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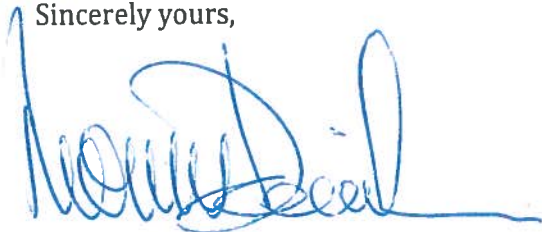
Statement of continued support

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 a 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. We have during the year recertified the complete system.

Sincerely yours,



Mr. Thomas Davidsson

CEO

Communication on Progress (COP), Wackes AB

Period covered by our Communication on Progress (COP) is;
From: 2015-03-06 To: 2016-03-04

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

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

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.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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 1 to 10 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.

Our quality/environmental system have been completely recertified during the year with a good result.

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 this year made audits on a selection of our suppliers in China.

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

Wackes and its principals have conducted announced and/or unannounced inspections of suppliers' facilities for the purpose of ensuring compliance with Wackes Code of Conduct. During these inspections, Wackes and its principals shall have the right to review all employee-related books and records maintained by suppliers and to interview workers.

The inspections have resulted in remarks in the following areas;

- Wages and benefits
- Working hours
- Health and safety

Wackes and the suppliers concerned have agreed on corrective action plans to solve or improve the issues in a timely manner.

Wackes Code of Conduct

The Wackes Code of Conduct for suppliers specifies the minimum requirements for supplier performance pertaining to human rights, labour rights, environmental management and anti-corruption. These requirements are applicable to Wackes suppliers as well as sub-suppliers.

1. Legal Requirements

Compliance with all applicable laws and regulations, industry minimum standards, ILO and UN Conventions, and any other relevant statutory requirements whichever requirements are more stringent. Vendors and suppliers shall ensure that sub-suppliers, contractors and sub-contractors adhere to Wackes Code of Conduct.

2. Forced, bonded, indentured and prison labour

- In accordance with ILO Conventions 29 and 105.

- 2.1. All work must be conducted on a voluntary basis, and not under threat of any penalty or sanctions.
- 2.2. The use of forced or compulsory labour in all its forms, including prison labour when not in accordance with Convention 29, is prohibited.
- 2.3. Suppliers shall not require workers to make deposits/financial guarantees and shall not retain identity documents (such as passports, identity cards, etc.) nor withhold wages outside a legal contractual agreement.
- 2.4. Bonded labour is prohibited. Suppliers shall not use any form of bonded labour nor permit or encourage workers to incur debt through recruitment fees, fines, or other means.
- 2.5. Indentured labour is prohibited. Suppliers shall respect the right of workers to terminate their employment after reasonable notice. Suppliers shall respect the right of workers to leave the workplace after their shift.

3. Child Labour

- In accordance with ILO Conventions 10, 79, 138, 142 and 182 and Recommendation 146.

- 3.1. Suppliers shall comply with:
 - 3.1.1. the national minimum age for employment;
 - 3.1.2. or the age of completion of compulsory education;
 - 3.1.3. or any otherwise specified exceptions;and shall not employ any person under the age of 15, whichever of these is higher. If however, local minimum age law is set at 14 years of age in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- 3.2. Suppliers shall not recruit child labour nor exploit children in any way. If children are found to be working directly or indirectly for the supplier, the latter shall seek a sensitive and satisfactory solution that puts the best interests of the child first.
- 3.3. Suppliers shall not employ young workers under 18 years of age at night, or in conditions which compromise their health, their safety or their moral integrity, and/or which harm their physical, mental, spiritual, moral or social development.

4. Freedom of association and effective recognition of the right to collective bargaining

- In accordance with ILO Conventions 11, 87, 98, 135 and 154.

- 4.1. Workers have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorization from suppliers' management. Suppliers shall not interfere with, obstruct or prevent such legitimate activities.
- 4.2. Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers shall not hinder alternative forms of independent and free workers representation and negotiation, in accordance with international labour standards.
- 4.3. Suppliers shall not discriminate against or otherwise penalise worker representatives or trade union members because of their membership in or affiliation with a trade union, or their legitimate trade union activity, in accordance with international labour standards.
- 4.4. Suppliers shall give worker representatives access to the workplace in order to carry out their representative functions, in accordance with international labour standards.

5. Discrimination, harassment and abuse

- In accordance with ILO Conventions 100, 111, 143, 158, 159, 169 and 183.

- 5.1. Suppliers shall respect equal opportunities in terms of recruitment, compensation, access to training, promotion, termination or retirement.
- 5.2. Suppliers shall not engage in, support or tolerate discrimination in employment including recruitment, hiring, training, working conditions, job assignments, pay, benefits, promotions, discipline, termination or retirement on the basis of gender, age, religion, marital status, race, caste, social background, diseases, disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations including unions, political affiliation, sexual orientation, or any other personal characteristics.
- 5.3. Suppliers shall treat all workers with respect and dignity.
- 5.4. Suppliers shall base all terms and conditions of employment on an individual's ability to do the job, not on the basis of personal characteristics or beliefs.
- 5.5. Suppliers shall not engage in or tolerate bullying, harassment or abuse of any kind.
- 5.6. Suppliers shall establish written disciplinary procedures and shall explain them in clear and understandable terms to their workers. All disciplinary actions shall be recorded.

6. Health and safety

- In accordance with ILO Conventions 155, 184 and ILO Recommendations 164 and 190.

- 6.1. Suppliers shall provide safe and clean conditions in all work and residential facilities and shall establish and follow a clear set of procedures regulating occupational health and safety.
- 6.2. Suppliers must take adequate steps to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Appropriate and effective personal protective equipment shall be provided as needed.
- 6.3. Suppliers shall provide access to adequate medical assistance and facilities.
- 6.4. Suppliers shall provide all workers with access to clean toilet facilities and to drinkable water and, if applicable, sanitary facilities for food preparation and storage.
- 6.5. Suppliers shall ensure that residential facilities for workers, where provided, are clean and safe.
- 6.6. Suppliers shall assign the responsibility for health and safety to a senior management representative.
- 6.7. Suppliers shall provide regular and recorded health and safety training to workers and management, and such training shall be repeated for all new or reassigned workers and management.

- 6.8. Suppliers shall provide adequate safeguards against fire, and shall ensure the strength, stability and safety of buildings and equipment, including residential facilities where provided.
- 6.9. Suppliers shall undertake sufficient training of workers and management in waste management, handling and disposal of chemicals and other dangerous materials.

7. Wages, benefits and terms of employment

- In accordance with ILO Conventions 12, 26, 101, 102 and 131.
- 7.1. Work performed must be on the basis of a recognised employment relationship established in compliance with national legislation and practice and international labour standards, whichever affords the greater protection.
 - 7.2. Labour-only contracting, sub-contracting or home-working arrangements, apprenticeship schemes where there is no real intent to impart skills or provide regular employment, excessive use of fixed-term contracts of employment, or any comparable arrangements shall not be used to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship.
 - 7.3. Suppliers must compensate their workers by providing wages, overtime pay, benefits and paid leave which respectively meet or exceed legal minimum and/or industry benchmark standards and/or collective agreements, whichever is higher. Wages and compensation for regular working hours shall meet basic needs and provide some discretionary income for workers and their families.
 - 7.4. Suppliers shall provide all workers with written and understandable information about their employment conditions, including wages, before they enter into employment; and about details of their wages for the pay period concerned each time that they are paid.
 - 7.5. Suppliers shall not make any deductions from wages which are unauthorised or not provided for by national law. Suppliers shall not make any deduction from wages as a disciplinary measure.
 - 7.6. The supplier shall provide all legally required benefits, including paid leave, to all workers.
 - 7.7. Suppliers shall always compensate all workers for all overtime at a premium rate, as required by law and, where applicable, by contractual agreement.

8. Working Hours

- In accordance with ILO Conventions 1 and 14 and ILO Recommendation 116.
- 8.1. Suppliers shall set working hours that comply with national laws or benchmark industry standards or relevant international standards, whichever affords greater protection to ensure the health, safety and welfare of workers.
 - 8.2. Suppliers shall respect that the standard allowable working hours in a week are 48, excluding overtime. Workers shall not on a regular basis be required to work in excess of 48 hours per week.
 - 8.3. Overtime shall be voluntary, shall not exceed twelve hours per week and shall not be requested on a regular basis.
 - 8.4. Suppliers shall respect all workers right to breaks during work shifts and to at least one free day following six consecutive days worked as well as public and annual holidays.

9. Environmental Protection

Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment must meet or exceed minimum legal requirements.

10. Anti corruption

In accordance with the United Nations Convention against Corruption all forms of corruption including extortion and bribery are absolutely forbidden.

Commitment to comply with the Wackes Code of Conduct

The Wackes supplier shall acknowledge and accept the requirements specified in this document by signing the Wackes Code of Conduct Compliance Agreement found at the end of this document. A signed copy of the Code of Conduct Compliance Agreement shall be sent to Wackes.

Monitoring of Compliance

Suppliers authorize Wackes and its principals to conduct announced and/or unannounced inspections of suppliers' facilities for the purpose of ensuring compliance with Wackes Code of Conduct. During these inspections, Wackes and its principals shall have the right to review all employee-related books and records maintained by suppliers and to interview workers.

Corrective Action

When non-compliances/violations are found, Wackes and the supplier concerned will agree on a corrective action plan (B-17) to solve or improve the issues in a timely manner. If it is determined that a supplier 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 supplier in question.

Code of Conduct Compliance 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, buying agents and suppliers 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.

Name: _____ Date: _____

Title: _____ Signature: _____

Environmental Requirements for Wackes' Suppliers

Wackes and the Environment

Wackes is a quality and environmental ISO 9001 and 14001 certified company and have been so since 2009. Emanating from this, we produced our own sustainability guidelines, giving directions on how to adapt to governmental requirements and summarizing our view on how we affect the environment.

Our ambition is that more of our suppliers shall have their environmental work scrutinized by third party expertise, such as ISO.

1. Environmental Requirements for Wackes Suppliers:

1.1 Non-negotiable

- The supplier must subscribe to the Wackes Code of Conduct.
- The supplier must meet the demands set in the General Requirements on Products According to European Regulations and Directives.
- The supplier must, when asked, declare the content in products delivered to Wackes, according to above.

These terms shall be communicated in print to the supplier at order placement.

1.2 We prefer

- That the supplier has an environmental policy in print.
- That the supplier has identified and documented major environmental issues concerning their activities.
- That the supplier has a programme regarding environmental improvements, inclusive of goals and action plans.
- That the supplier is informed about, and respect, current environmental laws and regulations.
- That the supplier ensures that their staffs have sufficient, and documented, education about how to protect the environment.
- That the supplier minimizes its environmental impact by using boat, road and train transportation whenever possible.
- That the supplier use as fuel efficient means of transportation as possible (when working for Wackes).
- That the supplier is able to hand out information regarding the environmental aspects when shipping goods to Wackes. This includes means of transportation, packaging materials and production methods.
- That the supplier has a certified environmental program according to ISO 14001 or

Environment

Except for what is mentioned in our code of conduct 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.

We shall minimize the effect on the environment coming from our business which means that we shall;

- Prefer transport on sea before air transport.
- Minimize our consumption of electricity.
- Use electricity that is produced environmentally friendly.
- Sort our waste for recycling and measure the volumes.

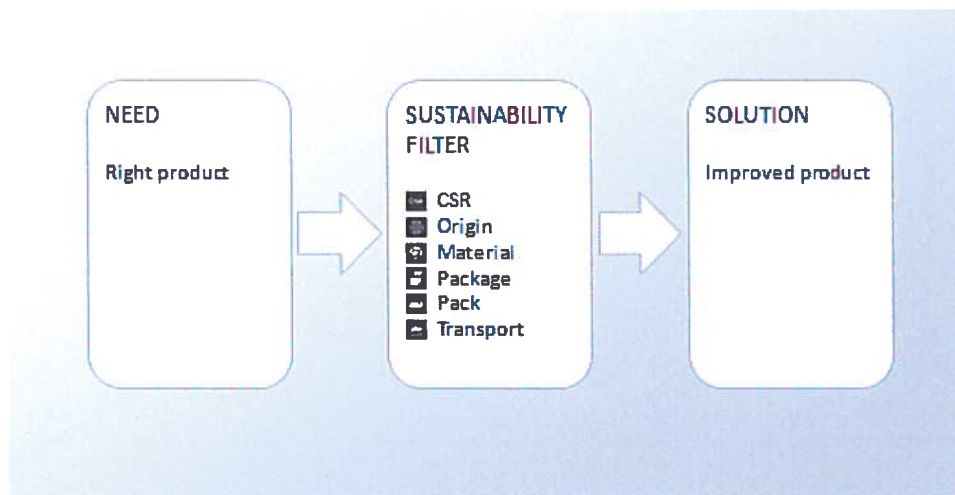
SUSTAINABLE DESIGN MANAGEMENT

Our developed methodology, Sustainable Design Management, is a model that supports our philosophy of products in marketing. It involves analysis, goal setting and action. The method leads to continuous improvements in product from a sustainability perspective. To measure the product range sustainability performance over time we implemented a sustainability analysis. Through this analysis, the range is developed, objectives defined and concrete measures implemented. The model is based on different scoring parameters and visualize how things are changing in different areas over time.

The parameters Wackes can measure are:

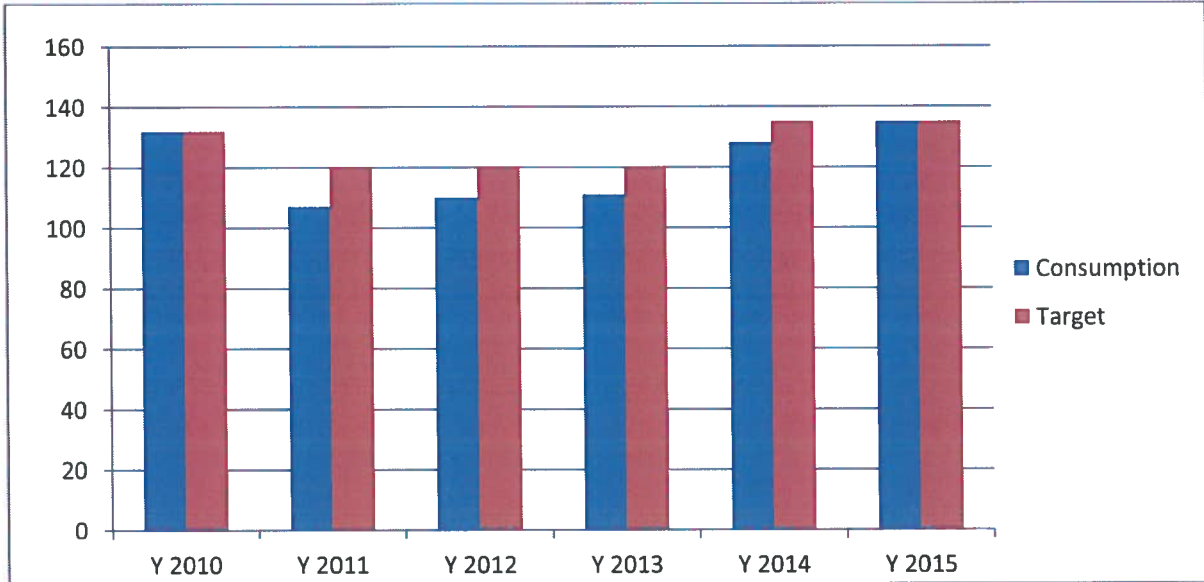
- supplier performance
- origin
- material
- type of packaging
- packing method
- transport choices
- overall performance of the product
- overall performance of the product range

Need of Product



Measurement of outcomes

Consumption of electricity, MWh/year.



* 2014 New warehouse and office with 15 % more area.

CO emission summary, 35.482 kg for 2015 compared with 42.872 kg 2014 and 48.683 kg in 2013.

2015;

