

Ahlsell's **Code of Conduct**

– Implementation guide for suppliers and business partners



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Background

Ahlsell aims to be the first choice for customers and suppliers purchasing and distributing installation products, tools, and supplies. Ahlsell strives to have the most satisfied customers in the industry and the highest employee engagement, and to create sustainable and profitable growth.

The goal is to be an industry leader in sustainability and actively integrate economic and social responsibility in our operations. Driving sustainable enterprises requires work in several dimensions of the business. Among other things, we are working to develop more sustainable products, conduct responsible procurement, improve health and safety standards and minimise our environmental footprint.

Our values – accountability, openness and simplicity – guide us in our day-to-day work. Together with our Code of Conduct, which summarises our overall guidelines for responsible conduct, our values provide a framework for how we shall behave in our daily activities. Since our suppliers and business partners are an important part of our operations, we also expect them to respect and stand by our values and our Code. This document should serve as a practical guide for you as a supplier to be able to live up to the commitments set out in our Code of Conduct.

Ahlsell's Code of Conduct is based on:

- The UN's Universal Declaration of Human Rights and associated UN Conventions, such as the Convention of the Child
- The ILO's Principles concerning Multinational Enterprises and Social Policy
- OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- ISO 14001 and 9001

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Contents

Scope and application	6
Business ethics	8
Human Rights and fair working conditions	10
Occupational health and safety	14
Environment and quality	16



In short Ahlsell's suppliers and business partners should:

- ... respect and comply with laws and regulations in the countries where they have operations.
- ... implement the requirements of Ahlsell's Code of Conduct throughout their value chain.
- ... notify Ahlsell of any deviations from the Code of Conduct.
- ... conduct their business in accordance with international competition laws.
- ... disassociate themselves from all forms of bribery and corruption.
- ... avoid conflicts of interest.
- ... safeguard the integrity of employees and business partners.
- ... adopt a zero-tolerance attitude towards child labour and forced labour.
- ... respect freedom of association and the right to collective bargaining.
- ... endorse responsible extraction of minerals.
- ... respect and comply with internationally accepted principles of fair employment conditions and pay.
- ... promote equality and diversity, and counteract discrimination and harassment.
- ... provide a safe working environment for their employees, and counteract alcohol and drug abuse.
- ... systematically improve quality- and environmental aspects of their operations.
- ... ensure that their products do not contain any prohibited substances.

Scope and application

Our Code of Conduct applies to all suppliers and business partners. It covers all businesses and organizations that provide Ahlsell with goods, services, personnel or in other aspects cooperate with Ahlsell, for example in matters relating to sponsorship or community involvement. This guide presents our Code of Conduct together with practical recommendations on how to address the requirements that are presented there.

For the sake of simplicity, we will use "suppliers" for all relevant stakeholders in the rest of the document.

Compliance with laws

The Code of Conduct does not replace legislation and Ahlsell must always comply with legal requirements and regulations in the countries in which we operate. The same requirements apply to our suppliers. If there is a conflict between the Code of Conduct and the law, the law shall prevail. However, if the Code of Conduct sets a higher standard than existing legislation, the Code of Conduct shall apply.

Implementation and compliance monitoring

Ahlsell's CEO has the overall responsibility for implementation and compliance with Ahlsell's Code of Conduct. The country managers are responsible for implementation and compliance in each country and segment.

It is up to each employee to ensure that they understand and comply with the content of the Code of Conduct and related documents. Managers are also responsible for ensuring that each employee is updated on current policies during the annual employee dialogue.

We continuously monitor that our operations comply with our Code of Conduct and we provide annual Code of Conduct training to our employees. The Code of Conduct is also part of the introduction programme for new employees.

Reporting malpractice

If you believe that Ahlsell is not acting in accordance with this Code of Conduct or that a supplier does not meet the requirements of the Code of Conduct, we encourage you to report this to Ahlsell using the whistleblower web form at www.ahlsell.com.

Supplier monitoring

By approving Ahlsell's Code of Conduct a supplier ensures to comply with all applicable parts. The supplier is responsible for ensuring that their sub-suppliers comply with this code. The supplier also grants Ahlsell the right to verify compliance with this Code of Conduct by means of different types of on-site inspections or other measures. Any suspected breach of Ahlsell's Code of Conduct will lead to immediate measures.

Suppliers who sign an agreement with Ahlsell are responsible for implementing and monitoring compliance with the Code of Conduct in all applicable parts.

To ensure that you, as a supplier, meet the requirements in our Code of Conduct you should:

...respect and comply with relevant laws and regulations in the countries where you operate.

... pass on the requirements in Ahlsell's Code of Conduct to your respective suppliers and demand that they in turn pass on the requirements in their value chain. This can be done either by establishing policies that uphold Ahlsell's minimum requirements or by sharing Ahlsell's Code further up the value chain.

... establish and maintain a system to ensure that your suppliers comply with the requirements of Ahlsell's Code of Conduct (i.e. through supplier visits, self-assessments or other reasonable measures).

... ensure that purchasers and other supply chain professionals have sufficient training to be able to work with the requirements of this Code of Conduct.

... set up a function where employees and others affected by your business can report misconduct anonymously (whistleblower function).

... upon request, provide Ahlsell with documentation and information to verify that sufficient actions have been undertaken to comply with the Code of Conduct.

... notify Ahlsell of any deviations from the Code of Conduct identified in the value chain.



Business ethics

Ahlsell's conduct in all situations, regardless of the country or market, shall be characterised by responsibility and respect for customers, suppliers and the local communities in which we operate. Ethical conduct and good business practices are crucial to our development and profitability. We shall convince our suppliers only with commercial arguments. Our goal is to develop long-term, stable business relationships in which Ahlsell is considered a responsible and professional partner.

Fair competition

We never enter into contracts or agreements – either explicitly, implicitly, verbally or in writing – with a competitor regarding pricing, discounts, promotions, tendering, sales terms or sales territory. We do not exchange sensitive market information with our competitors, either directly or through trade associations, suppliers or customers.

Bribery

Bribery, corruption and any other form of corrupt conduct are strictly prohibited. Neither Ahlsell nor any company or person acting on behalf of Ahlsell may grant, offer or facilitate payments, gifts or other benefits that may affect or be perceived as affecting the objectivity of a business decision or a public authority's decision. In the same way, neither Ahlsell nor any company or person acting on Ahlsell's behalf may accept, receive or request gifts or other benefits.

Conflicts of interest

Conflicts of interest between Ahlsell and suppliers must be avoided. Examples of conflicts of interest include personal financial interests and purchase or sale transactions with family members or close friends. We always place Ahlsell's interests ahead of personal interests.

Privacy

Ahlsell is committed to high standards of information security, privacy and transparency. We place a high priority on protecting and managing data in accordance with applicable privacy laws.

We may collect and process personal data e.g. contact details of employees at a company, within the scope of our business operations. Confidential employee information is stored securely. We shall not disclose any information to any company outside the Ahlsell Group except if required to do so by law.

To ensure that you, as a supplier, meet the requirements in our Code of Conduct you should:

- ... establish written policies and/or guidelines that prohibit unethical business activities and clarify how ethical dilemmas should be addressed.
- ... establish a control function that corresponds to the company's size and risk exposure.
- ... ensure that relevant staff receive training in business ethics.
- ... establish procedures to maintain a high level of information security according to applicable laws and regulations.

Human Rights and fair working conditions

Human rights must be safeguarded throughout our entire value chain. Employees must be treated fairly, equally and with respect.

Child labour

Every child¹ shall be protected from economic exploitation and performing any work that may be harmful to the child's physical or mental health or adversely affect the child's right to education.

Ahlsell does not accept child labour. If it is found that a child is manufacturing products, despite Ahlsell's efforts to ensure that such practices are non-existent in our value chain, the employer must act on the basis of the child's best interests. Ahlsell's suppliers are expected to work together to reach a satisfactory solution that improves the situation of the individual child.



Forced labour

No form of forced labour or work connected with any form of punishment is permitted. The employees must have freedom of movement during the course of their employment. The employer must not withhold identity cards, travel documents or other important personal papers from its employees, which may prevent the employees from ending their employment.

Responsible extraction of minerals

Conflict minerals² are minerals from conflict-affected areas, the use of which directly or indirectly contributes to the financing of armed groups likely to commit serious human rights violations. Ahlsell is committed to the ethical sourcing of



minerals used in our products and is working with suppliers to address the process for sourcing minerals responsibly. In addition, we are committed to engaging with our customers regarding their own disclosure obligations.

Freedom of association and collective bargaining

Ahlsell respects employees' rights to organise themselves, or not to organise themselves, in trade unions and to negotiate collectively or individually in accordance with local laws. No employee shall face harassment or reprisals in order to exercise these rights.

Employment contracts, employment terms and remuneration

Working hours must comply with national legislation. Employees shall be paid the minimum wage required under local law and regulations. Overtime shall be paid at a premium rate. Wages must be paid on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure.

All workers shall have a written, understandable, and legally binding labour contract. The employer must not rely on a systematic use of part-time, short term or casual labourers, trainees, or false apprenticeships in order to pay lower wages and provide fewer benefits.

¹ In this context, a child is a person under the age of 15. If relevant national legislation prescribes a higher age, this shall be the age that applies.

² Uttrycket "konfliktmineraler" syftar på tenn, tantal, volfram och guld och används av bland andra EU, OECD och FN. Läs mer på www.responsiblemineralsinitiative.org.



Employees on parental leave must not be fired or threatened with dismissal and must be free to return to their former employment at the same rate and benefits.

All workers shall have access to clean drinking water and toilets, adequate for the number of employees. When accommodation is provided it must be suitable for its purpose and meet the same requirements stated in the previous sentence.

Diversity and equality

Ahlsell values and promotes diversity and gender equality. We are committed to maintaining an environment based on respect for each person's unique and equal value and realise everyone's full potential by promoting an inclusive culture. When needed, active measures must be taken to ensure equal rights and equal opportunities at work, regardless of ethnicity, gender, gender identity, disability, religion or belief, sexual orientation and age.

Discrimination and harassment

Ahlsell is opposed to all forms of discrimination, harassment and degrading treatment and shall take action to combat discrimination on these grounds. All discrimination and harassment incidents must be addressed promptly and with regard to the victim.

To ensure that you, as a supplier, meet the requirements in our Code of Conduct you should:

- ... establish clear policies and/or guidelines that address human rights and prohibit child and forced labour.
- ... ensure that the legal age is verified for each new employee.
- ... respect freedom of association in all countries where you have operations and ensure that there are routines for safeguarding workers' rights in countries where affiliation with unions is prohibited by law.
- ... investigate conflict minerals in the value chain and avoid suppliers who are unable to verify respect for human rights during extraction.
- ... respect and comply with national guidelines on minimum wages and overtime pay, as well as global agreements on workers' rights.
- ... establish a plan to counteract discrimination and harassment.
- ... ensure that relevant staff receive the right training to safeguard labour rights and combat discrimination and harassment.



Occupational health and safety

Ahlsell works systematically for a safe and healthy work environment. Risks that may lead to accidents or health impairment shall be dealt with promptly.

Work environment

Our work environment activities are based on national legislation in our countries of operation. For Ahlsell a safe work environment means, for example, proactive risk management, competence for performing tasks safely, open dialogue, continuous improvements, clean workplaces, safe machinery in production and providing necessary personal protection. Ahlsell shall establish a positive safety culture by actively working with behaviours and attitudes. Hazardous materials and dangerous equipment must be stored, handled and

transported in accordance with applicable legislation. Emergency exits must be clearly marked. Exits must not be blocked and must be well lit. All employees shall be informed of safety measures, such as emergency exits, fire extinguishers, first aid equipment and other life saving measures.

Alcohol and/or drug abuse

Ahlsell works actively to avoid exclusion in the workplace and takes responsibility in creating a society free from drug and alcohol abuse. In the process of creating safe and secure workplaces, it is necessary to take measures to prevent and combat the adverse consequences of harmful substance use. Ahlsell has a zero tolerance for alcohol and other drugs during working hours. The purpose is to prevent ill health, accidents and harmful use.

To ensure that you, as a supplier, meet the requirements in our Code of Conduct you should:

- ... put the health and safety of employees first.
- ... handle dangerous goods with care and in accordance with current legislation.
- ... work proactively and systematically to prevent workplace accidents.
- ... ensure that employees have appropriate equipment and training to perform dangerous tasks and that leaders and managers have been trained to lead the work in a safe manner.
- ... work proactively with alcohol- and drug problems.

Environment and quality

Ahlsell works actively to reduce the environmental impact from our operations, focusing on products, transport, energy use and recycling. Ahlsell takes quality and the environment into consideration in every part of our business. Ahlsell complies with statutory environmental requirements that apply in each country of operation.

Ahlsell supports and encourages sustainable innovation to meet customer expectations.

Stakeholders' expectations are taken into consideration in quality and environmental matters. This means that dialogue with customers, suppliers and other partners is a source of renewal and continuous improvement.

Environment- and quality management

Ahlsell är ISO 14 001 och 9 001 certifierade och förväntar sig att leverantörer Ahlsell is certified under ISO 14001 and 9001 and expect our suppliers to implement environmental and quality management systems.

Product content

Systematic compliance with Swedish and European legislation for permitted substances or the use of dangerous substances is mandatory. Ahlsell expects, and works actively to ensure, that products and services comply with legal and safety requirements



To ensure that you, as a supplier, meet the requirements in our Code of Conduct you should:

- ... monitor changes in relevant legislation and ensure that your products do not contain any illegal substances
- ... measure the environmental impact of the business and work systematically to reduce it
- ... work systematically with environmental- and quality improvements
- ... implement environmental- and quality management systems
- ... promote innovation for more sustainable products

