

SBAB Supplier Code of Conduct

SBAB is a Swedish, public owned bank with a business idea to apply innovation and consideration to offer loans and savings products to private individuals, tenant-owner associations and property companies in Sweden. Sustainable and responsible business is important for SBAB to be able to create long-term value for the company and our stakeholders. SBAB's definition of sustainable business is the effort SBAB makes to integrate financial responsibility, social responsibility and environmental responsibility in all aspects of its business operations. This Supplier Code of Conduct ("the Code") is our framework and tool to ensure that we integrate sustainable business also in our supply chain and ensure that our suppliers are aware of our expectations and standpoint on sustainable business.

Basis for the Code

SBAB is a signatory member of the UN Global Compact since 2009 and this Code is based on the ten principles of UN Global Compact*¹ and its underlying conventions and declarations. The Supplier shall always follow national legislation and, when applicable, legislations with a wide territorial scope such as Modern Slavery Act*², UK Bribery Act*³ and the Foreign Corrupt Practices Act (FCPA)*⁴.

Scope

This Code applies to all suppliers, sub-contractors and business partners ("the Supplier") providing products and/or services to SBAB. The Code also includes their employees and consultants, regardless if they are permanently employed, temporarily contracted, directly employed or supervised ("the Employees"). All Suppliers must comply with the requirements in the Code and always include the requirements of the Code in agreements with sub-contractors throughout the supply chain

Data Collection & Assessments

The Supplier shall, upon request, provide data and information to SBAB's annual report and other reports. The Supplier shall participate in SBAB arranged self-assessments and accept site audits and processes related to these activities. For any identified non-compliances with the Code, the Supplier shall provide a corrective action plan to be approved by SBAB. The Supplier is also responsible to ensure that sub-contractors are compliant to the Code and accept and participates in self-assessments and audits arranged by SBAB.

*¹ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

*² <http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

*³<http://www.legislation.gov.uk/ukpga/2010/23/contents>

*⁴<https://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act>

Obligation to Inform & Breaches

The Supplier is responsible to inform SBAB if they discover a breach, or a suspected breach, of the Supplier Code of Conduct. Such information will not be used against the Supplier if acting in good faith. If a supplier or an employee observes, is informed of, or suspects, any activities that may be in violation with the Code, the information shall be reported by e-mailing: alert@sbab.se. Any material breach of the Code gives SBAB the right to immediately terminate any or all agreements with the Supplier.

Human Rights

All employees shall be treated with respect and dignity and be entitled to fundamental human rights. The Supplier shall ensure that all employees working directly or indirectly for them know and understand these rights.

Freedom of Expression

The freedom of expression and the privacy of employees, customers and other stakeholders shall always be respected.

Freedom of Association and Collective Bargaining

All employees shall be free to form and to join, or not to join, trade unions or similar employee representative organisations and to bargain collectively.

Forced labour

Any form of involuntary labour is strictly forbidden. No employees shall be required to lodge deposits or original identity papers or equivalent. Employees shall be allowed to move freely and have the possibility to leave the premises outside of working hours.

Harassments

Nobody shall be subject to physical punishment, unlawful detentions, physical, sexual, psychological or verbal harassment or abuse. Deductions from wages as a disciplinary measure shall not be permitted.

Diversity and Discrimination

Diversity and gender equality shall be promoted in processes such as recruiting, promotion, training, remuneration and parental leave. Discrimination is prohibited regardless of grounds and specifically on ethnicity, gender, sexual orientation, marital, social or parental status, religion, political grounds, nationality, disability, age or union affiliation.

Child Labour

No person shall be employed who is below the minimum legal age for employment. It is strictly forbidden for suppliers to use children or minors under the minimum legal working age or fifteen (15) years old, whichever is higher, as labour. Employees under eighteen (18) years of age shall not work night shifts or carry out hazardous or heavy work.

Conflict Minerals

Suppliers that deliver products containing tin, tungsten, tantalum and/or gold to SBAB are obligated to have a clear policy in place regarding all conflict minerals and to ensure their traceability.

Labour Rights

Employment Contract

All employees shall have a written contract, be informed about and fully understand their employment conditions and rights in their own language. The contract shall as minimum contain: working hours, overtime compensation, notice period, salary and frequency of payment.

Working Hours

A normal working week shall not exceed 48 hours and overtime shall be voluntary and not exceed 12 hours per week, unless otherwise regulated in national legislation or collective bargaining agreements. Employees shall be entitled to at least one day off in every seven-day period. Employees shall also have the right to yearly holidays and parental leave according to minimum standards stipulated in ILO Conventions*⁵.

Wages

Pay and terms shall be fair and meet at least the minimum wage stated in national legislation or industry benchmark standards, whichever is higher. Wages shall always be enough to

meet basic needs provided for the employee's family and cover some discretionary income, referred to as "living wage". Overtime pay rates shall be premium to regular wages. Employees shall also have the right to paid holidays, sick leave and parental leave. Employees shall receive a pay slip that states the salary and number of hours worked, as well as legal deductions and overtime compensation, if any.

^{*5}<http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

Working Conditions

The Supplier's shall provide fair working conditions that ensures employees health and safety, including both physical and psychosocial health. The Supplier shall continuously improve employees' health and safety at the work place. Appropriate health and safety information and training shall be provided to employees including, but not limited to: fire safety, correct handling of chemicals and machinery, emergency preparedness and first aid. Work instructions, including identified hazards, shall be established, updated and communicated to all employees. All employees shall have access to basic amenities such as drinking water, lockable toilets and adequate rest facilities or dorms that are clean, safe and fit for purpose.

Prevent Accidents

Adequate steps to correct and prevent physical accidents and injuries as well as psychosocial illnesses shall be taken to limit built-in causes of hazards working environment. The Supplier shall provide appropriate personal protective equipment without any charge to the employee. Physical incidents and accidents as well as psychosocial illnesses shall be documented and reported to the Suppliers' top management.

Grievance mechanism

Employees shall be able to use grievance mechanisms anonymously and be able to voice concerns without fear of punishment or retribution.

Anticorruption

All forms of corruption, including but not limited to extortion, bribery, facilitation payments, nepotism, fraud, terrorism financing and money laundering, are strictly forbidden. The Supplier shall have an established internal process to prevent, detect and remedy corruption

and maintain high standards with regard to banking security and confidentiality to protect SBAB and its customers. In the event of breach of the Code, the Supplier is obligated to contact Head of Internal audit on: alert@sbab.se.

Bribery

No one shall offer, ask for, give or accept, directly or indirectly, a personal payment, gift or benefit in exchange for favourable treatment intended to influence a business transaction or to obtain a personal or business advantage.

Fair Competition

Fair competition and free markets shall be respected and business decisions shall not be motivated or affected by personal relationships or interests.

Money Laundering

The Supplier shall work against all forms of money laundering and be proactive to ensure that own financial transactions not are used in money laundering activities.

Conflict of Interest

All potential conflict of interest shall be avoided. Business decisions shall not be motivated or influenced by personal relationships and interests.

Information Security

The privacy of customers, employees and business partners shall be respected and information regarding business activities and/or any other information deemed confidential must be effectively safeguarded. Such information shall be disclosed only in accordance with the applicable banking secrecy and data protection laws and regulations.

Environment

The Supplier shall apply a precautionary approach and strive to minimise their impact on the environment. The Supplier shall have an environmental program in place with measurable objectives and targets for improved environmental and public health and safety performance.

Energy Use and Greenhouse Gas Emissions

To minimise greenhouse gas emissions, the Supplier shall prioritise energy from renewable resources and minimise consumption of energy. The Supplier shall also strive to reduce environmental impact from transportation by using road, sea or rail transport whenever possible. Fuel-efficient vehicles and environmentally friendly fuels shall be prioritised when transporting goods.

Hazardous substances

The Supplier shall not use hazardous substances restricted under the European Union directive's REACH^{*6} and RoHS^{*7}.

Minimise use of Resources and Waste

The Supplier shall minimise the consumption of water, chemicals and hazardous materials and avoid or minimise emissions, effluents, pollutions and waste. Whenever possible, disposable materials must be avoided in favour of recyclable materials.

^{*6} <http://echa.europa.eu/regulations/reach>

^{*7} http://ec.europa.eu/environment/waste/rohs_eee/legis_en.htm

Environmentally friendly Technology and Innovation

The Supplier shall encourage new technologies that reduce the environmental impact and promote innovative developments in products and services that offer environmental and social benefits.

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