

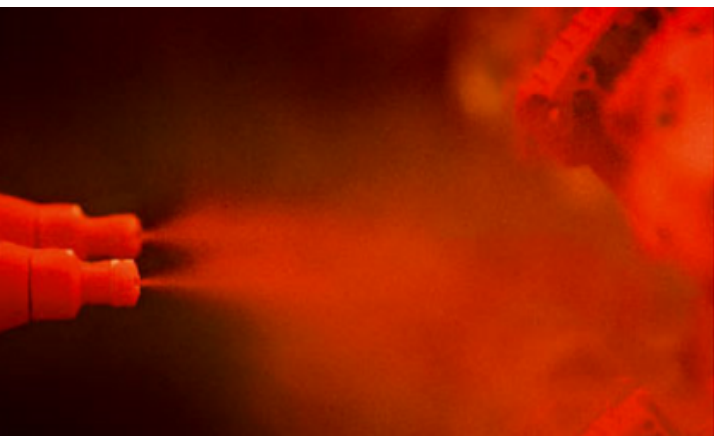


Husqvarna
Group

Supplier

Code of Business Ethics





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Husqvarna Group's Commitment

Husqvarna Group is committed to sustainable development and the principles of UN Global Compact, which aim at aligning businesses with human rights, labor, environmental care and anti-corruption principles. Husqvarna Group participates in the UN Global Compact Initiative since 2013.

The principles in the Code of Business Ethics are also based on OECD Guidelines for Multinational Enterprises, the UN Universal Declaration on Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. The Husqvarna Group enjoys an invaluable reputation that has been built on a long and successful history. Honesty and fairness have always characterized our way of doing business.

The Husqvarna Group Supplier Code of Business Ethics is based on the Husqvarna Group Code of Conduct and underscores the principles by which the Group aims at building and sustaining long-term relations with all suppliers. By applying the Husqvarna Group Supplier Code of Business Ethics in the daily work, suppliers help ensure that our business is conducted in a responsible and sustainable way.

The Husqvarna Group (hereinafter, the "Group") has historically required and does continuously require its suppliers to agree to comply with this Code of Business Ethics (hereinafter, the "Code").

The purpose of this Code is to clearly state what the Group expects from its suppliers in relation to business principles, human rights and workplace practices, environmental compliance and occupational health and safety.

This Code applies to all suppliers of direct materials (i.e., components, raw materials, or OEM products), indirect materials and services to any company in the Group. This Code has been approved by Husqvarna Group Sourcing

General Conditions

The Supplier is expected to:

Give Group representative full access to production facilities, documents and records (e.g. workers records, permits, licenses etc.) in connection with visits or audits.

Provide Group representative such information as may be necessary to demonstrate compliance with the requirements set forth in this Code.

Allow Group representative to conduct interviews with workers and management separately.

Appoint one or several persons who shall have defined responsibilities and authority to ensure that the supplier follows the rule specified in this Code.

Keep all relevant documents, records, reports etc. related to this code transparent, correct, reliable and available upon request. No document must be manipulated and provision of false information is unacceptable.

Communicate the requirements in this Code to sub-suppliers and make necessary investigations to ensure that the supplier's own suppliers also meet the requirements.

Demonstrate a willingness to improve on any significant areas of concern identified during visits or audits.



Basic Requirements

Applicable for all suppliers, have been set by the Husqvarna Group.

Legal Compliance

The Supplier shall have all necessary registrations/licenses/permits to operate, required by law or regulation (including any environmental permit or licenses), and comply with all laws and regulations as well as Group's specific requirements relating to the environment, social and working conditions, health and safety and product compliance. If any permit or similar limits the volume of materials/components/products that the Group can purchase from the supplier, the supplier shall immediately inform the Group of such limitations. This Code sets forth the minimum level of approved behavior, and might even stipulate higher standards than required by local law. In case local law is stricter than the Code, however, local law shall prevail.

Fairness in business relations

The Supplier shall ensure that there is no form of corruption and bribery including engaging in any illegal or inappropriate activities or unfair trade practices. Legal taxes and eventual tax debt towards authorities shall be paid. Any documents must not be manipulated and provision of false information is unacceptable.

Respect for the individual

The Supplier shall ensure that there is no form of forced and involuntary labor as well as harassment and abuse of workers. All employees including those temporarily employed or on a voluntary basis, shall have their employment terms in writing and made aware of their employment conditions. It's not accepted to hold identification documentation of workers without the worker's consent.

Fair employment conditions

The Supplier shall ensure that all workers are paid at least the minimum wage required by applicable laws and regulations including legally mandated benefits. Applicable legislation on working hours shall be followed and paid salaries and worked hours shall be documented in a transparent system covering all workers. Documents confirming payment of workers shall be available.

Child Labor

The Supplier shall ensure that all workers are paid at least the minimum wage required by applicable laws and regulations including legally mandated benefits. Applicable legislation on working hours shall be followed and paid salaries and worked hours shall be documented in a transparent system covering all workers. Documents confirming payment of workers shall be available.

The Environment

The Supplier shall establish procedures in order to prevent and minimize pollution to air, ground and water in a systematic way. Documents confirming prevention of pollution shall be available.

Health and safety

The Supplier shall establish procedures in order to monitor health and safety risks as well as identifying, minimizing and preventing such risks in a systematic way. All workers shall be provided accident insurance, covering medical treatment for work related accidents and compensation for work related accidents resulting in permanent disability.

Fire prevention

The Supplier shall establish procedures in order to prevent fire include training, emergency plans, firefighting equipment, evacuation plans, evacuation alarm and fire drills. Documents confirming fire prevention activities shall be available.



Fairness in Business Relations

Legal Compliance

- The Supplier shall have all necessary registrations/licenses/permits to operate, required by law or regulation (including any environmental permit or regulations). If any permit or similar limits the volume of materials/components/products that the Group can purchase from supplier, the supplier shall immediately inform the Group of such limitations.
- The Supplier shall comply with all laws and regulations relating to the environment, social and working conditions, health and safety and product compliance as well as the Group's specific requirements (e.g. the Restricted Material List). If the supplier is or has been during the last three (3) years under investigation by any authority regarding environmental, social and working or health & safety conditions, the supplier shall immediately inform the Group the details about it.

Anti-corruption Policy

- The Supplier shall establish and implement an anticorruption policy clearly stating that no form of bribery, corruption, money laundry, conflicts of interest, and provision of false information or tax offences is acceptable.
- The Supplier shall make sure that all concerned employees are trained and continuously informed on the policy, rules and responsibilities on anti-corruption. The content of the training shall be documented and a register of participants shall be established.

Taxes and Fees

- The supplier shall pay all legally required taxes, fees and any royalties in a timely manner. Eventual tax debt towards authorities shall be paid.

Communication with Sub-suppliers

- The Supplier shall communicate the requirements in this code to all sub-suppliers and make necessary investigations to ensure that the supplier's own suppliers also meet the requirements.

Fairness in Business Relations



Anti-Money Laundering

- The Supplier shall comply with laws against money laundering and terrorism financing. The Group only conducts business with Suppliers involved in legitimate business activities. Suppliers may be required by the Group to produce documents to confirm that the Supplier's funds originate from legitimate sources.

International Trade Compliance

- The supplier shall, to the best of their ability, provide accurate details regarding all shipments to the Husqvarna Group. This includes, but is not limited to, information regarding country of origin, customs value, clear descriptions, proper Husqvarna legal entity name and other relevant details relating to the merchandise being shipped.
- In the event Husqvarna is required to respond to an inquiry from a Customs authority or related agency, the supplier shall assist Husqvarna with said inquiry should it pertain to a shipment they had involvement with.
- The supplier shall not engage in any form of misrepresentations, fraud or illegal activities in relation to the actions, information or statements provided to any Customs authorities.

Speak Up and Ask Questions



- If you experience or witness fraudulent behavior or misconduct in violation of this Code, then report through the Husqvarna Group AlertLine at: alertline.husqvarnagroup.com or send an email to: compliance@husqvarnagroup.com
- Ethical values or integrity are of greatest importance of Husqvarna Group. Rest assured that if you raise a concern in good faith, there will be no retaliation taken against you.



Human Rights and Workplace Practices

Respect for the Individual

- The Supplier shall inform all workers about the content of this Code and make it available in their native language.
- The Supplier shall not engage in any form of discrimination in hiring or other employment practices.
- The Supplier shall treat their workers ethically and have a harassment-free workplace.
- The Supplier shall not abuse their workers or threaten the workers' physical well-being.

For example:

- Hiring and other employment practices should not be decided by race, religion, age, nationality, ethnicity, sexual orientation, gender, marital status, pregnancy, political affiliation, union-affiliation or disability.
- Workers shall not be forced to undergo medical tests which could be used to discriminate against workers, unless tests are required by applicable laws.



Fair Employment Conditions

- The Supplier shall ensure that employment terms are fair and reasonable and that workers have their employment terms in writing (in a language understood by the respective worker).
- The Supplier shall pay all workers at least the minimum wage required by applicable laws and regulations including legally mandated benefits.
- The Supplier shall not exceed maximum working hours mandated by applicable laws and regulations unless under extraordinary circumstances.
- The Supplier shall document paid salaries and worked hours in a transparent system covering all workers. Documents confirming payment of workers shall be available.

For example:

- Written employment terms should include all applicable disciplinary rules.





Human Rights and Workplace Practices

Freedom of Association and Whistleblower Protection

- The Supplier shall not restrict any workers from their right to organize and form workers' organizations or participate in collective bargaining.
- The Supplier is expected to establish proper communication channels for workers to make complaints and shall enable the workers to complain anonymously without risking in retaliation towards complaints.

Please note that:

- Employment practices should be consistent with the ILO Standards including Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and Right to Organise and Collective Bargaining Convention, 1949 (No. 98).



Forced or Child Labor

- The Supplier shall not use forced or involuntary labor.
- The Supplier shall not hold identification documentation of workers without the worker's consent (Including passport, ID card, driving license).
- The Supplier shall not use child labor. Any type of work that can be hazardous to the child's well-being or interfere with education or impede negatively on the physical or mental health is classified as child labor. Minimum employment age is (i) 15 years, or (ii) the lawful age for working in the country in question, and should be consistent with ILO standards.
- The Supplier shall not restrict workers in their movement or access to basic liberties during working hours and workers shall be free to resign upon giving reasonable notice in advance.

Please note that:

- Forced labor is understood as all work or services that a person is compelled to carry out under any threat of punishment or confiscation of any personal belongings, such as ID card, passport etc., and for which work the said person has not offered him/herself voluntarily.
- Workers under the age of 18 (young workers) must not be subject to work that could be hazardous to their well-being or interfere with their education or impede negatively on the young workers' physical or mental health. Specific procedures should be in place for workers under the age of 18 (young workers).
- Employment practices shall be consistent with the ILO standards including Forced Labour Convention, 1930 (No. 29) and Abolition of Forced Labour Convention, 1957 (No. 105).





Human Rights and Workplace Practices

Conflict minerals

- The Supplier shall source only Conflict Free Conflict Minerals and shall not include any Conflict Minerals that are not Conflict Free in any products sold to Husqvarna.
- The Supplier is expected to warrant that any Conflict Minerals present in any Product or Husqvarna Tool (if any) does not originate from restricted sources in regions of conflict.
- The Supplier is expected to develop Conflict Minerals policies, due diligence frameworks, and management systems designed to prevent Conflict Minerals that are not Conflict Free from being included in products sold to Husqvarna.
- The Supplier shall to immediately advise Husqvarna if the supplier has concluded or has a reasonable basis to believe that products it currently sells or has sold to Husqvarna are not Conflict Free.
- The Supplier is expected to maintain business records supporting the legitimacy of the source of Conflict Minerals; and, at Husqvarna's request, provide information concerning the origin of Conflict Minerals in products sold to Husqvarna. The Supplier shall not restrict any workers from their right to organize and form workers' organizations or participate in collective bargaining.
- The Supplier is expected to establish proper communication channels for workers to make complaints and shall enable the workers to complain anonymously without risking in retaliation towards complaints.

The Environment

Environmental Management System

- The Supplier is expected to maintain and update an environmental policy (signed by the chief executive) including environmental objectives, requirements and action plans with the aim to comply with existing legislation and to minimize environmental impacts.
- The Supplier is expected to have a certified environmental management system according to ISO 14001 or EMAS, or actively work towards such certification.
- The Supplier is expected to set environmental objectives and track improvements within any Environmental Management System.
- The Supplier is expected to regularly measure and monitor its operations and processes with significant environmental impacts (or potential such impacts). Results of such procedures should be documented.

Prevention of Pollution

- The Supplier is expected to take necessary actions to minimize air pollutants (e.g. Volatile Organic Compounds (VOC) and particles from its operations and processes. Filters and appropriate air control equipment should be installed to prevent emissions.
- The Supplier is expected to ensure that waste water from its operations and processes is treated to minimize the pollutant content and simultaneously reduce overall volume of waste water discharged to any waste water drainage system.
- The Supplier is expected to ensure that its solid waste (including end of life of materials/products) is minimized by recycling, reusing or reducing waste and monitor on a regular basis its produced volume of waste.
- The Supplier shall ensure that toxic and hazardous chemicals used in its operations and processes are handled cautiously. If necessary, the supplier is expected to also plan and implement substitutions of toxic and hazardous chemicals.
- The Supplier shall ensure that a chemical and/or hazardous waste storage facility consists of a secure, designated area that is clearly identified. The storage facility shall be free from possible leakage.

Please note that:

- Waste water treatment should enable reuse of water aiming for a closed loop system. Toxic materials including organic materials, metals (such as zinc, silver, cadmium, thallium, etc.) acids, alkalis, non-metallic elements as well as oils and organic components (BOD and COD) should be treated in such system.



The Environment

Resource Efficiency

- The Supplier is expected to implement and maintain energy programs aiming at reducing the energy consumption (including processes, operations, logistics, buildings and equipment). Energy improvements should be monitored and recorded.
- The Supplier is expected to measure and take necessary actions to reduce Greenhouse gas emissions (GHG) from its operations and processes.
- The Supplier is expected to aim to reduce water usage and reuse water in its operations and processes and encourage water conservation.
- The Supplier is expected to ensure that raw materials in production are used efficiently with the aim of reducing environmental impacts.

Please note that:

- Energy consumption improvements could include sustainable use of renewable resources such as solar power, geothermal energy, hydroelectricity, tidal energy, wind power and biomass.
- Greenhouse gas emissions (GHG) reduction can be achieved by purchase of renewable electricity (e.g. REGO, PPA), installation of solar power, geothermal energy, wind power and biomass



Toxic and Hazardous Substances in Products

- The Supplier shall comply with the Group's Restricted Material List (RML).
- The Supplier shall be able to, upon request, supply documentation confirming compliance with the Group's Restricted Material List

Please note that:

- The Group's Restricted Materials List ("RML") can be found at: <http://corporate.husqvarna.com/purchase/en/restricted-material-list-rml>.
- The Group's RML is based on legal and customer requirements on chemical substances valid for a number of countries where the Group delivers products.





Health and safety

Health and Safety Management System

- The Supplier is expected to maintain and update a health and safety policy (signed by the chief executive) including objectives and action plan for the reduction of risks regarding health and safety.
- The Supplier is expected to establish a Health and Safety Committee to set health and safety objectives and track improvements within any Health and Safety Management Systems.
- The Supplier is expected to monitor health and safety risks as well as identifying, minimizing and preventing such risks. Such procedures should include safety instructions, work procedures, worker training, and identification of appropriate safety devices, personal protective equipment and clothing, chemical control and machine safeguarding.
- The Supplier is expected to minimize the risk of harm from hazardous substances through the provision of safety equipment, training and a safe factory infrastructure.

Please note that:

- Major suppliers are expected to have a certified Occupational Health and Safety Management System according to ISO 45001 or OHSAS 18001, or actively work towards such certification.
- Standards from the ISO 45001/OHSAS series can assist a company in addressing Occupational Health and Safety Management System issues in a systematic manner and will be considered when evaluating occupational health and safety performance.
- An effective Occupational Health and Safety program should include the involvement of workers through joint Occupational Health and Safety Committees. Workers representatives regarding Occupational Health and Safety should not be appointed by the managers but instead be elected by the workers.





Health and safety

Safe Workplace

- The Supplier shall conduct regular health and safety risk assessments to ensure that physical and mental working conditions allow workers to perform their tasks safely and efficiently and to mitigate occupational hazards.
- The Supplier is expected to record and investigate emergency situations. Management shall take action upon these records and reports and encourage workers to report accidents.
- The Supplier is expected to assess the need for Personal Protective Equipment (“PPE”) to ensure sufficient protection of workers. PPE should be provided, free of charge, and available for all workers, including but not limited to temporary workers. All manufacturing sites shall ensure that workers and others obtain the required PPE and that workers are trained to use the PPE properly.
- The Supplier is expected to ensure that all machines and other equipment used in the operations are equipped with the necessary and required engineering measures including safety devices in order to prevent employee injuries.
- The Supplier shall make sure that adequate first aid equipment is available to all workers and placed in clearly marked and unlocked designated areas and maintained in good condition.
- The Supplier shall provide all workers with an accident insurance, covering medical treatment for work related accidents and compensation for work related accidents resulting in permanent disability.
- The Supplier is expected to adequately communicate information and provide training about occupational health and safety hazards.

Please note that:

- Ear and eye protection in any manufacturing area is highly recommended.
- Examples of immediate hazards that must be avoided:
 - Damaged staircases.
 - Not properly secured electrical wires close to workers.
 - Improper storage of LPG (Liquefied Petroleum Gas) or flammable products.
 - Gas tubes standing on the floor and without collars around the valve.
 - Trucks, fork lifts etc. driving at high speed.
 - Footpath not separated from driving area(s)






Health and safety

Hygiene and Accommodation

- The Supplier is expected to ensure that the factory or worksite is clean and hygienic. Ample toilets shall be provided. Workplace hygiene must be consistent with national regulations.
- The Supplier shall ensure that workers have access to clean and safe drinking water at all times.
- The Supplier is expected to ensure good standard living facilities (if provided by the supplier), in order to avoid safety hazards and to protect workers from diseases and/or illness resulting from humidity, bad/stagnant water (or lack of water), cold, spread of fungus, proliferation of insects or rodents.
- The Supplier is expected to ensure that kitchen areas are kept clean and food prepared (if provided by the supplier) and stored in a sanitary manner.

Please note that:

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- The location of the living facilities should be prevented to exposure to wind, fire, flood and other natural hazards. Workers' accommodation shall be unaffected by the environmental or operational impacts of the worksite (for example noise, emissions, or dust).
 - To prevent dehydration, water poisoning and diseases resulting from lack of hygiene, workers should always have easy access to a source of clean drinking water. An adequate supply of drinking water must be available in the same building where bedrooms or dormitories are provided. Drinking water must meet local or WHO drinking water standards and water quality must be monitored regularly.
 - Workers must have access to sufficient clean and hygienic toilets and washing facilities.

Alcohol and drugs

- The Supplier shall have an alcohol and drug policy with the aim to prevent any work under the influence of alcohol or illegal drugs that prevent the worker from performing the job safely and effectively. The policy shall be communicated to and recognized by all employees.



Fire Prevention

Emergency response

- The Supplier shall ensure that emergency response plans on fire safety are prepared. Depending on the local environment, additional emergency response plans must be prepared to handle specific occurrences (earthquakes, floods, tornadoes etc.).

Training Awareness

- The Supplier is expected to have an adequate number of employees trained to use the firefighting equipment in each working area, covering all operations and shifts. All workers shall be made aware of basic fire safety issues, e.g. not blocking firefighting equipment and emergency exits.
- The Supplier is expected to perform fire drills at least once in every twelve-month period. These drills shall involve all operation shifts and departments.

Fire protection

- The Supplier shall ensure that all firefighting equipment are appropriately maintained, with an internal review process regularly at least once every 12 months, to check that firefighting equipment is functioning with documented maintenance records and/or stickers/tags placed on the equipment.
- The supplier is expected to have an automatic fire detection system (e.g. smoke, heat), transmitted to a constantly monitored alarm center and to have a program in place for electrical maintenance and to manage temporary hot work such as cutting/welding.

Evacuation

- The Supplier shall have an independent and functioning evacuation alarm with a continuous sound and lighting system to notify all employees about smoke and/or fire and to ensure a safe evacuation of the facility(s) including easily accessible and unobstructed emergency exits.
- The Supplier shall have evacuation plans. An evacuation plan shall include a map where you can easily identify your present position and the way out. The plan shall show emergency exits, appropriate meeting area(s), locations of fire alarms and means to contact the fire brigade.

References

The Husqvarna Group Global Purchasing

<http://corporate.husqvarna.com/purchase/en>

International Labour Organization (ILO)

<http://www.ilo.org>

National Fire Protection Agency (NFPA)

<http://www.nfpa.org>

Organization for Economic Co-operation and Development (OECD)

<http://www.oecd.org>

International Standardization Organization (ISO)

<http://www.iso.org>

Occupational Health and Safety and OHSAS

<http://www.18001.org>

United Nations Global Compact

<http://www.unglobalcompact.org>

United Nation Human Rights

<http://www.un.org/en/rights>

Responsible Minerals Initiative

<http://www.responsiblemineralsinitiative.org/>