To suppliers of materials, equipment and services to AB Anders Löfberg including subsidiaries Löfbergs Lila AB, Peter Larsens Kaffe A/S, Löfbergs Lila A/S, SIA Melna Kafija, Löfbergs UK Ltd, Crema Kaffebrenneri A/S, Food Brands Group Ltd, Kaffehuset i Karlstad AB and Löfberg Logistics AB.

Introduction

The AB Anders Löfberg (ABAL) group has focused on issues related to the environment and social responsibility for decades and work for long-term sustainable development by taking environmental, social and financial factors into consideration. Our objective is strong in aiming to supply top-quality products that are produced in a sustainable manner.

Interested stakeholders (customers, consumers, Non Governmental Organisations, etc.) are to an increasing extent placing demands on our company and products in terms of our responsibility to the society in which we work, i.e. Corporate Social Responsibility (CSR).

Our ambition is to emphasize the importance of responsible business, which is why we have drawn up our Code of Conduct that describes the ethics guidelines we are working towards when purchasing materials, equipment and services.

This Code of Conduct is based on the International Labour Organisation (ILO - www.ilo.org) fundamental conventions (87, 98, 29, 105, 138, 182, 100, 111) and related declarations as well as recommendations, United Nation’s Global Compact labour principles (1-10) as well as ABALs ethical and environmental guidelines. The “Code of Conduct” is meant to comprise all its suppliers of materials, equipment and services and compliance will be considered in our supplier evaluations.

ABAL reserves the right to update the Code of Conduct over time.

Commitment

ABAL expects all its materials, equipment and services suppliers to commit to work for compliance to the Code of Conduct and follow national laws in each country. By signing the Code of Conduct document, you commit as our supplier to work for adherence to the outlined guidelines, and willingness to work systematically towards constant improvement. Furthermore, you commit to ensure that any supplier/suppliers included in your supply chain are working for adherence to the same terms.
The commitment entails:

- Adhere to applicable laws and regulations that concern working conditions, child labour and protecting the environment and/or if there is no relevant legislation, to adhere to the terms described in the Code of Conduct. The terms in the Code of Conduct shall, however, be considered minimum requirements.

- Efficiently communicate the guidelines stipulated in our Code of Conduct internally to employees as well as to all of your suppliers included in the supply chain.

- To ensure and check, in a credible and reasonable manner, that you fulfil the outlined social and ethical guidelines in your own activities as well as that all your suppliers in the supply chain also fulfil the guidelines, and that any action required fulfilling sustainable production is implemented.

- Allow our inspectors access to your facilities and plants as well as facilitate for supplier review during working hours.

**Support and Inspection**

Our buyers have the responsibility to support and monitor our suppliers in order to achieve a sustainable business. We will follow up adherence to our demands in conjunction with recurring visits to producing countries, and inspect environmental, social and financial conditions on site through supplier reviews. We also reserve the right to perform unannounced on-site visits and supplier reviews with the assistance of an independent inspection body.

We believe in long-term business relationships, and will thus not sever these as result of minor deviations/breaches to our demands as long as there is an express willingness on the part of the supplier to work systematically towards constant improvement, with an agreed upon plan of action.

ABAL must have the opportunity to review conditions at its suppliers as well as all underlying elements. Should the supplier refuse to work towards a fulfilling of this Code of Conduct, business dealings with the supplier may be terminated. Termination of business shall be effective from date stated in written notice.

**Requirements – Labour Standards**

*Child labour*

Child labour as described by the UN & ILO shall be prohibited. Children under the age of eighteen (18) should not perform hazardous work duties or other types of work that constitute a risk to their health, development or safety, nor work at night. Neither suppliers nor underlying elements may employ or in any other manner take advantage of children under the nationally legislated minimum age, or if such a boundary is non-existent, children under the age of fifteen (15) or children who have not completed obligatory school, whichever one of these is the highest.
Forced labour
All types of forced labour and limitations to free movement are prohibited. Work or services that are performed under coercion or under threat of punishment and for which the person has not offered him/herself voluntarily are prohibited. Workers may not be forced to surrender identity documents or pay a deposit in order to be offered employment.

Freedom of association and right to collective bargaining
Workers must have full freedom to form and join independent/free trade labour organisations and other types of organised unions. The opportunity to bargain collectively must be allowed as described in ILO conventions.

Working hours
Working hours must be regulated in compliance with national law, and may not limit the time required for basic needs such as sleeping, eating and recreation. If working hours are not regulated by law, normal working hours may not exceed 48 hours a week plus 12 hours voluntary overtime. One day per calendar week (7 days) must be free.

Working conditions
The employer should encourage the development of a safe, hygienic and healthy working environment. Workers that come into contact with hazardous situations and environments such as chemicals, electricity, heights and dangerous equipment must be trained in safety issues and be offered protective equipment. Conditions and equipment must fulfil the requirements of national laws and regulations that pertain to working environment, safety and hygiene. The opportunity to take care of personal hygiene must be offered.

Minimum wage
All workers shall receive compensation for the work they perform. Payment must be made within a reasonable amount of time and be sufficiently high to cover the fundamental requirements of water, food, shelter, clothing and basic education for children. Minimum wage and overtime compensation must be set in compliance with national laws or in accordance with industry agreements. The employer must provide information to employees about wages in a comprehensible manner.

Discrimination
All workers must be treated equally. Discrimination due to colour of skin, ethnic origin, linguistic affiliation, sex, nationality, religion, political views or sexuality is prohibited.

Requirements – Human Rights

Human Rights
Business should support and respect internationally proclaimed human rights. Business should also ensure that their own operations are not complicit in human rights abuses.

Requirements – Anti Corruption

Bribes and Corruption
Suppliers should work against all types of corruption, including methods that can be considered as bribes, both giving and taking, illegal provisions, pricing deals and the like, in both business contexts and contacts with the authorities.
Requirements – Environment

The Environment
Suppliers should promote environmental responsibility and commit to adhere to applicable national legislation related to the environment and to be considerate of their surroundings in order to secure sustainable production and biological diversity.

By sustainable production, we mean, working for constant improvement in reducing negative environmental impact short and long term. For example, all processes, products and equipment used in manners that minimize negative impact to human health and the environment.
-That energy utilisation is made more efficient.
-That water supply sources are protected.
-That non banned chemicals are used, in a safe manner and are optimized/minimized.
-That waste are managed in a regulated and safe manner and recycled as far as possible.

Use of materials from, or direct impact of natural areas that are protected according to national or international agreements e.g. nature reserves, virgin forests and other areas worth protecting may not be utilised in any manner other than as stipulated by national laws or international conventions.

Lars Appelqvist, CEO

Martin Löfberg, Purchasing Director

AB Anders Löfberg

Karlstad, Sweden, September 10th 2015

We hereby confirm that we have read and understood the information in this Code of Conduct, and that we will work towards to ensure that all underlying elements adhere to the guidelines.

Place & Date ........................................

Company ........................................

Name ...........................................

Signature .......................................