

# Supplier Code of Conduct

Northvolt AB  
and subsidiaries

## Revision history

Revision	Section	Description	Author	Date
1		First Adoption, approved by the Board of Directors'	Jenny Järnfeldt Nordh	2020-02-18
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## 1. POLICY STATEMENT

Northvolt AB (“**Northvolt**”) was established with a clear mission: to enable the future of energy by designing and producing the world’s most sustainable batteries and battery systems. Our products are designed to accelerate the transition to a carbon neutral society and, as an organization, we know that our way of conducting business will play a crucial role in making this green transition more inclusive and ethical.

Northvolt is committed to advancing the highest standards for human rights, social and environmental responsibility and ethical conduct in our supply chain.

The Supplier Code of Conduct highlights what we stand for and sets clear expectations for our supply chain partners on how to fulfil our vision. The Supplier Code of Conduct has been formally adopted by the Board and is of utmost importance to our corporate governance strategy.

The Supplier Code of Conduct is based on the principles of UN Global Compact, ILO Declaration on Fundamental Principles and Rights at Work, ILO Basic Terms and Conditions of Employment, UN Guiding Principles for Business and Human Rights and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

## 2. SCOPE

Northvolt’s Supplier Code of Conduct applies to all suppliers, contractors and sub-contractors of goods and services (hereinafter referred to collectively as “**Suppliers**”).

## 3. ROLES, RESPONSIBILITIES AND DISCIPLINARY ACTION

Suppliers shall ensure that their operations are not only in full compliance with applicable laws and regulations, but that they also adhere to the internationally recognized sustainability standards listed in the Policy Statement section above. If there are discrepancies between national laws and the terms of the Supplier Code of Conduct, Suppliers must adhere to the higher requirements.

The Supplier Code of Conduct sets specific conditions to evaluate the social, environmental and ethical performance of our Suppliers and their value chain. Northvolt may at any time demand that Suppliers complete self-assessments and reserves the right to conduct audits on Suppliers and their value chain regarding compliance to the Supplier Code of Conduct and any agreed upon corrective action plan.

Suppliers are responsible for ensuring compliance throughout their own value chain. In case of non-compliance, including withholding audit rights or failing to meet any agreed upon commitment, Northvolt reserves the right to terminate the contract immediately.

## 4. LABOR AND HUMAN RIGHTS

Northvolt acknowledges potential and real risks related to labor, human rights and occupational health and safety issues associated with the battery manufacturing sector. Northvolt's responsibility is to identify, prevent, mitigate and address these risks throughout our supply chain.

### Freedom of Association and the Right to Collective Bargaining

Suppliers shall respect the basic right of employees to freely and without interference or retaliation establish and join unions or employee representation and collectively bargain.

### Forced Labour

Suppliers shall ensure that they do not engage in any form of forced, bonded, compulsory, trafficked, modern slavery or non-voluntary labour.

Suppliers shall provide all employees with a written contract, that clearly conveys the conditions of the employment in a language understood by them. Suppliers shall only employ workers who are legally entitled to work in the country. Supplier shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities. Suppliers shall not withhold employee's original identification or travel documents.

Workers shall never be required to pay the Supplier or agent a fee or cost for uniforms, personal protective equipment or other expenses need for employment. If such fees are found to have been paid by workers, such fees shall be repaid to the worker.

### Child labour and young workers

Child labour is not tolerated in any form. Suppliers shall not directly or indirectly employ children below the minimum age of 15, unless exceptions under ILO Minimum Age Convention No. 138 Article 6-7 apply. Suppliers should have a child labour policy and a plan for remediation if applicable. If a child is found working at a site associated with a Supplier, all remedial actions taken must be in the best interest of the child. It is of the highest importance to always protect children from being forced into harmful work.

Supplier may employ young workers who are older than the applicable legal minimum age but younger than 18 years of age, provided they do not perform work that might jeopardize their health or safety, consistent with ILO Minimum Age Convention No. 138. Suppliers shall not require juvenile workers to work overtime or perform nighttime work.

### Wages and benefits

Suppliers shall pay wages and benefits at a minimum according applicable laws, industry standards and relevant collective agreements, whichever is highest. The level of wages shall reflect the level of skills and qualifications of regular working time regardless of gender. Overtime should be paid according to local regulation. Suppliers shall pay accurate wages in a timely manner, and wage deductions shall not be used as a disciplinary measure.

## Non-Discrimination

Suppliers shall not discriminate based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices unless such distinction is required by local law.

## Working hours

Suppliers shall ensure that a regular working week is in accordance with the provisions of ILO 1 Hours of Work Convention. Overtime should be voluntary and be restricted to the specifications defined in ILO conventions. Supplier must give breaks, annual paid leave and one day off every week unless collective agreement defines exceptions.

## Harassment

There shall be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, nor the threat of any such treatment.

# 5. HEALTH AND SAFETY

## Occupational Health and Safety Management

Suppliers shall obtain, keep current, and comply with all required health and safety permits. Suppliers shall provide and maintain a safe work environment and integrate sound health and safety management practices into their business. Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

Suppliers shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, substitution, engineering controls, administrative controls, and/or personal protective equipment.

Suppliers shall provide a safe and healthy environment in order to prevent workplace accidents and injuries. Occupational exposure to potential safety hazards and emergency situations shall be controlled through proper design, risk assessment, engineering controls, safe work procedures, emergency plans and response procedures, and mandatory trainings. Suppliers should implement a Health & Safety Management System, including accident and near accident reporting.

Facilities and onsite accommodation for employees must safeguard individuals' dignity, hygiene and safety. Their conditions must comply with national laws and international health and safety standards.

# 6. ENVIRONMENT

Producing the world's greenest battery is at the core of Northvolt's mission and competitive advantage. We continuously assess our processes and our suppliers play a critical role in achieving our environmental and circularity ambitions.

## Environmental responsibility and Management systems

Suppliers shall maintain an effective environmental policy and environmental management system, consistent with ISO 14001 or EMAS, that promotes environmental responsibility and enables continuous improvement of their environmental performance and impact. Northvolt reserves the right to ask for evidence of, and the possibility to audit, the environmental management system.

## Resource Efficiency

Suppliers shall control and implement actions to reduce their use of energy, water, raw material and packaging materials and should strive to reduce their reliance on fossil fuels.

## Emissions and waste handling

Suppliers shall control and implement actions to reduce emissions to air, water and waste of all types. Waste handling management for hazardous and non-hazardous material must be developed and monitored.

## Life Cycle and Circularity

Suppliers shall provide information regarding their carbon footprint and calculation methodology. In addition, Suppliers shall assist Northvolt in the evaluation of the products and services they delivered, including all data to evaluate life cycle assessment as well as end of life scenarios to follow. Suppliers should strive to reduce the impact of their operations from a circularity perspective. Our Environmental Requirements can be found in Annex 1.

# 7. ETHICS

As provided for in Northvolt's anti-corruption policy (the "**Anti-Corruption Policy**") Northvolt has a zero-tolerance policy towards any and all forms of bribery, corruption, extortion, money laundering, and embezzlement. Suppliers shall adhere and reject all corrupt practices, including but not limited to facilitation of payments and receipt of improper gifts. Suppliers are responsible for ensuring that their employees, subcontractors and other representatives comply with the Anti-Corruption Policy when acting in relation to, or on behalf of Northvolt. The Anti-Corruption Policy is available at [www.northvolt.com](http://www.northvolt.com).

Personal interest or relationships shall not influence Suppliers in decision making. Suppliers shall be proactive in managing potential conflicts of interest in collaboration with Northvolt. All business dealings should be transparently performed and accurately reflect Suppliers' financial records. Standards of fair business, advertising and competition should be upheld. Suppliers shall provide notification to Northvolt of counterfeit product(s) when warranted. Suppliers are expected to provide their employees with ways for raising legal or ethical issues or concerns without fear of retaliation.

## Privacy

Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared. Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with.

## Intellectual Property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

## Responsible sourcing of minerals

Northvolt condemns all activities associated to unlawful exploitation and trade of minerals. Northvolt will not use minerals which directly or indirectly finance or benefit armed groups in Conflict-affected or high-risk areas (CAHRAs) or are connected to violations of the risks defined below.

Northvolt defines “Minerals of Concern” for this Supply Code of Conduct as the Conflict Minerals identified by EU regulations, currently tantalum, tin, tungsten and gold.

“Conflict-affected or high risk areas (CAHRAs)” are defined based on EU regulations, as areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses<sup>1</sup>.

“Risks” include conflict risks (including flow of funds into armed groups and violence) as well as child labor, forced labor, human trafficking, human rights violations, and occupational health and safety violations.

Suppliers shall conduct due diligence on their own supply chains to detect the presence of Minerals of Concern from CAHRAs and the violations connected to the above referenced risks. Suppliers shall develop an appropriate policy and management system for due diligence consisted with relevant parts of the OECD Guidance for Responsible Mineral Supply Chain. Suppliers must keep records on identified risks and the actions taken to address them. Supplier shall immediately inform Northvolt of identified violations connected with above referenced risks.

## 8. MANAGEMENT SYSTEM AND IMPLEMENTATION OF THE SUPPLIER CODE OF CONDUCT

Northvolt encourages Suppliers to continuously improve the management systems related to the areas described in the Supplier Code of Conduct. A successful implementation of the Supplier Code of Conduct requires risk assessments, implemented policies, processes and routines, clearly communicated roles and responsibilities, relevant training and instructions, establishment and performance evaluation of measurable goals, and well-functioning control systems.

The Head of Sustainability of Northvolt AB is the owner of the Supplier Code of Conduct and will be responsible for reviewing the Supplier Code of Conduct on a regular basis and proposing updates or amendments as deemed necessary. Any significant changes to this Supplier Code of Conduct must be approved by the Board in order to be valid.

A suspected breach of this Supplier Code of Conduct shall be reported to a manager at Northvolt or via Northvolt’s Whistleblowing system in accordance with Northvolt’s Whistleblowing Guidelines available at [www.northvolt.com](http://www.northvolt.com).

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<sup>1</sup> Northvolt currently identifies CAHRAS to be the Democratic Republic of the Congo (“DRC”), adjoining countries (Angola, Burundi, Central African Republic, the Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia) and known transit hubs of minerals sourced in these countries.

## Annex 1: Environmental Requirements

These requirements apply to Suppliers (including contractors and agents) of equipment, materials and chemicals, parts and components and services.	Type of Supplier		
	Equipment	Materials & Chemicals	Part & Components
<b>Environmental impact – Company level</b>			
Environment Policy and Environmental Management System in compliance with or equivalent to ISO 14001.	✓	✓	✓
Measuring, documenting and, upon request by Northvolt, reporting on: * Energy consumption (MWh), intensity (consumption per unit produced), and sources. * Water consumption (m3) and intensity (consumption per unit produced). * Emissions to air, water and land as well as procedures for treatment/abatement. * Waste for disposal and recycling (mt.), including hazardous and non-hazardous classifications. * Carbon footprint (mt. CO2 eq. according to the Greenhouse Gas Protocol “GHG” – Scope 1 and 2) and the calculation methodology.	✓	✓	✓
<b>Environmental impact – Product level</b>			
Compliance with Northvolt's General Technical Specifications	✓		
Northvolt's Equipment Energy Balance template and Utility Matrix template (links)	✓		
Material balance diagram with clear boundary definitions & potential emissions to air, water, land and work environment within the scope in which they operate, emissions points (including from continuous operations, storage & maintenance) and levels without abatement.	✓		
Upon request, carbon footprint (CO2 eq. according to the GHG Protocol) associated with the manufacturing of the product and the calculation methodology or provide the information necessary for its calculation.	✓	✓	✓
Upon request, partners shall provide information for a Life Cycle Assessment ("LCA") according to ISO 14040/14044.	✓	✓	✓
<b>Material compliance</b>			
Safety Data Sheets in compliance with EU and applicable national regulations.		✓	
Full material declaration for products, if requested.	✓	✓	✓
Compliance with the registration, notification, labelling or any other requirement in REACH EC 1907/2006, RoHS EC 2011/65 and RoHS 2015/863/EU, and CLP EC 1272/2008.	✓	✓	✓
Compliance with "Northvolt List of declarable and restricted substances".	✓	✓	✓
Due diligence process according to the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals.	✓	✓	✓
<b>Obligation to inform</b>			
Inform, without delay, if a significant environmental incident occurs as a result of the execution of activities for or on behalf of Northvolt.	✓	✓	✓