

VECTO's - Supplier Code of Conduct

We take responsibility for our impacts on society and surroundings and we want our suppliers to do the same.

This Supplier Code of Conduct (SCoC) describes our responsibility and sustainability requirements to you as a supplier. You must comply with all applicable laws and regulations in the countries where you operate, and in accordance with United Nations' Bill of Human Rights and UN Guiding Principles on Business and Human Rights, and you must meet the requirements in this SCoC.

If differences exist between applicable laws and regulations, this SCoC or our contract with you must follow the stricter requirements. **End of document, please confirm and approve our mandatory demands which you need to follow and fulfill as our supplier.**

Scope of the SCoC

This SCoC applies to all suppliers that deliver products or services to VECTO or any of its subsidiaries.

We expect you to set up SCoC requirements for your own suppliers in level with this SCoC. You must be able to document that your own suppliers have been informed of your requirements and that you practice follow up.

This SCoC does not limit your obligations according to your supplier contract with us.

Compliance, follow-up and documentation

The term "must": You are expected to comply with all requirements that contain the term "must". If this is not the case now, you must prepare a plan for coming into compliance.

The term "should": You are expected to work for progress on requirements that contain the term "should".

You must keep appropriate records to document compliance with the SCoC.

We reserve the access to perform audits/reviews of your compliance with this SCoC, including your suppliers. Audits/reviews may range from a request for documentation to an announced or unannounced on-site audit/review. Your full collaboration is expected during audits/reviews.

Breach of the SCoC

Any breach of this SCoC is considered a material breach of the supplier contract.

If a breach is identified, we will ask you to make improvements. If this is not possible or if the breach is serious, this may lead to termination of our business relationship, without the right to any compensation from your side.

If you identify any breach of the SCoC when you do business with us, you must report it to us.

Specific practice requirements

Human Rights

- Policy

You must have a human rights policy, that is appropriate to the size, nature and risks of your operations.

- Forced labour

You must not use or employ forced labour or trafficked persons.

No worker must be required to lodge a money deposit or original identity papers to be employed or to keep their employment.

- Discrimination

You must treat all workers fairly.

You must not discriminate against or harass any group or individual in your employment practices on the grounds of e.g. gender, age, race, sexual orientation, nationality or ethnic origin, disability, political affiliation, union membership or religious beliefs.

- Freedom of association

You must respect the right of your workers to establish, join or not join trade unions and any other association of their choice.

You must support the right of representative unions and staff to bargain collectively.

Where national law restricts the right to freedom of association and collective bargaining, you should allow workers to freely elect their own representatives to engage in dialogue with their management.

Labour standards

- Policy

You must have a labour policy, that is appropriate to the size, nature and risks of your operations.

The policy must be clearly communicated to all employees.

The policy should as a minimum cover: Contractual terms, working time, wages, health and safety, disciplinary and termination procedures.

- Working conditions

You must ensure that working conditions, hours and voluntary overtime are in accordance with local regulation and industry practice, and that wages and benefits meet legally mandated minimums without unauthorised deductions.

Employees must not be required to work more than 48 hours a week. Temporary overtime shall be voluntary, not exceed 12 hours a week and be remunerated at a higher rate than the hourly rate. Any lower maximum hours according to applicable local laws shall be respected.

You must allow all workers to have adequate rest periods, with at least one uninterrupted day off per seven-day week.

You must provide a signed contract for each employee setting out employment conditions in a language understandable to the individual concerned.

- Health and safety

You must provide a safe and healthy work place for all workers.

This includes, as a minimum, providing all workers with clean toilet facilities, access to clean water, adequate personal protective equipment, adequate health & safety training, adequate heat and ventilation, adequate emergency training and exits.

- Child labour

You must not use child labour.

The minimum age for employment or work must be 18 years of age, the minimum age for employment in that country, or the age for completing compulsory education in that country, whichever is higher. This does not prohibit participation in legitimate workplace apprenticeship programs.

- Management system

You should have a documented Health & Safety Management System appropriate to the size, nature and risks of your operations.

Environment

- Policy

You must have an environmental policy, that is appropriate to the size, nature and risks of your operations.

The policy is expected to address as a minimum; energy consumption, emissions to air, land and water, as well as management of hazardous materials and waste.

- Management system

You should have a documented Environmental Management System appropriate to the size, nature and risks of your operations.

- Risk identification

Where your activities involve an environmental risk, you should implement an effective system to identify and minimise potential hazards.

Ethics

- Policy

You must have a policy on ethical business and anti-corruption practice, that is appropriate to the size, nature and risks of your operations.

- Integrity

You must act in an ethical, fair and professional manner.

- Competition practices

You must not at any time operate in breach of competition regulations, such as illegal cooperation on pricing, illegal market sharing or other behaviour that is in breach of competition laws where you operate.

- Corruption

You must comply with applicable laws and regulations concerning bribery, corruption, fraud and similar. You must not offer or give an undue advantage or favour to any public official or other third party, neither directly or through an intermediary. You must not offer VECTO representatives bribe, entertainment or gift to influence how they do their job. Nor must you demand or accept bribes or other improper payment for yourself to act or refrain from doing your duties.

- Impartiality and conflicts of interest

VECTO's business relationships must be impartial and all business decisions must be made based on the company's best interests, without regard to personal relationships or benefits. Conflicts of interest between employees and the company must be avoided. Employees may not participate in activities that are contrary to VECTO's interests. This applies correspondingly "back-to-back" also for all personnel employed by subcontractors working for company VECTO as supplier.

- Export control and financial sanctions (See separate enclosed policy document 28-3)

The purpose of this policy is to ensure that complies with applicable laws and regulations for export control and financial sanctions imposed by national and international authorities. This includes complying with relevant regulations to prevent illegal trade and to minimize the risks of legal and financial sanctions.

Appendix – policy doc 28-3

The purpose of this policy is to ensure that VECTO Engineering AB and all their sub suppliers complies with applicable laws and regulations for export control and financial sanctions imposed by national and international authorities. This includes complying with relevant regulations to prevent illegal trade and to minimize the risks of legal and financial sanctions.

1. Scope:

This policy applies to all employees, subsidiaries, suppliers and partners who are involved in any part of VECTO Engineering AB's operations, including, but not limited to, purchasing, selling, exporting, importing and transferring technology or services.

2. Compliance with Export Control Legislation:

All activities within VECTO Engineering AB that include the transfer of goods, technology or services to other countries or entities must comply with:

- National rules on export control (e.g. Swedish legislation, EU export control regulations).
- International regulations, including, but not limited to, the United States Export Administration Regulations (EAR) and the International Traffic in Arms Regulations (ITAR).
- UN, EU and other applicable international sanctions regulations. Employees responsible for international transactions must ensure that the goods or services being exported are not prohibited or require export permits. This also applies to further exports to third countries.

3. Manage Financial Sanctions:

VECTO Engineering AB is obliged to comply with all economic and financial sanctions imposed by international organizations such as the UN, EU and individual nations such as the USA and Great Britain. These sanctions may include:

- Prohibition against trading with specific countries, entities or individuals ("blacklists").
- Restrictions or prohibitions on the transfer of certain products or services to certain regions.
- Forbid financial transactions with sanctioned parties. Before new transactions are carried out, a risk assessment must be carried out to ensure that no sanctions are breached. Screening of partners through relevant sanctions lists is mandatory.

4. Export control and Sanction assessment:

For each international transaction, the following assessments must be made:

- Which country is the recipient of the goods or services.
- What type of product or service is being exported (is it subject to export control?).
- The status of the receiving entity or individual (are they listed on sanctions lists?).
- If an export license or special permit is required.

5. Reporting Crimes:

If any employee or partner suspects or discovers a violation of this policy or applicable legislation, it must be immediately reported to the CEO and/or to info@vecto.com

A thorough investigation must be carried out, and if necessary, measures must be taken to correct the situation and report to the relevant authorities.

6. Education and Awareness:

All employees involved in international transactions or who are responsible for exports, imports or financial transfers must undergo training to understand and comply with this policy. This training must be mandatory and regularly updated to ensure awareness of new regulations and changes in export controls and sanctions.

7. Liability:

Every individual employee within VECTO Engineering AB who participates in international business is responsible for carrying out checks and ensuring compliance with this policy.

VECTO Engineering AB senior management has the ultimate responsibility for monitoring policy implementation and compliance.

8. Consequences of violation:

Violations of this policy may result in severe legal penalties, including fines and imprisonment for the individual as well as sanctions against the company as a whole. Internal disciplinary action may also be taken against employees who violate the policy, including termination.

9. Review and Update:

This policy shall be reviewed and updated annually, or earlier as necessary, to ensure that it remains in line with changes in applicable legislation and the company's operations.

This policy aims to maintain the highest standards of business ethics and compliance within VECTO Engineering AB and ensures that the company complies with international regulations for export control and economic sanctions.

Basis for the SCoC

This SCoC is inspired from and based on recognized international guidelines, including the OECD Guidelines for Multinational Enterprises, the UN Global Compact, the UN Guiding Principles on Business and Human Rights and relevant ILO Conventions.

More information

For more information please contact VECTO at info@vecto.com or telephone +46 44 917 80.

Confirmation and approval from actual supplier

Supplier's signature

Company name:

Representative's name:

Representative's job title:

Date:

Signature: