

Apoteket's Code of Conduct for Suppliers

Valid from January 2026

1 INTRODUCTION

1.1 General

Apoteket works towards lasting, sustainable relationships with our employees, customers, suppliers and others affected by our operations. We aim to conduct our business in a way that promotes sustainable development and ensures sustainability throughout our supply chains.

1.2 Scope and applicability

Our Code of Conduct clarifies our principal requirements for sustainability. It covers our requirements regarding the environment, human rights, terms of employment, equality and diversity, respect for animals and business ethics.

These requirements apply to businesses which are contracted by Apoteket to supply goods or services to Apoteket. We require our suppliers to comply with our Code of Conduct and to ensure that their subsuppliers comply with these principles.

Our code of conduct is based on international agreements, principles, and guidelines, such as the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ten principles of the UN Global Compact.

2 LEGAL REQUIREMENTS, DUE DILIGENCE AND SANCTIONS

2.1 Legal requirements

All Apoteket's suppliers and their subsuppliers must conduct their business in accordance with applicable laws and regulations. Should the requirements in the Code of Conduct in any respect differ from local laws or regulations, the framework that provides the strongest protection for the individual or the environment shall apply.

2.2 Due diligence for responsible business conduct

Our suppliers shall carry out human rights and environmental due diligence in line with internationally recognised standards for responsible business conduct. Suppliers are expected to integrate responsible business conduct into their policies and management systems, identify actual and potential risks to people and the environment, and take appropriate measures to cease, prevent, or mitigate adverse impacts. They should also monitor the effectiveness of these actions and evaluate their outcomes.

Furthermore, suppliers shall communicate relevant information about their due diligence efforts and outcomes to affected stakeholders, in a manner that is appropriate and accessible. Where a supplier has caused or contributed to adverse impacts, it is expected to provide for or cooperate in their remediation. Suppliers must also ensure that these requirements, including requirements on due diligence, are communicated to their own suppliers and sub-suppliers.

3 HUMAN RIGHTS

All internationally recognised human rights, as expressed in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, shall be respected.

4 WORKERS' RIGHTS

4.1 Freedom of association and the right to collective bargaining shall be respected ¹

All workers shall have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer shall maintain an open attitude towards the activities of trade unions and their organisational operations. Workers' representatives shall not be discriminated against and shall have the opportunity to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.

4.2 Employment shall be freely chosen ²

There shall be no forced labour, bonded labour or involuntary prison labour.

Workers shall not be required to lodge "deposits" or their identity papers with their employer and shall be free to leave their employer after reasonable notice.

4.3 Child labour shall not be used ³

There shall be no recruitment of child labour. Child labour is any kind of activity or work which is harmful to the intellectual, physical, social and moral development of persons under 18 and undermines their education, preventing them from going to school, constraining them to abandon schooling too soon or requiring them to work and study at the same time.

The employer shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour, to enable him or her to attend and remain in education until he or she is no longer a child.

A worker under 18 may nonetheless have the right to work if he or she meets the age requirements for the type of work in question:

¹ ILO Conventions Nos. 87, 98, 135, and 154

² ILO Conventions Nos. 29 and 105

³ UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182, and 79, and ILO Recommendation No. 146

- For general work, the minimum age is 15.
- For non-hazardous work, the minimum age may be temporarily set at 14 in countries whose school-leaving age is lower than 15.

Persons under 18 shall not be employed at night or in hazardous conditions.

4.4 No discrimination shall be practiced and no harsh or inhumane treatment is allowed ⁴

There shall be no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

4.5 Working conditions shall be safe and hygienic ⁵

A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

Workers shall have access to clean toilets and drinking water, and where applicable, facilities for hygienic storage of food. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

Responsibility for health and safety shall be assigned to a senior management representative.

4.6 Living wages shall be promoted ⁶

Wages and benefits paid for a standard working week shall meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages shall always be enough to meet basic needs and to provide some discretionary income.

All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. All disciplinary measures should be recorded.

4.7 Working hours shall not be excessive ⁷

Working hours must comply with national laws, collective agreements, and the provisions of the below requirements, whichever affords the greater protection for workers.

Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

⁴ ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women

⁵ ILO Convention No. 155 and ILO Recommendation No. 164

⁶ ILO Convention No. 131

⁷ ILO Convention No. 1 and 14

All overtime shall be voluntary ⁸. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

The total hours worked in any seven day period shall not exceed 60 hours, subject to the following exception:

Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

4.8 Regular employment shall be provided ⁹

To every extent possible work performed must be on the basis of a recognised employment relationship established through national law and practice.

Obligations to workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

5 THE ENVIRONMENT

5.1 Climate and environmental impact

National environmental legislation shall be complied with.

Climate measures that contribute to achieving national and international climate goals shall be promoted.

The use of virgin raw materials shall be reduced through continuous optimization of raw material use, increased recycling and reuse of raw materials, minimization of waste and through offers and solutions in line with a circular economy.

No raw materials from species listed in CITES or as critically endangered, endangered or vulnerable on the IUCN Red List of Threatened Species are to be used.

Chemical use shall be controlled or evaluated. Where applicable, substitution and/or implementation of alternative processes shall be carried out to reduce health and environmental hazards and improve resource efficiency.

Waste shall be stored, handled, transported and disposed of in a manner that protects the health of workers, people in surrounding communities and the environment.

⁸ Overtime shall be voluntary unless otherwise prescribed by national law or agreed upon in a collective agreement.
⁹ ILO Convention No. 95, 158, 175, 177 and 181

Strategies for efficient water use shall be promoted where applicable.
Emissions that pose a danger to health and the environment shall be minimised.

5.2 Environmental rights ¹⁰

All peoples have the right to self-determination and to freely dispose of their natural wealth and natural resources. A people must in no case be deprived of its means of subsistence.

Illegal eviction or taking over of land, forest or water must not occur.

The rights of indigenous peoples to lands, territories and natural resources that they have traditionally owned, occupied or otherwise used or acquired are respected, including the right to free, prior and informed consent.

The right to a safe, clean, healthy and sustainable environment shall be respected. This right is an integral part of the full enjoyment of the right to life, health, food, water and sanitation.

6 BUSINESS ETHICS

6.1 Corruption, anti-competitive behaviour and taxation

There shall be no involvement in bribery, embezzlement, trading in influence, abuse of functions, illicit enrichment, laundering of proceeds of crime, concealment or obstruction of justice.

No agreements shall be entered into with the aim of distorting competition or abusing a dominant position.

Tax arrangements shall be refrained from where it is uncertain whether the arrangement is within the framework of the law. The same applies to tax planning that exploits deficiencies in tax rules to artificially shift profits to countries with low or no tax.

Workers shall receive regular and recorded business ethics training, and such training shall be repeated for new or reassigned workers.

7 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.

The number of animals used in the test shall be kept to a minimum and animals must be treated as well as possible throughout the whole process.

8 FOLLOW-UP AND MEASURES

8.1 Documentation of compliance

At the request of Apoteket the supplier must be able to document how they, and any potential subcontractors, work to comply with the Code of Conduct. This may be done through follow-up meetings and/or mapping of conditions in the supply chain. Should Apoteket request an

assessment of subcontractors' compliance with the Code of Conduct, the supplier is required to provide the name and contact details of subcontractors.

8.2 Inspections

The supplier undertakes to provide Apoteket or its representative with the opportunity to inspect the supplier's premises in order to assess the supplier's compliance with the Code of Conduct.

The supplier shall also make all reasonable efforts to ensure that Apoteket, for the same purpose, can visit any subsuppliers' premises.

The timing of such inspections shall be agreed in consultation with the relevant site and carried out in a manner that minimises disruption to operations.

8.3 Reporting of severe deviations

Supplier shall have a system in place for identifying and managing deviations from the requirements in this Code of Conduct.

Suppliers must notify us of any severe deviations from our requirements, within the supplier's or any subsupplier's organisation.

Forced labour, child labour, working conditions that pose a danger to life, serious environmental harm, grand corruption and attacks on environmental and human rights defenders constitute severe deviations.

8.4 Corrective 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 deviations 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.