

SUPPLIER CODE OF CONDUCT

1. Introduction

At Sunfab Hydraulics AB (publ), including its subsidiaries, ("Sunfab"), we are committed to operational excellence, ethical and responsible conduct, fair and respectful treatment of all individuals, and practices that promote safety, health and environmental protection.

Sunfab's business is based on close, long-term relationships with customers, suppliers and other business partners. With this Supplier Code of Conduct, we communicate to our suppliers that we expect them to operate as Sunfab; in accordance with internationally recognized standards on Human Rights, Labour Rights, Environment and Anti-corruption.

The Sunfab Supplier Code of Conduct or equal requirements must be communicated to all of the suppliers 1st tier sub-suppliers providing products or material to Sunfab.

2. General Principles

Comply with the laws and regulations in each country in which the supplier operates

Where there are differences between the provisions of this Supplier Code of Conduct and national laws or other applicable standards, suppliers shall adhere to the higher or more stringent requirements.

Demonstrate and promote its commitment to responsible business practice in policies, decisions and activities

Supplier shall upon request by Sunfab, provide evidence of its compliance with the obligations set out in this Supplier Code of Conduct.

Fair competition

Sunfab respect and is committed to the rules governing free and fair competition and to comply with applicable antitrust and other laws regulating competition. Our suppliers shall equally commit to competing in a fair manner in compliance with all applicable competition laws and regulations.

When conducting business with Sunfab, our suppliers shall deal fairly with all individuals and entities with whom they interact and shall not take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material acts, or any other unfair dealing or practice.

Our suppliers shall not engage in collusive binding, price fixing, price discrimination or other unfair trade practices in violation applicable antitrust and other laws regulation competition

Confidentiality

Our suppliers shall not disclose nor use for their own purposes of any other Sunfab trade secrets, confidential information, knowledge, designs, data, skill, or any other information considered by Sunfab as sensitive information.

Our suppliers shall respect the intellectual property rights of Sunfab and of others, observe and respect all patents, trademarks, and copyrights, and comply with all requirements and terms of their use.



3. Anti – corruption

Suppliers that Sunfab makes business with must not use illegal payments, bribes, kickbacks or other questionable inducements to influence any business transaction. Sunfab specifically prohibits bribery by any of its employees or agents. A practice that conflicts with this policy might be considered acceptable in a particular country, however, it is not acceptable for Sunfab.

4. Principles of Human rights and social justice

Suppliers must support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

Non-discrimination

All employees of the supplier shall have equal opportunities based on competencies, experience and performance regardless of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation, social background or ethnic origin. All employees should be treated with respect. Discrimination, physical or verbal harassment, or any illegal threats are not tolerated.

Forced labor

Supplier will not engage in or support forced, bonded or compulsory labor, nor shall the Supplier require any form of deposit or confiscate identification papers from employees.

Child labor

Sunfab respects the children's right to development and education. Suppliers must not engage in child labor. The supplier shall ensure that no employee is younger than the legally fixed age for employment. Minimum age is the age for completion of compulsory schooling, but not younger than 15 years, or not younger than 14 years, in countries where the education system is inadequate developed. The supplier should abide by the United Nations Convention on the Rights of the Child (1989) and comply with all relevant national and international laws, regulations and provisions applicable in their country of production or operations.

Freedom of association

Suppliers must respect the right of employees to join any organized associations of their own choosing and to bargain collectively as permitted by local laws and regulations. Suppliers shall respect the recognized unions. The supplier should also equally respect an employee's right to refrain from joining a union.

Working hours and compensation

Suppliers shall comply with applicable laws, agreements and industry standards on working hours and compensation.

5. Health and Safety

Suppliers to Sunfab shall safeguard a healthy and safe working environment for all employees, in accordance with international standards and national legislation. Where the supplier provides its employees with accommodation such facilities must as a minimum be clean, safe and meet the employees' basic needs.

A supplier must establish organizational structures and procedures for the effective management of health, safety and environmental risks. Appropriate information and training on health and safety should also be offered to the employees.



6. Environment

A supplier should take preventive measures in relation to environmental challenges, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies. A suppliers' actions should be based on the relevant national and international laws, regulations and standards in respect to environment. Supplier shall minimize its environmental impact and continuously improve its environmental performance.

7. Material compliance & Conflict minerals

At Sunfab, we are determined to comply with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances and conflict minerals. Therefore, suppliers shall ensure that the goods provided to Sunfab are in compliance with requirements covered under the scope of all relevant regulations. The latest version of Sunfab's directive regarding banned and restricted substances can be found online at: www.sunfab.com/about-us/quality-environment/

Supplier warrants that all the products and components provided to Sunfab do not directly or indirectly contain Conflict Minerals, as defined by the United States Dodd Frank Act, Section 1502. Sunfab requires manufacturing companies to identify and disclose the source of 3TG minerals (tin, tantalum, tungsten and gold) used in products supplied to Sunfab upon request.

8. Auditing & Reporting

Sunfab reserves the right to actively verify and audit the suppliers' compliance with Sunfab Supplier Code of Conduct without announcement on premises. These audits may be performed either by Sunfab employees or by a third-party auditor assigned by Sunfab.

If Sunfab finds that the Supplier is not meeting the requirements and expectations set out in this CoC, Sunfab will offer guidance specifying which issues need to be corrected promptly. Sunfab nevertheless reserves the right to cancel outstanding orders, suspend future orders or terminate the contract with the Suppliers in case of a material breach of this CoC.

The latest version of this document is always posted on www.sunfab.com/about-us/quality-environment/ and if there is any changes in the document you will be noticed.

9. Reporting of violations

Any violations of the principles set forth in this Code of Conduct shall promptly be reported to Sunfab. Violations can be reported to your Sunfab contact or Sunfab Compliance Line at: compliance@sunfab.com

