

IN ENGLISH

SVENSKA KRAFTNÄT'S SUPPLIER CODE OF CONDUCT

VERSION 1:0



SVENSKA KRAFTNÄT

Svenska kraftnät is a state-owned enterprise which is responsible for managing Sweden's national electricity grid, which comprises of 400 kV and 220 kV power lines with stations and overseas connections. We also have system responsibility for electricity. We develop the national grid and the electricity market to meet society's requirements for a safe, sustainable and cost-effective electricity supply. As a result, Svenska kraftnät is a major purchaser of goods, works and services.

Photographer Tomas Ärlemo

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Mutual trust

Svenska kraftnät is an authority that is operated in the form of a state-owned enterprise. It is the government that determine what we are commissioned to do. We must act in such a way that the government, citizens, suppliers and partners have confidence that we are performing our duties in a professional and objective way. We must behave in a way that benefits society and that helps build and retain trust in the authorities and the government.

Our operations are essential to society and are subject to protective security requirements. So, as a supplier of Svenska kraftnät, you may have to comply with specific requirements.

We are governed by public procurement legislation. This means, amongst other things, that we must treat suppliers in an equitable and non-discriminatory way. Goods and services must be procured in an open and proportional way.

As acting President and CEO, I believe that a successful partnership with our suppliers is a key factor in enabling us to fulfil our mission. We want to collaborate with genuine suppliers that take responsibility for their actions. This Code of Conduct defines what we require and expect from our partnership. We believe in open dialogue that builds mutual trust and enables us to move forward together in a sustainable direction.

Lotta Medelius-Bredhe
Acting President and CEO

BASIC PRINCIPLES OF THE CODE OF CONDUCT

Purpose and scope

This Code of Conduct is based on well-established conventions, declarations and legislation on human rights, employee rights, anti-corruption and the environment. Amongst others, these include the International Labour Organization's eight fundamental conventions on forced labour, child labour, discrimination and freedom of association and the right to collective bargaining (ILO nos. 29, 87, 98, 100, 105, 111, 138 and 182), the UN Universal Declaration of Human Rights, the UN Convention on the Rights of the Child Article 32 and the UN Convention against Corruption.

The Code of Conduct must be observed by Svenska kraftnät's suppliers, including consultants and contractors who work on Svenska kraftnät's behalf. The purpose is to clarify what we expect from you as a supplier and to enable us to move forward together in a sustainable direction.

Suppliers must do their utmost to comply with the Code within their own business operations. Suppliers must also do their utmost to ensure that any subcontractors

that they engage meet the corresponding requirements.

The Code of Conduct provides an important point of departure when defining requirements for and monitoring Svenska kraftnät's supply chain.

Legislation

Suppliers that work on behalf of Svenska kraftnät must comply with applicable laws, regulations and standards in the countries where the supplier carries out its business.

Goods supplied to Sweden must comply with the applicable provisions of Swedish and other applicable laws, regulations and standards.

The supplier must also be in possession of any permits, rights, licences and registrations that may be required for the activities concerned.

If applicable laws, regulations and standards in a country where the supplier or one of its subcontractors is active offer a lower level of protection for employees, the environment or the local community than that required under this Code of Conduct, the supplier must do its utmost to comply with the requirements of this Code.





BUSINESS ETHICS

Suppliers that work on behalf of Svenska kraftnät must carry out their business in accordance with fair commercial practices and must maintain high ethical standards in accordance with nationally and internationally agreed business ethics regulations. This applies in particular to that part of the supplier's business that relates to the delivery to Svenska kraftnät.

Wherever possible, the supplier must refrain from any actions or conflicts of interest that could bring the supplier or Svenska kraftnät into disrepute.

Corruption and bribes

The supplier must not participate in or accept any form of corruption or bribes. No representative of the supplier may directly or indirectly request from, receive from, offer or give any form of bribe or other unlawful reward

to business partners, employees, other representatives or another third party. Bribes or unlawful rewards include, for example, gifts, travel, entertainment, payments and other benefits which constitute a violation of the law or which could be regarded as an attempt to gain an unfair advantage.

Hospitality associated with work that relates to the delivery to Svenska kraftnät must be transparent and moderate and must always have a genuine business purpose.

Fair competition

The supplier must comply with applicable legislation regarding procurement, competition, taxes and social security charges.



WORKING CONDITIONS AND HUMAN RIGHTS

The supplier must respect internationally recognised human rights. The supplier must avoid giving rise to, contributing to or being associated with activities that have a negative impact on human rights.

Requirements in Svenska kraftnät's Code of Conduct that relate to the supplier's personnel must apply to all the supplier's employees, including temporary employees, consultants and contractors. The requirements apply in particular to that part of the supplier's business that relates to the delivery to Svenska kraftnät.

Work environment

The supplier must provide a safe and healthy work environment that complies with applicable laws, requirements and industry standards. The supplier must identify any work environment-related risks within its operations and take steps to prevent accidents, injuries and ill-health. This includes both physical and mental risks.

Anyone working on the supplier's behalf must be given adequate information or training in safe working practices, hazardous tasks, any health risks that may be associated with the work, fire safety and how to deal

with incidents and accidents. The information must be readily available in a language which the employee can understand. The employer must provide relevant protective equipment.

All work on or near Svenska kraftnät's electrical installations requires the supplier's personnel to be trained in EBR Electrical Safety Instructions (ESA).

Serious accidents or incidents that occur during work carried out in Sweden for Svenska kraftnät's business or on or adjacent to Svenska kraftnät's installations must be reported immediately to Svenska kraftnät.

Working hours and employment contracts

The supplier must ensure that normal working hours and overtime are within the limits which are permitted under applicable laws and regulations or which have been agreed in relevant collective agreements in the country in which the work is being carried out.

All employees must have the right to nationally agreed leave, including sick leave and parental leave. Weekly rest must be sufficient to ensure physical and mental recovery, in order to avoid workplace accidents and mental ill-health.



All employees must have the right to start and terminate their employment as they wish. All employees should have written contracts of employment translated into a language that they understand.

Wages and other payments

The supplier must pay wages regularly, directly to the employee, at the agreed time and in their entirety. Wages, benefits and overtime payments must be fair and reasonable and must meet the highest level of the nationally agreed minimum wage or applicable established pay levels for the industry.

Anti-discrimination and diversity

The supplier must strive to promote diversity, equality and equal treatment. The supplier must not tolerate discrimination, harassment, bullying or physical or verbal abuse.

Discrimination based on nationality, gender, religion, age, social or ethnic origin, disability, political opinions, trade union activities or sexual orientation is not permitted.

Employees who raise concerns regarding the company's operations must not be discriminated against.

Freedom of association and right to collective bargaining

The supplier must respect the right of all employees to choose whether they wish to join a trade union or not and whether they wish to take part in collective negotiations.

The employee's choice must not give rise to retaliation, threats or harassment. In countries where the right to join a trade union is restricted, the supplier must endeavour to create an environment in which management and employees can discuss issues around pay, working conditions and work environment in a constructive way without the employee or his/her family being subject to negative consequences.

Child labour and young employees

Before they can be employed, employees must have completed compulsory education in their country and must be at least 15 years of age¹. Young people between the ages of 15 and 18 can perform non-hazardous tasks provided that they have reached the applicable legal working age.

Persons under the age of 18 must not carry out work on or near Svenska kraftnät's operational electrical installations.

Forced labour

All work must be performed on a voluntary basis. Employees must be free to terminate their employment with a reasonable period of notice.

The supplier must not participate in or benefit from any form of forced labour or work that is carried out under threat of punishment or force.

1. ILO fundamental convention no. 138: Where the economy and educational facilities in the country are insufficiently developed, the general rule is that employees must have completed compulsory education and must be at least 14 years old.



ENVIRONMENT

Suppliers whose operations have an impact on the environment must systematically identify, analyse and manage their environmental impact and environment-related risks of products, services and operations throughout the lifecycle, to the extent that this can be impacted by the supplier.

The supplier shall endeavour to avoid or reduce emissions resulting from its operations. Energy, water and other raw materials must be used efficiently. Negative impacts on

biodiversity should be kept to a minimum. Efficient technology that aims to reduce environmental impact must be used wherever possible.

Substances which are harmful to people and the environment, including chemicals, must be managed in a responsible way. Svenska kraftnät expects the supplier to adopt a precautionary approach. All waste, particularly hazardous waste, must be managed responsibly and in line with local regulations.



SECURITY

Parts of Svenska kraftnät's business are subject to provisions of the Protective Security Act (säkerhetsskyddslagen), which imposes specific requirements.

The supplier must comply with Svenska kraftnät's requirements regarding security, which include, amongst others, regulations around how information must be managed and who can access premises and infrastructure, see www.svk.se/en/stakeholders-portal/protective-security/

In addition, the supplier must actively strive to achieve a good security culture both in its own business and amongst its subcontractors.



TRUST AND COMPLIANCE

Mutual trust

Svenska kraftnät wants to collaborate actively with its suppliers in an atmosphere of mutual trust. As a result, we expect transparency and an open dialogue.

If you, as a supplier, believe that Svenska kraftnät or any other organisation that works with Svenska kraftnät is not complying with this Code of Conduct, please report this to Svenska kraftnät, through your contact or anonymously using Svenska kraftnät's whistleblowing function on Svenska kraftnät's website, www.svk.se/en.

Compliance, monitoring and continuous improvements

Svenska kraftnät expects all suppliers to respect the principles of this Code of Conduct and to do their utmost to comply with it. At the same time, Svenska kraftnät understands that suppliers may be at different stages of maturity in terms of the requirements set out in this Code of Conduct. Svenska kraftnät therefore intends to work together with its suppliers to gradually achieve an

ever more sustainable supply chain.

Svenska kraftnät has the right to monitor compliance with the Code, e.g. through an audit. Monitoring of compliance may also be undertaken by a third party. If a supplier fails to meet the requirements and expectations of this Code of Conduct, Svenska kraftnät will, in the first instance, offer dialogue and guidance concerning what needs to be rectified or improved. The supplier must then take corrective measures without delay and undertake to provide evidence of improvements. Svenska kraftnät has the right to request and review action plans and to check that they are being implemented. If the supplier demonstrates major non-compliances with the provisions of the Code of Conduct or if agreed measures are not taken within the agreed period, this may affect the business partnership.

Svenska kraftnät sees significant opportunities for developing and achieving continuous improvements together with its suppliers through an open dialogue.

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