if needed, heated facilities. This requirement also applies to any housing that may be provided by the Supplier.

## **Environment**

The Supplier must comply with applicable legislation and work to ensure efficient use of water, energy, and other raw materials. The Supplier must minimize its business' climate effects as well as pollution of air, water, or land.

The Supplier must draw up procedures for effectively preventing all health risks and industrial accidents that may affect the production line and the local community or may have a negative impact on the environment.

## **General**

### **Conventions and legislation**

Holmen works to contribute to the achievement of UN's 17 Global Goals for Sustainable Development. Holmen supports the ten principles of the UN Global Compact, the eight fundamental conventions of the International Labour Organization (ILO) and OECD's guidelines for multinational companies. The Code of Conduct is based on these principles and clarifies what Holmen expects of its suppliers.

The Supplier must comply with all applicable legislation and if the principles of the Code of Conduct are incompatible with legislation, applicable laws and regulations take precedence. The Supplier must also inform Holmen of this fact without delay.

### **Implementation and control**

The requirement concerning compliance with the Code of Conduct covers all

employees associated with the Supplier, including permanent or temporary employees, but also people engaged in other ways without formal employment. The Supplier is also responsible for ensuring that its sub-suppliers follow the principles in the Code of Conduct.

Holmen expects that the Supplier can account for its procedures for ensuring compliance with the Code of Conduct.

Controls primarily take the form of regular self-assessments that are completed by the Supplier. Holmen may also conduct on-site inspections or audits where this is justified. Inspections and revisions must not affect the Supplier's other operations in a negative way and must only be conducted with the purpose, and to the extent necessary, to assess compliance with the Code of Conduct.

### **Consequences of breaches**

The Supplier's compliance with the content of the Code of Conduct is a contractual condition for Holmen at the point of entering into an agreement and throughout the lifetime of the agreement.

A serious breach of the requirements is always considered a material breach of contract that gives Holmen the right to immediately terminate business relations with the Supplier. In this context, serious breaches are defined as shortcomings that occur intentionally. Serious breaches also include shortcomings concerning fundamental human rights such as the worst forms of child labour, all forms of forced labour, punishments and life-threatening work environment risks, plus crimes against humanity, including war crimes and genocide.

If Holmen has cause to believe that the Supplier was aware of a breach or consciously breached fundamental human rights through its operations, the Supplier will be reported to the relevant authorities.