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CODE OF CONDUCT

1. Introduction

Much like other companies, the B&B TOOLS Group operates in a world that expects companies to be aware of their impact on the community based on environmental, economic and social factors. This “Code of Conduct” describes the B&B TOOLS Group’s desired position with respect to such factors.

This “Code of Conduct” is supplemented by the Group’s other policies.

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2. Values and business principles

B&B TOOLS shall conduct its business in accordance with the Group’s vision, business concept, business objective and values, as well as the principle of long-term, sound development, etc. In addition to all business-economic requirements, goals and guidelines, the business shall also be conducted at a high level of integrity and ethics.

The B&B TOOLS Group, its companies and employees shall observe the following guidelines:

- B&B TOOLS complies with all laws and regulations that apply in the countries in which the Group is active as well as with the Group’s “Code of Conduct”.
- B&B TOOLS respects The United Nations Declaration on Human Rights (www.un.org) and ILO’s core conventions (International Labour Organization) and accepts its responsibility to respect the rights of employees and society to the extent they are affected by the Group’s activities.
- B&B TOOLS strives to adhere to OECD’s Guidelines for Multinational Companies (www.oecd.org) and to fulfill the demands in UN’s initiative Global Compact..

- B&B TOOLS has an open attitude in the dialogue with those who are affected by the Group’s business. B&B TOOLS responds to inquiries from external parties and communicates with affected parties in a timely and effective manner. (See also B&B TOOLS’ “Information Policy”.)

In the areas in which B&B TOOLS has influence, the Group shall strive to ensure that suppliers and sub-suppliers adhere to the relevant principles of this “Code of Conduct”.

All employees of the B&B TOOLS Group are responsible for ensuring that they themselves and the entity in which they are employed, act in accordance with these values and business principles. It is the responsibility of each individual employee to ensure that he or she possesses sufficient information about relevant laws, regulations and policies in conjunction with all business, personnel and investment decisions.

The management groups of each operating area are responsible for implementing this “Code of Conduct” and for compliance therewith in conducting the Group’s business. It is the responsibility of every manager to report any cases of fraud or other criminal behavior to a member of B&B TOOLS company management. Verified breaches of B&B TOOLS’ “Code of Conduct” will be reported to the Human Resources function, which together with the manager responsible will decide on disciplinary action and, where appropriate, submission of a report to the police. More serious violations of the guidelines may lead to termination.

3. Employees

The B&B TOOLS Group strives to be a respected employer – for current as well as for potential employees. The companies in the B&B TOOLS Group shall provide a good physical and psychosocial work environment. The companies in the B&B TOOLS Group shall also strive to be an attractive employer with respect to the personal and professional development of its employees. This policy does not focus on business issues in the area of each company’s human resources function, so what follows are rules in the vein of minimum requirements.

The relationship with and among the employees shall be based on mutual respect and dignity, as well as reasonable influence in areas that affect the individual’s work situation. All employees of the B&B TOOLS Group shall work in accordance with the Group’s basic requirements and values.

- The terms of employment, including financial compensation and working-hours, offered to the Group’s employees shall, as a minimum, comply with the minimum requirements according to national legislation or the standard of the industry.
- B&B TOOLS does not accept forced labor, slave labor or other forms of involuntary work in the Group’s workplaces. Nor does the Group allow the use of methods that limit the free movement of its employees.
- B&B TOOLS does not hire persons below the age of 15, and where local legislation imposes a higher age limit, no persons below such age may be hired.
- B&B TOOLS provides all of the Group’s employees equal opportunities regardless of skin color, sex, age, nationality, religion, ethnicity or other distinctive characteristics. The Group permits neither discrimination nor harassment. (See also B&B TOOLS’ “Equality Policy”.)
- B&B TOOLS recognizes the right of employees to form or become members of unions in accordance with the laws and principles of each respective country.

- The work environment offered by B&B TOOLS shall be safe and sound. Each Group company is responsible for ensuring that all work is conducted in such a way that injuries and illness are prevented. Written health and safety instructions shall apply to the Group’s workplaces.

4. Market, customers and suppliers

B&B TOOLS’ business is based on close, long-term relationships with customers and other business partners. B&B TOOLS aims to be perceived as a trustworthy, long-term and reliable collaboration partner and will act professionally, honestly and ethically correct. The Group does not tolerate corruption, bribes and unfair practices that may limit competition. All sales activities and marketing of B&B TOOLS’ products and services shall be conducted in compliance with relevant laws and regulations in each respective country.

- B&B TOOLS will not act in breach of applicable competition legislation in each respective country. The Group does not participate in cartels or other unlawful collaboration with competitors, customers or suppliers which limits or distorts competition. In the event any company in the Group is approached with proposals for such collaboration, or has reason to believe that such activity is occurring with any of its cooperation partners, it must be reported to Group management and a report must be filed with the competition authority in the country in question.
- B&B TOOLS shall not offer or make undue payments / other compensation, products or services to any person or any organization for the purpose of inducing such person or organization to act in breach of prescribed obligations in order to engage B&B TOOLS or to retain assignments for the Group.
- B&B TOOLS shall not – directly or indirectly – request or accept any form of undue payment / other compensation, products or services given for the purpose of inducing the Group to act in breach of B&B TOOLS’ prescribed obligations.
- For the purpose of avoiding conflicts of interest, employees of the B&B TOOLS Group may only give or accept gifts or services that are in compliance with general business practice, do not breach applicable law, do not represent any major financial gain and cannot reasonably be regarded as constituting bribes.
- B&B TOOLS respects other companies’ assets, and protects all of the Group’s tangible and intangible assets from loss, theft, encroachment or abuse.

Suppliers/cooperation partners

In the areas where B&B TOOLS is influential, the Group shall strive to ensure that suppliers and sub-suppliers adhere to the relevant principles of B&B TOOLS’ “Code of Conduct” and for example offer their employees a safe and sound work environment. B&B TOOLS’ companies do not buy products from suppliers who, upon request, are unable provide an assurance in writing that child labor is not permitted in its production.

B&B TOOLS shall maintain suitable processes to evaluate and select prioritized suppliers and cooperation partners. Such evaluation processes shall also take into account the ability to meet the requirements of this “Code of Conduct”. A follow-up of the ethical, social and environmental obligations of major suppliers shall be performed on an annual basis and actions shall be taken immediately in the case of breach of the guidelines of B&B TOOLS’ “Code of Conduct”. In line with B&B TOOLS’ strivings for transparency and confidence, the Group reserves the right according to agreements with suppliers to perform independent

reviews of the suppliers operations and physical plants with the help of own employees and / or external partners. The results of such follow-ups are discussed with each respective supplier in order to contribute to their work with any improvements and are reported to Group management on an annual basis.

5. Environment

B&B TOOLS' impact on the environment, and its preemptive efforts to limit such environmental impact, are important issues for the Group. B&B TOOLS' "Environmental Policy" is an expression of the Group's willingness to assume its part of the responsibility to reduce environmental impact and to contribute towards sustainable development. The environmental work must be well structured, and in cases where it is warranted, adhere to internationally recognized environmental management systems (e.g. ISO 14001). Environmental measures will be implemented to the greatest extent technically feasible, economically reasonable and environmentally warranted. (See also B&B TOOLS' "Environmental Policy".)

6. Community involvement

Each individual company in the B&B TOOLS Group shall strive to establish good relations in the local communities in which they are active. Business decisions which may be assumed to affect the community at large should whenever possible be preceded by – or, alternatively, soon be followed up with – discussions with community representatives for the purpose of identifying any needs for joint actions.

The B&B TOOLS Group shall be politically independent and not financially contribute directly to political parties or candidates.

7. This policy

B&B TOOLS' "Code of Conduct" is in the normal case adopted by the Board of Directors of B&B TOOLS AB once per year. The date and version of the policy are set forth on the first page of the document.

The latest updated version/edition of the policy will always be available on B&B TOOLS' intranet, together with relevant links to the principles and guidelines adopted from the United Nations, ILO and the OECD. All employees in the Group are responsible for keeping themselves updated on the latest revision of the policy. This "Code of Conduct" shall be part of the introductory training program for all newly hired employees in the Group.