

## Statement of continued support

I am pleased to confirm that *Wackes AB* supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intention to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader goals of the United Nations, particularly the Millenium Development Goals. *Wackes AB* will make a clear statement of this commitment to our stakeholders and the general public.

We believe that our support for the Global Compact will strengthen us as a company which will benefit our customers and employees. It also means that we put pressure on our suppliers to develop their business in accordance with the Global Compact. The result of this will be positive for the environment and will improve the conditions for a lot of people.

Since we have quality/environmental management system which is certified according to SS EN ISO 9001:2008 and SS EN ISO 14001:2004 supporting The Global Compact is a natural part of our day to day operations.

Sincerely yours,



Mr. Thomas Davidsson  
CEO

Head office	Wackes AB	Wackes Lund	Wackes Stockholm
Address:	PO. Box 957 SE-501 10 Borås	Address:	Sveavägen 76, 1 tr SE-113 59 Stockholm
Visiting address:	Solvarvgatan 4 Borås	Visiting address:	see above
Phone no.:	+46 33-20 66 00	Phone no.:	+46 8-728 44 80
	Bankgiro: 5906-4036 Godkänd för F-skatt. VAT SE556319925501 Bank: Swedbank Sjuhärad Email: <a href="mailto:info@wackes.se">info@wackes.se</a> <a href="http://www.wackes.se">www.wackes.se</a>		

## Communication on Progress (COP), Wackes AB

Period covered by our Communication on Progress (COP) is;

From: 2011-03-09 To: 2012-03-08

Our COP for the first year is affecting the following principles;

### **Labour**

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### **Environment**

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### **Actions taken**

As a part of our quality/environmental management system which is certified according to SS EN ISO 9001:2008 and SS EN ISO 14001:2004 we have adopted a code of conduct (see below) which covers principle 3 to 7 and some other issues. Our suppliers shall sign this code of conduct as a proof of that they share our compliance concerns. The CoC is **our commitment**.

### **Systems and activities.**

Vendors authorize Wackes and its principals to conduct scheduled and unscheduled inspections of Vendors facilities for the purpose of ensuring compliance with this Code of Conduct.

We use the external partner UL-STR to do social audits, test products and to educate our staff in China.

We can also do scheduled and unscheduled inspections of Vendors facilities ourselves.

When violations are found, Wackes and the Vendor concerned will agree on a corrective action plan (B-17) that eliminates the problem in a timely manner.

### **Measurement of outcomes**

We have for the first year made audits on 20 % of our suppliers in China.

All foreign suppliers we are using have signed our Code of Conduct.

## **Code of Conduct**

Compliance to European environmental and safety legislation All quotations and deliveries to Wackes should comply with the European Union environmental and safety legislation. This legislation covers amongst others the following issues:

- Product liability
- Commodities act general product safety decree
- Commodities act and consumer safety
- CE marking (EN71-1/2/3)
- Special regulations for toys
- Limited use of PVC Softeners (phthalates)
- Use of Azo-free colorants
- Low Cadmium (max 100 ppm)
- Cadmium in batteries
- Directive dangerous waste
- Bromine-containing fire retardants
- RoHS
- WEEE

*Disclaimer: This enumeration is not complete and you will not be able to derive any rights from it. You are solely responsible for the correct legally required specifications of a product.*

This Wackes Code of Conduct outlines the basic requirements concerning working conditions that must be satisfied by all vendors of Wackes. Wackes and its principals are free to supplement these requirements at any time.

### **Child Labour**

Vendors shall not use child labour. "Child" is defined as a person who is not older than the local age for completing compulsory education but in no event is less than 15 years of age. Vendors must verify the age of their workers and maintain copies of their workers proof of age. Vendors must follow all applicable laws and regulations regarding working hours and conditions for minors.

### **Involuntary Labour**

Vendor shall not use involuntary labour. “Involuntary Labour” is defined as work or service which is extracted from any person under threat or penalty for its non-performance and for which the worker does not offer himself or herself voluntarily, and includes all manner of prison, bonded, indentured and forced labour.

### **Disciplinary Practices**

Vendors shall not use corporal punishment or any other form of physical or psychological coercion or intimidation against workers.

### **Non-discrimination**

Vendors shall employ workers solely on the basis of their ability to do the job, and shall not discriminate on the basis of age, gender, racial characteristics, maternity or marital status, nationality or cultural, religious or personal beliefs or otherwise in relation to hiring, wages, benefits, termination or retirement.

### **Health and Safety**

Vendors shall maintain a clean, safe and healthy workplace in compliance with all applicable laws and regulations. Vendors shall ensure that workers have access to clean drinking water, sanitary washing facilities and an adequate number of toilets, fire-extinguishers, and fire exits and that those workplaces provide adequate lighting and ventilation. Vendors shall ensure that the above mentioned standards are also met in any canteen and/or dormitory which are provided for workers.

### **Environmental Protection**

Vendors shall comply with all applicable laws and regulations in respect of protecting the environment and maintain procedures for notifying local authorities in the event of an environmental accident resulting from Vendors operations.

### **Wages and Benefits**

Vendors shall provide wages and benefits that comply with all applicable laws and regulations or match the prevailing local manufacturing or industry rates, whichever is higher. Overtime pay shall be calculated at the legally required rate, regardless of whether workers are compensated hourly or by piece rate.

### **Working Hours**

Vendors shall not require workers to work, including overtime, more than 60 hours per week or more than any maximum number of hours per week established by applicable laws and regulations, whichever is less. Vendors shall guarantee that workers receive at least one day off during each seven-day period.

### **Freedom of Association**

Vendors shall respect the right of workers to associate, organize and bargain collectively in a legal and peaceful manner.

### **Familiarization and Display of This Code of Conduct**

Vendors shall familiarize workers with this Code of Conduct and display this Code of Conduct, translated in the local language, at each of their facilities in a place readily visible and accessible to workers.

### **Legal Requirements**

Vendors shall comply with all legal requirements applicable to the conduct of their businesses, including those set out above. Contractors, suppliers and vendors shall ensure that their contractors and suppliers adhere to this Code of Conduct.

### **Monitoring of Compliance**

Vendors authorize Wackes and its principals to conduct scheduled and unscheduled inspections of Vendors facilities for the purpose of ensuring compliance with this Code of Conduct. During these inspections, Wackes and its principals shall have the right to review all employee-related books and records maintained by Vendors and to interview workers.

### **Corrective Action**

When violations are found, Wackes and the Vendor concerned will agree on a corrective action plan (B-17) that eliminates the problem in a timely manner. If it is determined that a Vendor is knowingly and/or repeatedly in violation of this Code of Conduct, Wackes and its principals shall take appropriate corrective action, which may include cancellation of orders and/or termination of business with the Vendor in question.

### **Vendor Agreement**

Wackes is dedicated to full and complete compliance with all laws and regulations applicable to the conduct of its business and expects its vendors, and buying agents utmost cooperation and commitment with such efforts. It is therefore requested that the owner, president, managing director, or chairperson for your company sign and return a copy of this letter there by confirming your understanding of its contents and agreement to undertake the obligations it sets forth. Please return a signed copy with the signed Purchase Order. If Wackes does not receive a timely response, it will be forced to review its relationship with your company. In closing, we highly value the relationship with your company and believe that you share our compliance concerns. Thank you in advance for your cooperation and we look forward to continually strengthening our relationship for years to come.

We hereby confirm that we comply with the content in this Code of conduct which consists of 3 pages.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Signature: \_\_\_\_\_

### **Environment**

Our commitment is to follow the principles below.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

As a part of our Environmental management system we also have an environmental policy.

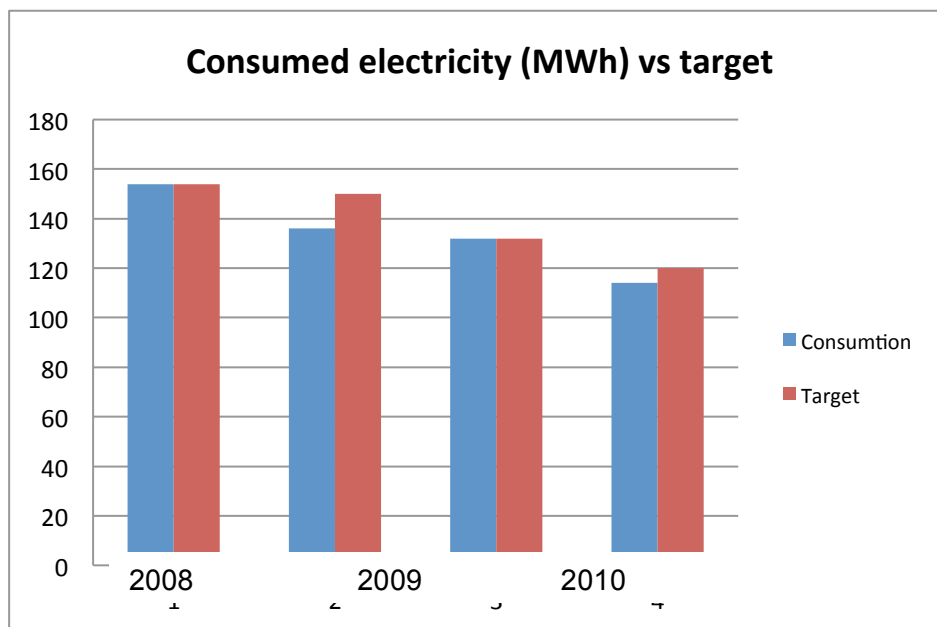
### Systems and activities.

A part of the principles are covered in our CoC where we state that "Compliance to European environmental and safety legislation All quotations and deliveries to Wackes should comply with the European Union environmental and safety legislation."

We shall also;

- Minimize our consumption of electricity.
- Use electricity that is produced environmentally friendly
- Sort our waste for recycling and measure the volumes.

### Measurement of outcomes



Waste / year in kg	2008	2009	2010	2011 jan - okt
Packaging	12.250	9.860	8.940	15.970

Combustible waste	5.006	2.578	1.558	3.440
Office paper	920	380	380	0,23
Metal waste	900		300	0
Soft plastic	240	300	30	0
Household waste	1.039	1039	1039	779

**Wackes AB 2012-03-08**