

Apoteket's Code of Conduct for Suppliers

Valid from October 2019

1 INTRODUCTION

1.1 General

Respect for people and the environment is vital to Apoteket's business. We work towards lasting, sustainable relationships with our employees, customers, suppliers and others affected by our operations. We want to conduct our business in a way that promotes sustainable development and ensure that our suppliers and their subsuppliers also pursue sustainable business.

Our Code of Conduct comprises the following areas: the environment, human rights, terms of employment, equality and diversity, respect for animals as well as anti-corruption and business ethics.

This Code of Conduct clarifies our principal requirements for sustainability. Our requirements for sustainability apply to all businesses who, directly or indirectly, supply goods or services to Apoteket. We therefore require our suppliers to comply with our Code of Conduct and also ensure that their subsuppliers are familiar with and conduct their business in accordance with these principles.

Our Code of Conduct is based on internationally approved regulations, such as the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention against Corruption, the UN Convention on the Elimination of all Forms of Discrimination against Women along with some of the ILO Conventions.

1.2 Legal requirements

All Apoteket's suppliers and their subsuppliers must run their businesses in accordance with the applicable laws and regulations.

Should the requirements in the Code of Conduct in any respect be in conflict with local laws or provisions, the local regulation shall take precedence over the Code of Conduct. Apoteket's suppliers must inform Apoteket immediately if the supplier becomes aware of such a conflict.

2 SUSTAINABLE BUSINESS

2.1 The environment

We want to contribute to a good environment and sustainable society for better health. As a consequence of Apoteket's activities, an important part of our contribution is to work towards the improved use of pharmaceuticals. We also strive to prevent any negative impact on the environment by including environmental considerations in our decision-making. This ensures consistent progress in our work towards reducing the environmental impact of our transportation activities, services and products.

Our suppliers must, depending on their operations, work proactively with a circular use of resources and minimise any negative impact on the environment. This may concern cutting greenhouse gas emissions, minimising discharge into water, choosing low-energy technical solutions, using and recovering resources efficiently, substituting or reducing the use of toxic substances and having strategies for biological diversity and ecosystem services. To achieve this, our suppliers must regularly identify important environmental issues and environmental risks in their businesses and manage these in a structured way, for example by setting targets for, measuring and following up improvements. Environmental considerations must be included in our suppliers' operations, products and services.

2.2 Human rights

2.2.1 *Child labour and forced labour*

All employees must be treated with dignity and respect.

We do not accept child labour. A child is defined as a person younger than 15 years of age or, as an exception, 14 years of age in countries referred to in article 2.4 in ILO's Convention no. 138. Young people (15–18 years old) may only be employed if they are above the country's legal age for working and have completed compulsory education. The work must not be hazardous. We expect our suppliers to have a strategy in place to discover and manage any occurrence of child labour.

We do not accept forced or involuntary prison labour.

2.2.2 *Physical punishment and harassment*

Physical punishment or the threat thereof, unreasonable disciplinary measures, mental or physical coercion, sexual or other harassment and violations of an employee are unacceptable.

2.3 Terms of employment

2.3.1 *Work environment*

All employees must have a safe and healthy work environment, in which they are protected against exposure to chemical, biological or other physical hazards. The supplier must work continuously towards identifying work environment risks and take measures to minimise the risks.

Safety instructions, first aid and well-functioning equipment in the event of fire or other accident must be available at the workplace at all times. Personnel trained in first aid must be available at all times where work is in progress.

All employees must be covered by accident insurance including medical treatment for work-related injuries.

2.3.2 *Employees' rights*

All employees shall have the right to a written employment contract. All employees must be able to enjoy their legal right to form or join a trade union or employees' organisation and participate in collective bargaining. In countries where freedom of association is restricted, the employer must create an atmosphere where company management and employees can discuss wages and working conditions in a non-threatening manner. Employees must have the right to carry out demonstrations pertaining to working conditions.

2.3.3 *Wages, benefits, working hours and leave*

Wages must be paid regularly, directly to the employee at the agreed time and in full. Wages must be above the legal minimum level in the country or comply with the prevailing industry standard, if it is higher than the minimum level, and be sufficient to cover basic needs for the employee and their family.

Ordinary working hours as well as overtime must not exceed the legal limit and never exceed forty-eight (48) hours per week. Overtime must always be voluntary and must not exceed twelve (12) hours per week, or the lower number of hours that may be prescribed by law. Pay for overtime must exceed pay for normal working hours.

All employees must have the right to at least one (1) whole day off per week. All employees must have the right to a statutory holiday period and leave, such as paid sick leave and parental leave.

2.4 Equality and diversity

We value equality and diversity and do not accept discrimination.

Apoteket's suppliers and subsuppliers must not accept discrimination, act discriminatory or treat anyone differently based on gender, transgender identity or expression, ethnic origin, religion or other belief, functional impairment, sexual

orientation or age, social background, illness, political views, pregnancy, civil status, or membership of a trade union or other circumstances that may give rise to discrimination.

Employees with the same experience and qualifications must receive equal pay for equal work.

2.5 Respect for animals

Regarding cosmetics and hygiene products, suppliers must not conduct or commission animal testing of any products, ingredients or combination of ingredients. In other instances, animal testing may only be conducted if it is not possible to produce the relevant research results with other methods.

Animal tests must always consider factors that can reduce pain or stress with the animals. A minimum number of animals must be used in the test and animals must be treated as well as possible throughout the whole process.

2.6 Anti-corruption and business ethics

Apoteket does not accept any form of corruption. We require our suppliers to conduct their businesses in accordance with applicable anti-bribery regulations. We do not accept our suppliers offering or receiving bribes, or in some other way attempting to exert some form of undue influence in their business relationships.

3 COMPLIANCE

3.1 Management system

Our suppliers must have a management system in place to work systematically with the requirements laid down in this Code of Conduct. If possible, the management system should be certified.

3.2 Transparency and cooperation

We require our suppliers to do their utmost to live up to the Code of Conduct's requirements within their organisation and supplier chain. Suppliers must notify us of any deviations from our requirements, either at the supplier's premises or one of its subsuppliers'.

Transparency in issues regarding the Code of Conduct, in other words that we receive the information and documentation we request, is a requirement for a good cooperation. We always welcome good dialogue in issues regarding our Code of Conduct and sustainability in general.

3.3 Inspection

Apoteket reserves the right at any time to visit the supplier's places of business where goods or services are handled or produced for Apoteket to ensure that the requirements and principles in our Code of Conduct are being met. Apoteket must notify the supplier in writing at least three (3) weeks before such a visit. The visit may be carried out by an inspector appointed by Apoteket. When choosing an inspector, Apoteket must have regard for any reasonable objections by the supplier to a certain inspector. The visit must take place during a time agreed with the supplier.

The supplier must work actively towards ensuring that Apoteket, or an inspector appointed by Apoteket, can carry out visits on similar terms to the supplier's subsuppliers where goods or services are handled or produced for Apoteket.

3.4 Measures

In the event of deviations from the Code of Conduct's principles, we primarily wish to discuss how the deviations can be corrected. Repeated or severe violations may, however, have a negative influence on the business relationship with Apoteket. As a final consequence, Apoteket may end the business relationship with a supplier who fails to comply with Apoteket's requirements.