



SAAB

CODE OF **CONDUCT**



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SAAB A RESPONSIBLE COMPANY – WHAT DOES THAT MEAN?

In today's global environment, companies are an important part of the process of creating sustainability and enhancing ethical business conduct. Saab is very supportive of these efforts and participates actively in international associations to encourage this development.

For Saab, to be a responsible company means to behave ethically in all aspects of business, to care for the environment, to set good examples in the way we act towards each other as employees and how we treat our business partners, and to always respect laws and regulations wherever we are active.

Saab is highly dependent on the international market, but also to gain support from its domestic customers. To be successful it is a clear requirement that we are, and are perceived as, a reliable partner to our customers wherever they are. Trust is the basis for our business.

It is also necessary for us to be able to recruit the best skills and resources available to maintain our position as a "world class" technology company able to access the international market. This can only be done if Saab is a company where sustainability and integrity is high on the agenda and a company of which we all feel proud to be a part.

Last but not the least we must ensure there are no doubts whatsoever among our shareholders that we are setting, and working against, the highest standards in respect to business integrity and promoting a sustainable society.

The Code of Conduct sets out Saab's ethical standards on a number of areas. All employees shall be familiar with and live up to these standards. It is the top level of a framework which consists also of detailed policies and directives for those who are more concerned than others with a specific area.

Every Saab employee, with no exception, has a personal role to play in maintaining Saab's reputation as a responsible company. I am committed to create a working environment where you feel that you can raise issues you come across which seem wrong, without fear of retaliation. This commitment shall be upheld by all levels of management.

We are what we do.



Håkan Buskhe

1. INTRODUCTION

Why a Code of Conduct

Saab is a company acting on the international arena and we, as Saab employees, are all carrying with us the Saab brand in our daily operations. Our vision and values can only be fulfilled if we all understand that we must represent the company in a way that meets high ethical standards. This way we will gain respect on the market and in the societies where we are active, and we will create a working environment which is attractive to us as employees.

One of Saab's core values is *Trust*. By that we mean that we are honest and reliable, and that we keep our promises. By following the standards and principles of this Code of Conduct, we will demonstrate in practice what this value means to the company and to us as employees.

What is covered by the Code of Conduct

The Code of Conduct is a summary of the standards and principles of conduct expected of all employees. It does, however, not cover all aspects of behaviour. There will always be areas where we need to use our judgment as individuals.

The Code of Conduct is supplemented by more detailed policies and directives in defined areas. It is our responsibility as

employees to know when to go further in the Global Management System to get information of the detailed policies, directives and standards.

Relevant policies, directives and standards will be found under each Section in the Saab intranet version of this Code of Conduct.

Company commitments

The management of the company and its employees must commit to these standards and principles. Acts in contravention with the Code of Conduct may cause damage to the company's reputation and may lead to legal actions against the company and its employees. It may also be a breach of the terms of employment, which is based on confidence and loyalty, and may lead to labour law actions.

Seeking advice

We will inevitably be confronted with complex situations where we feel we do not get a clear answer from the Code of Conduct or through the Global Management System. Where this is the case we expect employees to discuss the matter with his/her nearest superior or to seek advice from Group Legal Affairs.



2. THE REGULATORY **FRAMEWORK**

We follow laws and regulations

Saab has operations in a number of jurisdictions and is represented in many more. We are responsible for understanding and following local laws and regulations in the countries where we are present or do business. In the event that these are less restrictive than our own standard, we shall always apply the Saab standard unless other advice is given.

We comply with arms and export control regimes

Saab, as a company operating in the defence and security area, carries specific responsibilities towards the Swedish and other Governments. We are acting on a field of business which is highly regulated. It is necessary for our ability to continue operating as a world class company, that we strictly conduct our business in accordance with the required authorizations and licenses, and that we always with no exception meet the conditions applicable to our business.



3. OUR **WORKPLACES**

Our workplaces are safe and healthy

Saab shows commitment to health and safety and works to eliminate accidents, illnesses and injuries. We see it as our duty to protect each others health and safety and we help each other creating a sound working environment. We do not tolerate any form of harassments, reprisal, bullying or other offensive physical or verbal treatments. It is a common task to ensure that the working environment is safe, both physically and psychologically.

Diversity is a basis for successful business

We firmly believe that workplaces characterized by diversity establish a solid foundation

for greater creativity and innovation. We shall work actively to make Saab more diversified at all levels of the company because it is a basis for successful business.

Discrimination is prohibited

Our decisions on hiring, promotion, development, compensation and termination is based on the employees' abilities and skills related to the job and must never be based on irrelevant factors, such as gender, age, ethnic and national origin, caste, religion, disability, sexual orientation, union membership or political affiliation. As employees we shall conduct our work with respect for all people regardless of differences.



The right to form and act through trade unions is fundamental

We respect all employees' right to form or join a trade union and the right to collective bargaining. Representatives for trade unions must not be subjected to improper discrimination. Saab gives official representatives for trade unions access to trade union members and their work places.

We respect privacy

We respect the fundamental human right of privacy. Personal information must be obtained fairly and lawfully, be relevant for the purpose for which it has been obtained and be treated with utmost care.

We do not, regardless of position in the company, share personal information about our co-workers with others inside or outside the company, unless we are authorized to do so by the individual concerned.

4. **BUSINESS ETHICS** IS THE KEY TO BUILD TRUST

We compete fairly and honestly

We are firm believers in the free enterprise system and competition on a level playing field. This system is protected and promoted by competition law. We conduct our business to always comply with antitrust and other laws that regulate competition.

We work to prevent corruption and corruptive practices

Saab applies a zero tolerance for corruption. This means that we must not under any circumstances be engaged in, encourage or tolerate bribery through payments or other benefits to public officials or private sector employees with the aim to obtain or retain business or any other advantage.

We are aware of the risk inherent in the business that payments to market intermediaries may be used to improperly influence business decisions. We are committed to prevent

this by implementing and adhering to requirements and procedures in our operation, consistent with best practice.

We are supportive of the efforts within the Aerospace and Defence Industries of Europe (ASD) to develop anti-corruption regimes through its Common Industry Standards and welcome further sector-wide initiatives with the same purpose.

We are not offering gifts and hospitality which are improper

Moderate and reasonable gifts and hospitality which are customary in the business are normally acceptable if given for the right reason, i.e. demonstrating Saab's products and services, improving the image of the company or establishing cordial business relations. We shall however be aware that even customary gifts and hospitality may be inappropriate in connection with forthcoming or on-going



business negotiations and we always pay attention to our customers' integrity policies.

We shall not offer gifts and hospitality of a value or nature, or under circumstances which may be seen as an attempt to improperly influence business decisions or to obtain other improper advantages.

Openness, transparency and correct recording are key elements to demonstrate compliance with these requirements.

We are not accepting gifts and hospitality which are improper

As Saab employees we must always be, and be seen as, impartial and professional when dealing with others. From this follows that we shall only accept gifts and hospitality offered by others if those are reasonable in relation to the business in question and they are within the boundaries of customary business behaviour.

Gifts and hospitality of high value or of unusual or unethical nature shall not be accepted.

If you are in any doubt if you as a Saab employee are entitled to receive a specific gift or participate in an event, you must seek advice from your superior or from Group Legal Affairs.

We avoid conflict of interest

We shall always keep personal interests apart from the company's business. Decisions by or for the company must never be influenced by irrelevant personal preferences or by relationships.

We pay consideration to the fact that issues of conflicting interest may arise from employing or otherwise engaging former public officials. We must never do so without securing that it does not contravene any laws, regulations or directives. We shall always seek to mitigate the risk of improper conflict of interest.

5. INFORMATION AND USE OF INFORMATION MEDIA

We protect information as a valuable asset

Information about the company is internal or confidential, unless publicly released through annual reports, press releases or through product descriptions and similar intended for public use. We shall not share information with others outside the company unless there is a business reason to do so.

Company information of a technical, commercial and marketing character is of a particular proprietary and sensitive nature, and may also include inside information (see section 6). The use and distribution of such information shall be on a need to know-basis. As Saab employees entrusted with such information you must be familiar with the confidentiality requirements and procedures as regards such information, and always secure that the company's interests are pre-

served. Information shall always be assessed according to its value to ensure that it is given the proper protection level.

We shall pay attention to the risk of an unintentional exposure of information, e.g. by discussing company matters with co-workers during transportation or at public places, etc. When we as individuals speak about ourselves in the social media sphere, we must not make Saab information available outside the company which is not intended for the public. Neither should we use social media in a way that can cause harm to Saab's brand and reputation.

Only corporate staff Group Communication and by them appointed representatives are authorized to speak on behalf of Saab in media, including any form of social media.

Information systems are our work tools

We use information systems professionally and as a means to continuously increase efficiency in our work processes. The company's communication tools must never be used for any unlawful or unethical purposes. Limited private use of company communication tools is acceptable if restricted to handling of personal matters which does not interfere with work.

When we communicate using an information system associated to the company we always, regardless of method, represent the company. This means that we shall be respectful and correct, and always be conscious that our messages may be used for purposes other than those intended.

We are cautious in our handling of third party proprietary and restricted information

We treat information obtained from others in the same way as we expect them to treat information received from us, and in accordance with applicable terms of its disclosure. We do not try to get hold of or accept to receive proprietary information of others, unless the owner has agreed to its release. Proprietary information accidentally received shall not be disseminated and shall be returned to the owner.

We must always be aware of our customers' regulations for protecting information for national security or export control reasons. We often need substantial amount of information about procurement plans and other data to be able to support our customers' needs. We must however never seek to collect any information not legitimately authorized to be released or disregard the conditions applicable to its disclosure to us.



6. SAAB – A LISTED COMPANY

We follow stock market rules

Saab is listed on the NASDAQ OMX Nordic Exchange, Stockholm. Saab as a company and we as employees must comply with all applicable stock market laws and regulations in order to maintain the shareholders' trust and Saab's accountability on the financial market.

We inform stakeholders and the financial market in a structured way

In all our communication with our stakeholders and the financial market we shall be correct, relevant and clear, and not misleading. We shall keep an active and non-selective dialogue with all stakeholders to ensure that the perception of Saab is correct.

When information is share price sensitive, we keep the stakeholders and the financial market informed only through press releases.

Only authorized spokespersons are permitted to represent Saab externally and to comment on disclosed information.

We do not allow misuse of inside information

Inside information is information that is not public and is likely to significantly affect the

price of the Saab shares. Typical inside information is financial results and major orders. In order to preserve the public's confidence in the financial market, the use and handling of inside information is strictly regulated.

For those Saab employees with access to inside information it is illegal to trade in Saab shares, or other Saab securities, or to make someone else to do so. It is also illegal to disclose inside information to other people (including family and friends) or entities outside the company. This applies regardless of position in the company and whether or not you appear on the insider list described below.

Disclosure of inside information to a Saab co-worker shall be on a need to know basis and the recipient shall be made aware of the inside nature of the information.

Saab is obliged to keep an insider list of employees and others who have access to inside information. Anyone with access to inside information not registered on the insider list, should contact his or her superior or Group Legal Affairs for registration.



7. SOCIAL RESPONSIBILITY

We take global responsibility and expect our suppliers to do the same

In Saab's view companies must take a firm stand against abuses of fundamental human rights such as the use of child labour and many other forms of misuses of human and natural resources. Saab has therefore signed the UN Global Compact initiative and has undertaken to implement its ten principles in the operation.

Through Saab's sourcing processes and in our dealings with partners, we shall raise awareness of Global Compact and thereby promote the values Saab stands behind, enhance sourcing quality and reduce risks in the supply chain.

We care for the environment

Wherever we act, we shall contribute to a sustainable development. This means that

we shall reduce environmental risks and minimize our footprints in the environment. Caring for the environment is a natural part of Saab's daily business. Knowledge is an important factor to be successful in the environmental work. We expect that you as Saab employee actively seek information about environmental aspects of our operations and products and consider the possibilities to reduce environmental risks and our environmental footprints in any business or activities you come across.

A part of our products and systems consist of subsystems and components developed and manufactured by subcontractors. Hence, our suppliers have an important role in our environmental work. Therefore, our way to manage environmental matters shall be reflected in our sourcing process through requirements and guidelines.

8. REPORTING NON-COMPLIANCE

Reporting non-compliances is to be loyal to company values

The Code of Conduct is an essential part in creating a group wide culture of responsibility and commitment to Saab's values.

All employees are expected to report to the nearest superior any observed or suspected violation of law or of the Code of Conduct.

In case of serious violations involving management, high-ranked officials or other key employees of Saab and concerning accounting and financial reporting, insider trading, corruption or other areas of vital importance to Saab's business, employees may report to the company's Ethics and Corporate Responsibility Council by using a web form. The Ethics and Corporate Responsibility Council

is made up of the company's head of legal affairs, head of human resources, head of communications and head of security.

Confidentiality will be maintained to the fullest extent possible. No one shall ever be discriminated or punished for reporting in good faith any suspected or observed violations of the law or of the company's Code of Conduct.

You may also report anonymously to the Ethics and Corporate Responsibility Council by sending an email to ethics.council@saab-group.com, using an outside email account that does not reveal your name (e.g. Hotmail, Yahoo and Gmail). You should be aware, however, that anonymous reports may be more difficult to investigate.

UN GLOBAL COMPACT

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

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.

Read more at www.unglobal.org





SAAB

www.saabgroup.com

