

Service Declaration

— for contractors working for Sveaskog

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Service Declaration for assignments for Sveaskog

1 Sveaskog's view of sustainable business

Sveaskog's vision is to be the leading forest company. The company works for long-term sustainable development and accepts financial, environmental and social responsibility. Sveaskog shall run profitable business operations with good ethics and be a role model for sustainable business, the latter encompassing the environment, business ethics, anti-corruption, equality, diversity, working conditions and human rights. This is clarified in **Sveaskog's Code of Conduct**, in which we describe how we shall act as a business partner, an employer, employees and part of the community, together with the expectations we have for our business partners. Sveaskog is a member of the UN Global Compact and has therefore agreed to act in accordance with ten fundamental principles in the areas of human rights, labour, the environment and anti-corruption. As our business partner, we expect you to do the same.

Sveaskog can approve only a single tier of subcontractors. The requirements set out in our Service Declaration are the same regardless of the national domicile of the contractor, subcontractor or employee.

Sveaskog works together with the Swedish Tax Agency and the credit reference agency UC (Upplysningscentralen) to counter fraudulent suppliers and financial crime. This partnership aims to make it easier for bona fide companies that want to collaborate with Sveaskog. Competition shall take place on equal grounds. Among other things, this means that the Swedish Tax Agency and UC assist Sveaskog with company information prior to procurement processes and contract signing, as well as throughout agreement periods.

In this document, Sveaskog's Service Declaration, we exemplify our expectations for **you** as a contractor and business partner to Sveaskog, among other things as regards the Global Compact principles. The aim is to facilitate our business partnership and to clarify what Sveaskog expects of you as a contractor.

The Service Declaration applies to all business partnerships encompassing forestry contracts, logistics and plants.

2 Service Declaration application and compliance

As a contractor (the company named below), together with your suppliers and subcontractors naturally you are expected to comply with all laws and regulations in the countries in which you operate. Sveaskog expects the content of the Service Declaration to be followed by both your company and your subcontractors. We also expect you to strive for continual improvement.

As a contractor, you are responsible for ensuring and checking that any subcontractor you engage fulfils their obligations and the relevant requirements for the assignment.

Breaches shall be reported to line management who shall, if possible, prevent recurrence. Management is responsible for reporting breaches to the appropriate buyer at Sveaskog at the earliest possible opportunity.

In the case of uncertainties or doubts, such as information missing from a work order, the risk of property damage or altered conditions for conducting the assignment, the party shall contact the appropriate manager, supervisor or contact at Sveaskog for further instructions.

Sveaskog, or a third party appointed by Sveaskog, will conduct reviews or audits on location in order to assess how well your company fulfils the different aspects of the Service Declaration.

Shortcomings in compliance/breaches will lead to sanctions and contract renegotiation.

3 Finances and business entity type

As a contractor engaged by Sveaskog, you shall always:

- Be listed in the Swedish limited liability company registry or the Swedish trade registry (lists trading partnerships and sole traders who conduct business).

- Be registered as an employer with the Swedish Tax Agency, if you have employees.
- Be approved for Swedish F-tax (corporate tax).
- Be registered for Swedish value added tax (VAT), if operations are subject to VAT.
- Hold a valid commercial transport permit, in cases where the assignment entails commercial transport.
- Have no tax or similar debts at Sweden's Enforcement Authority.
- Act as an independent contractor and, in applicable cases, have employed personnel.
- Have sufficiently good finances to fulfil long-term contractual obligations.
- Follow labour market rules as regards employees in Sweden. If you have employees you shall be a member of a Swedish employers' association, such as SLA (Swedish Forestry and Agricultural Employers' Association), the Swedish Road Transport Employers' Association (member of the Swedish Confederation of Transport Enterprises), or have a local collective agreement with a trade union in the appropriate industry.
- Have liability insurance of at least SEK 10 million covering business operations in Sweden (including oil and fire damage).
- Fulfil the established requirements for being able to conduct the work.

4 Employees from other countries and subcontractors

If you employ personnel from countries other than Sweden, all requirements concerning, for example, EU and tax law, work/residence permits and A1 certificates must be fulfilled. Upon request, contractors shall be able to present permits and certificates for all concerned personnel.

A contractor who wishes to engage a subcontractor must inform Sveaskog, who will check whether the subcontractor can be approved for the concerned assignment. Only subcontractors approved by Sveaskog are permitted to conduct work covered by a signed agreement.

In the case of hiring a subcontractor approved by Sveaskog, the contractor must sign a written business agreement with the subcontractor. The business agreement must state scope, implementation, delivery of the traktordirektiv (if applicable), contract period (contract period, termination and extension), compensation levels, responsibility (responsibility period, notification obligation), cancellation and resignation.

When Sveaskog hires a contractor with geographically dispersed operations and the assignment entails that temporary accommodation is offered/assigned by the contractor, the contractor must ensure that the employees have good living conditions for the season during the assignment period. This applies regardless of the employees' home country.

5 Work environment

The contractor is responsible for operations being conducted such that ill health and occupational accidents are prevented and a satisfactory work environment is achieved. At a workplace where several parties operate, all concerned are required to cooperate. When two companies are present at the same worksite, all parties shall ensure that work is conducted under safe and organised working conditions. This also applies to self-employed contractors. Moreover, each and every party is obligated to ensure that their operations or equipment at the worksite do not expose anyone else working there to health or accident risks. This also applies if the person exposed to the risk is employed by someone else.

In order to be approved as a contractor for Sveaskog, if you have employees you must implement systematic work environment management in accordance with the provisions of the Swedish Work Environment Authority, as well as provide an occupational health service.

On the Swedish Work Environment Authority's website, www.av.se, you can find more detailed information about how to manage work environment issues and implement systematic work environment management. Systematic work environment management encompasses the employer's work to review, conduct and monitor its business operations such that ill health and occupational accidents are prevented and a satisfactory work environment is ensured.

6 Requirements for work performance

Personnel who work on assignments for Sveaskog shall conduct their operations in accordance with Sveaskog's certification requirements (ISO 14001, FSC – FSC Group Certification, PEFC Group Membership – CoC and CW). Sveaskog's work instructions are designed to ensure compliance with all certification requirements.

6.1 Skills and training

Contractors shall take a long-term approach to personnel development initiatives. Individual skills development plans shall be established and training documented in a training ledger. Permanent employees and returning seasonal employees shall be offered annual performance reviews.

Personnel who work on field assignments for Sveaskog shall:

- Hold appropriate and valid driving licenses, operator's licenses and certificates. All vehicles that are used shall be properly taxed, inspected and insured.
- Have sufficient knowledge of the requirements for conducting the work and agree to full compliance with them.
- Participate in the training courses and startup meetings arranged by Sveaskog.
- Each year, field personnel in forestry operations shall complete training courses via Silvicultural School, as well as pass the written tests (80% correct), for all e-learning modules stipulated by Sveaskog for the work tasks to be conducted.

6.2 Safety – Safety first

In order to prevent serious accidents and personal injury, the contractor shall work in accordance with the following principles:

- Stop work if there is a risk of accident or other apparent risk. Resume work only once safety can be guaranteed for both personnel and others in the vicinity.
- Personnel shall in their work environment be able to reach and communicate with supervisors without hindrance. They shall also have sound knowledge of how to act in emergencies and know their location coordinates.
- In the case of road transport, traffic safety is of the highest priority.
- Risk assessment and work environment issues must be included in at least one workplace meeting per year.

Accidents involving personal injury must always be reported to the Swedish Work Environment Authority.

6.2.1 Annual safety training for known risks

The contractor shall hold thorough safety reviews with employees and subcontractors concerning known risks they may encounter in their work.

This includes, for example:

- Fire safety/fire extinguishing/post-extinguishing responsibility.
- Work near power lines.
- Construction and use of winter tracks (across wetlands and ice).
- Offloading timber at roadside log piles.

6.3 The environment and climate impact

The contractor shall keep abreast of work methods in their field so as to ensure sufficient consideration for climate, natural, land, water and cultural values. Each year, concerned personnel shall receive training in Sveaskog's work conduct requirements, which are presented in detail in instructions and, in applicable cases, in Silvicultural School.

This includes, for example:

- Areas of natural value.
- Avoiding transport damage and emissions to land and water.

One of Sveaskog's environmental goals is to minimise fossil fuel emissions. Consequently, within road transport, forest machine operation and motorised manual work, the most effective and environmentally-friendly fuel shall be used. If biofuel is readily available, it shall be used as much as possible.

Other chemical use shall take place in accordance with Sveaskog's instructions, and the most environmentally-friendly alternatives shall be chosen where possible.

6.4 Reporting

Shortcomings and their causes, in relation to Sveaskog's quality requirements for work performance, as well as all damage to natural and cultural environment values, shall be reported by the contractor as deviations in the final report.

7 APSE Common Concept for Forestry Agreements

Regarding forestry contracts (harvesting and silviculture), Sveaskog applies the Standard Conditions for Forestry-related Contracting ABSE 09 and the associated APSE Common Concept for Forestry Agreements. The Standard Conditions are established jointly by representatives from clients and contractors.

Contractors working for Sveaskog within harvesting, ground preparation, rejuvenation or clearing shall be well acquainted with ABSE 20 and the APSE Common Concept for Forestry Agreements.

8 PEFC

In order to work on forestry assignments, you must be a PEFC-certified contractor.

9 Monitoring of contractors and operations

Sveaskog's monitoring work is focused on improving operations to ensure sustainable business, so that the work can be conducted with the greatest possible safety, quality and consideration for the environment. As a contractor, you shall actively and openly participate in dialogues, monitoring and checks.

Sveaskog and/or a third party will regularly monitor you as a contractor and your performance in relation to the Service Declaration and the work conduct requirements for the assignment in the shape of spot checks and planned checks.

10 Sanctions

Most important is to always act when shortcomings are raised in order to prevent serious incidents or recurrence. If the applicable rules are not applied or complied with on an assignment, sanctions may result, which can ultimately lead to liability for damages or the annulment of the business contract.

Breaches are handled by Sveaskog and the contractor's management/owner.

The sanction system is applied if a contractor acts in breach of the Service Declaration. Examples include:

- Failure to implement necessary safety procedures.
- Conducting an assignment without F-tax approval.
- Paying salaries below the applicable minimum wage.
- Engaging an unapproved subcontractor.
- Breaching certification requirements, regulations or laws.

The breach is considered more serious if:

- The contractor is deemed to have acted wrongly either with intent or repeatedly.

- The breach entailed a person being exposed to an obvious risk of injury.
- The contractor has failed in their social responsibility to personnel or the general public.

The sanction system is applied in accordance with the following principles:

- Verbal warning – The contractor has committed a minor breach.
- Written warning – The contractor has committed a significant breach.
- Sanctions based on the applicable contract, for example contract annulment (handled by Sveaskog's Purchasing Department) – The contractor has committed a serious or repeated breach.

11 Important links

More detailed information can be found on the following websites:

Sveaskog's Code of Conduct: <http://www.sveaskog.se/Om-Sveaskog/uppforandekod/>

United Nations Global Compact: <https://www.unglobalcompact.org/>

Work environment issues and systematic work environment management at the Swedish Work Environment Authority: <http://www.av.se>

SLA, the Swedish Forestry and Agricultural Employers' Association: <http://www.sla-arbetsgivarna.org/>

Swedish Tax Agency: <http://www.skatteverket.se>

APSE Common Concept for Forestry Agreements: <http://www.apse.se/>

Silvicultural School: <http://www.skotselskolan.se>

Swedish Migration Agency: <http://www.migrationsverket.se/Privatpersoner.html>

12 Signature

I have read and accept Sveaskog's Service Declaration and assume responsibility for its fulfilment by me, my employees and my subcontractors. I agree to annually inform/instruct my employees and subcontractors about the Service Declaration and its contents.

Place and date: _____

Company name: _____

Organisation number: _____

Signature: _____

Name in block capitals and title: _____

To be specified by the **forestry** contractor:

PEFC certification body (umbrella org.): _____

Certificate number: _____

Employers' association membership
(specify which): _____

Total number of employees: _____

Employees from other EU/EES countries
(total number): _____

Subcontractor (name): _____

Subcontractor (organisation number): _____

Subcontractor (address): _____

Subcontractor (total number of employees): _____

Subcontractor (total number of employees
from another EU/EEA country): _____

Subcontractor PEFC certification body: _____