

HAYPP GROUP

SUPPLIER CODE OF CONDUCT

Approved by	Management team
Date	4 November 2020
Previous approval	17 August 2020
To be review	Annually
Avaliable to	Anyone
Owner	General Counsel

HAYPP GROUP

SUPPLIER CODE OF CONDUCT

1. BACKGROUND

Haypp Group and its group companies are determined to conduct business in a sustainable manner. We expect our contracting parties, manufacturers and suppliers ("Partners") to share this vision.

This Code of Conduct specifies what Haypp Group and its group companies demand of their Partners in relation to key sustainability issues. We expect our Partners to comply with this Code of Conduct and that they demand the same compliance from their suppliers.

As a fundamental starting point, we require all Partners to comply with applicable local, national and international laws and regulations in the territories and areas in which they operate. When there is a discrepancy between such laws and regulations on one hand and the Code of Conduct on the other, the strictest requirements shall be followed.

Haypp Group and its group companies reserve the right to terminate business relationships with Partners who do not comply with this Code of Conduct or otherwise act in violation of its spirit. The Partner undertakes to indemnify Haypp Group and its group companies for all damages - including but not limited to loss of income, customer complaints, governmental actions and reputational damages - that may arise as a result of the Partner's breach of this Code of Conduct.

Naturally, a Code of Conduct cannot be exhaustive, and Haypp Group and its group companies therefore trust that all Partners, at all times, use their good judgment. In case of guidance or questions concerning this Code of Conduct, the Partner should consult its contact person within the Haypp Group as soon as possible.

2. SAFE PRODUCTS

The Partner shall ensure, and to Haypp Group and its group companies guarantee, that the snus and/or nicotine products provided by the Partner at all times comply with all statutory requirements and industry regulations regarding production, content, packaging, labelling, warning texts and marketing. Haypp Group and its group companies require that Partners comply with, and fulfil, all relevant laws, regulations and obligations, which include, but are not limited to, the following regulations:

- a) **Rules regarding content:** Relevant laws include, but are not limited to, food legislation, tobacco legislation, industry regulations, advice/regulations from authorities as well as published standards given out by organizations such as ISO, CEN and SIS, e.g. SIS/TS 72:2020.
- b) **Rules regarding manufacturing, presentation and sales:** Relevant laws and regulations include, but are not limited to, EU Tobacco Directive 2014/40 /EU.
- c) **Obligation to provide information:** EU Tobacco Directive 2014/40/EU requires that those who manufacture or import, *inter alia*, tobacco products, new tobacco products, e-cigarettes or refill containers shall send information about the products to the authorities. More information regarding this can be found in the EU-CEG web portal.¹

¹ https://ec.europa.eu/health/euceg/introduction_en

HAYPP GROUP

- d) **Rules regarding health warnings and their placement:** Relevant laws include, but are not limited to, the Food Act, the Tobacco Act, industry regulations and advice/regulations from the authorities.
- e) **Nicotine content and pH-levels:** Nicotine pouches may not have a higher nicotine content than 20 mg per pouch and pH-level of 9.1.
- f) **Other provisions:** Tobacco- and nicotine products are governed by a number of laws and regulations that the Partner must understand and follow. Each Partner must adhere to and at all times comply with relevant regulations.

3. TAXES AND OTHER FEES

The Partner undertakes to fulfil and comply with all tax- and fee obligations arising from national legislation. This means that the products that the Partner sell to Haypp Group and its group companies must be final and properly taxed at the time of ownership change, unless other rules and regulations apply. Tax- and fee obligations include, but are not limited to, the following:

General tax obligations: The Partner must ensure, and to Haypp Group and its group companies guarantee, that the Partner complies with all tax obligations according to Swedish and other applicable legislation, such as corporation tax, employers' fees and other taxes related to production and operations.

Product specific tax obligations: The Partner must ensure, and to Haypp Group and its group companies guarantee, that the Partner complies with all tax obligations specific to the product being supplied in accordance with Swedish and other applicable legislation, *inter alia*, as provided for in the Tobacco Act, the Tobacco Regulation and the Nicotine Tax Act. This includes, but is not limited to, taxes and fees attributable to customs, importation, excise duty etc.

4. WORKING ENVIRONMENT AND HUMAN RIGHTS

The Partner shall ensure, and to Haypp Group and its group companies guarantee, that they do not violate, or contribute to violation of, human rights or labour rights. This means that the Partner, *inter alia*, should ensure that the production of products complies with the ILO eight fundamental conventions on human rights in working life. ILO's fundamental conventions reinforce basic human rights in working life, such as freedom of association and the effective recognition of the right to collective bargaining; the effective abolition of child labour; elimination of all forms of forced or compulsory labour; the elimination of discrimination in respect of employment and occupation and fundamental labour rights. More information about the ILO conventions can be found on the ILO Committee's website.²

5. BRIBERY AND CORRUPTION

Haypp Group and its group companies have zero tolerance against bribery and corruption. This is one of the fundamental principles of our business and we require our Partner to share this view. Haypp Group and its group companies require that the Partner at all times complies with relevant laws and regulations that apply in the markets in which the business is conducted, including but not limited to, the antibribery legislation in Chapter 10 of the Swedish Criminal Code, the US Foreign Corrupt Practices

² <https://www.ilo.org/global/standards/lang--en/index.htm>

HAYPP GROUP

Act and the UK Bribery Act. Bribery and other forms of corruption are punishable in both private and public sectors and are prohibited whether committed directly or indirectly through a third party.

6. ENVIRONMENTAL AND CLIMATE INNOVATION

Haypp Group and its group companies are actively trying to contribute to the global environment in a positive way. As we are primarily a sales-based organization, product development is something we engage in together with our Partners. Haypp Group brings consumer and market insight to the table and encourage all sustainable and climate innovative initiatives from our Partners which can create a more sustainable range of products and services. We expect our Partners to share this interest and ambition. We encourage our suppliers to uphold Haypp Groups promises to the market and expect them to follow high set industry standards and relevant international guidelines for their environmental work.

7. RIGHT TO INSPECTION AND AUDIT

Haypp Group and its group companies reserve the right to conduct inspections and audits of the Partner's compliance with this Code of Conduct and the underlying contract. The Partner shall cooperate during such audits and provide the necessary access to premises and documentation that Haypp Group and its group companies deem necessary to fulfil this right.