

AAK Group Supplier Code of Conduct

Introduction

AAK strives to do business with honest and committed suppliers who treat their employees with dignity and respect, adhere to applicable laws and regulations, and manage their production in an environmentally sustainable manner.

AAK supports in its actions the ten principles of United Nations Global Compact in the areas of human and labour rights, environment and anti-corruption, and we aim to integrate these principles in the interaction with our suppliers.

AAK requires all external suppliers and their subcontractors to comply with this Code, which may request higher standards than required by national law. Should any requirement in this Code violate applicable law, the law takes precedence.

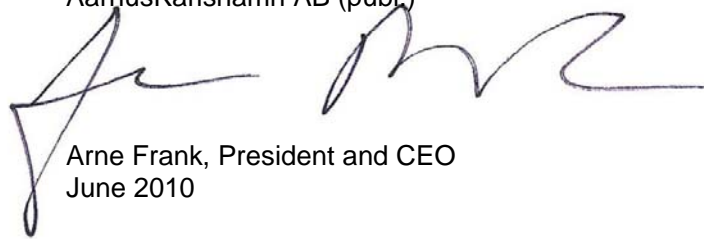
Compliance

Suppliers must maintain documentation necessary to demonstrate compliance with the requirements of this Code. The documentation must be made available to AAK on written request or during audit on location by AAK personnel or by a third party.

Should a supplier fail to comply with the requirements of the Code, AAK will through dialogue and cooperation try to solve the situation or terminate the relationship as a last resort.

Any area causing concern or requiring clarification should be addressed to code@aak.com.

Yours faithfully
AarhusKarlshamn AB (publ.)



Arne Frank, President and CEO
June 2010

Supplier Code of Conduct

Human rights

Suppliers shall support and respect the protection of internationally proclaimed human rights and constantly supervise within their sphere of influence that they are not complicit in human rights abuse.

Freedom of association

Suppliers shall respect the freedom of association and the right to collective bargaining.

Forced labour

Suppliers shall not accept any form of forced labour such as bonded labour, prison labour, slavery, human trafficking or retention of important personal documents of employees.

Child labour and young workers

Suppliers shall not accept the employment of children. The minimum age of employment shall not be less than the age of completion of compulsory schooling and in any case not less than 15 years (14 years in some developing countries).

Where national law permits it, children between the age of 12 and 15 may perform a few hours of light work per day. The work must not interfere with children's education.

For young workers below the age of 18, special precautions shall be taken to protect them against accidents and damage to their health.

Discrimination

Suppliers shall not engage in or support any form of discrimination in hiring and employment practices. Employment related decisions shall be based on relevant and objective criteria.

Working hours

Suppliers shall comply with all applicable local and national standards on working hours and overtime.

Remuneration

Suppliers shall comply at least with local and international legal minimum standards concerning wages and benefits including compensation for overtime. The size of wages shall enable workers to meet basic needs and shall be paid on time.

Notification

Suppliers shall give fair notice to employees of significant changes that could substantially affect them.

Working environment

Suppliers shall offer a safe working environment for all employees. Adequate health and safety procedures shall be implemented. As a minimum, suppliers shall comply with all local and national health and safety legislation.

Housing

Suppliers offering housing to employees shall ensure an adequate standard and hygiene of the facility, sufficient area per occupant and offers satisfying privacy options.

Workplace violence

Suppliers shall protect employees in the working place against physical, verbal, sexual or psychological harassment, abuse or threats.

Environment

Suppliers shall strive to minimise the environmental impact of their activities through responsible management, widespread environmental awareness and the use of technologies with low environmental impact.

Corruption

Suppliers shall work against corruption in all its forms, including extortion and bribery.