
Document type:	Code of Conduct	Document name:	Supplier Code of Conduct
Publication date:	2021-02-19	Version:	1
Approved by:	The Board	Produced by:	Assortment and Procurement Manager
Document-ID:	ALLIGO-C101		

Supplier Code of Conduct

1. Introduction

At Swedol-TOOLS we recognize that our business has an environmental and social impact, both in our own operations and beyond our value chain. Being a responsible and sustainable company in every respect is something we see as both a necessity and an opportunity for Swedol-TOOLS. Striving for sustainable operations throughout the value chain is a strategic priority for us. We support UN Global Compacts ten principles on human rights, environment and anti-corruption and engage with suppliers that are committed to these same principles.

Based on this commitment, we have developed the Swedol-TOOLS Supplier Code of Conduct (“The Code”). Our overall objective is to encourage the respect for human rights and labour rights as well as environmental protection among our business partners. The Code refers to international conventions such as the Universal Declaration of Human Rights, the Children’s Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact, and International Labour Organization (ILO) Conventions and Recommendations relevant to improve working conditions in the supply chain. The document herein is a literal translation of the amfori BSCI Code of Conduct version 1/2014. As a business enterprise which has endorsed the amfori BSCI Code of Conduct, Swedol-TOOLS has adapted the document into our own layout to better contribute to the amfori BSCI cascade effect.

All suppliers shall adhere to the principles and requirements set forth in this Code. Suppliers shall also be responsible for ensuring that their sub-suppliers, contractors, and agents are in compliance with the Code. Suppliers who deliver goods produced in or originating from risk countries according to amfori’s definition, shall sign the amfori BSCI’s “Terms of Implementation.” As a member of amfori BSCI Swedol TOOLS is committed to working for the accurate follow-up of our suppliers’ ability to meet these requirements.

2. Implementation

Swedol -TOOLS strives to further detail the root causes of any such adverse impact in human rights, particularly when sourcing from high-risk regions or sectors and expect the same from our suppliers. Suppliers should act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights

impacts that may be detected in the supply chain. We expect our suppliers to adopt a management system to drive continuous improvement and ensure compliance with applicable laws and the Code.

Suppliers should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Suppliers should also establish good management practices that involve workers and their representatives in sound information exchange on workplace issues and allow for appropriate measures for protecting workers in line with the aspirations of the Code. Specific steps should be taken to make workers aware of their rights and responsibilities. In addition, suppliers are expected to maintain appropriate training programs for employers, managers, workers, and workers representatives in order to implement the principle of the Code and to comply with applicable legal requirements.

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3. Business Principles and Legal Requirements

3.1 Compliance with laws and regulations

Suppliers shall comply with all applicable national laws, industry minimum standards, and ILO and United Nations conventions. Should the provisions of national law and the requirement of the Code differ, the highest standard shall apply. Swedol-TOOLS expects that suppliers adopt a management system to drive continuous improvement and ensure compliance with the laws and standards previously described.

Suppliers shall ensure that all its employees receive adequate information and training in relation to relevant legal, regulatory, and internal requirements that apply to their jobs.

3.2 Forced Labour

ILO Conventions No. 29 and 105

Suppliers shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. Suppliers shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse.

A business can also become complicit in forced labour if they benefit from the use of such forms of labour by their business partners. Suppliers shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly.

3.3 Freedom of Association and Collective Bargaining

ILO Conventions No. 87, 98, 135 and 154

Suppliers shall respect the right of workers to join or form unions and to bargain collectively. Workers shall not be discriminated because of trade union membership.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, suppliers shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

3.4 Child Labour and Special Protection of Young Workers

UN Convention on the Rights of the Child; ILO Conventions No.79 and 138, 182; ILO Recommendation No. 146

Suppliers shall not directly or indirectly employ children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than fifteen 15 years, unless the exceptions recognized by the ILO apply. Children under the age of eighteen (18) shall not engage in labour that is hazardous to their health, safety, morals nor work at night. Suppliers must establish procedures for age-verification as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker.

If child labour is found to already takes place, actions shall be taken immediately. In removing children from the workplace, the supplier should identify in a proactive manner and take measures to ensure the protection of affected children. When appropriate, the supplier shall pursue the possibility to provide decent work for adult household members of the affected children's family.

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3.5 Discrimination

ILO Conventions No. 100, 111, 143, 169, 183; UN Convention on Discrimination Against Women

Suppliers shall not discriminate, exclude, or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organisations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases, or any other condition that could give rise to discrimination. Workers shall not be harassed or disciplined on any of the grounds listed above. Measures shall be established to protect employees from sexually intrusive, threatening, insulting or exploitative behaviour and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood, or HIV status.

3.6 Fair Remuneration

ILO Convention No. 26, 95, 131

Suppliers shall respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted. Wages shall, as minimum, comply with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages shall always be sufficient to cover living expenses and provide some disposable income. Overtime shall be compensated at a premium rate according to national law, or not less than 1,25 times the regular rate, whichever is higher. Wages are to be paid in a timely manner, regularly, and in a legal currency.

The level of wages shall reflect the skills and education of workers and shall refer to regular working hours. It is unacceptable to use wage deductions as a disciplinary measure. Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

3.7 Decent Working Hours

ILO Convention No. 1 and 14; ILO Recommendation No. 116

Suppliers shall ensure that workers are not required to work more than forty-eight regular hours per week, without prejudice to the specific expectations set out hereunder. Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO. In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

The use of overtime is meant to be exceptional, voluntary and shall not represent a significantly higher likelihood of occupational hazards. Workers shall be granted the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

3.8 Occupational Health and Safety

ILO Convention No. 155, 184; ILO Recommendation No. 164

Suppliers shall respect workers right to healthy working and living conditions, taking in account the existing knowledge of the industry and its related hazards. Suppliers shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced. Vulnerable individuals such as, but not limited to, young workers, new and expecting mothers and persons with disabilities, shall receive special protection. The supplier shall respect the workers' right to exit the premises from imminent danger without seeking permission.

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Suppliers shall ensure access to drinking water, safe and clean eating, and resting areas as well as clean and safe cooking and food storage areas. When needed, effective personal protective equipment (PPE) shall be provided to all workers free of charge. Furthermore, suppliers shall ensure that adequate medical assistance is available at the workplace, such as first aid, personnel trained in first-aid, or access to a nurse or doctor.

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3.9 No Precarious Employment

Suppliers shall ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers and that work is performed on the basis of a recognised and documented employment relationship, established in compliance with national legislation, custom or practice and international labour standards, whichever provides greater protection. All employees are entitled to their own copy of the employment contract, which must be written in a language they understand. Before entering into employment, suppliers are to provide workers with understandable information about their rights, responsibilities, and employment conditions, including working hours, remuneration and terms of payment. Suppliers shall take into special consideration employees who have children, especially seasonal and migrant workers with children located distantly, so that these workers can combine work with parenthood.

Suppliers shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes, but is not limited to, apprenticeship schemes where there is no intent to impart skills or provide regular employment, seasonality or contingency work when used to undermine workers' protection and labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

3.10 Protection of the Environment

At Swedol-TOOLS we strive to continuously improve our enterprise's environmental performance and work in accordance with a management system certified against ISO 14001. We require that our suppliers conduct their operations responsibly in relation to the environment and comply with local and national environmental legislation. Our suppliers are encouraged to implement their own environmental management system according to ISO 14001 or equivalent. Through a structured and systematic approach or the identification, measurement and follow-up of its environmental impact,

the supplier may continually improve its environmental performance and minimize the use of resources and the production of waste.

3.11 Product Safety

Our product assortment is the core of Swedol-TOOLS business. It is therefore of great importance that we can ensure the quality and legal compliance of our products in all countries where we operate. All products in our assortment shall be safe and traceable. Suppliers shall inform of any risks associated with the products supplied to us.

Suppliers shall also commit to Swedol-TOOLS's Chemical Restriction List as well as any chemical legislations relating to the product, such as but not limited to, REACH, RoHS, CLP, and Biocide directive. Suppliers are required to report the presence of substances, above 0.1 % weight of a product, which are listed in the EU's Candidate List of substances of very high concern (SVHC). If a supplier's products contain SVHC-substances as stated above, and is located in the EU, their products must be registered in the EU SCIP-database and notify us of the SCIP-number for registered goods. Non- EU suppliers must supply Swedol-TOOLS with necessary information for registration.

3.12 Responsible Sourcing of Raw materials

Swedol-TOOLS is committed to avoiding the use of so-called conflict minerals, which currently pertains; tin, tantalum, tungsten, and gold (also known as "3TG") and cobalt, which have fuelled conflict in the Democratic Republic of the Congo or an adjoining country. We expect our suppliers to exercise adequate due diligence following the OECD Due Diligence Guidelines with respect to sourcing, extraction, and handling of these minerals to make a reliable determination of the origin and source of such minerals. We also expect our suppliers to support our effort to identify the origin of minerals used in our products.

3.13 Ethical Business Practice

We do not tolerate any act of corruption, extortion, or embezzlement, nor in any form of bribery, including but not limited to, the promising, offering, giving, or accepting of any improper monetary or other incentive.

As a supplier you are expected to keep accurate information regarding your activities, structure, and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices. Falsifying any such information is unacceptable.

The collection, use and otherwise process personal information, including that from workers, business partners, customers, and consumers in their sphere of influence, should be conducted with reasonable care. These activities shall also comply with privacy and information security laws and regulatory requirements.

4. Monitoring and Compliance

Swedol-TOOLS expects all suppliers to respect this Supplier Code of Conduct and the requirements of amfori BSCI. In case of conflict between the provisions of the Code and any applicable laws or regulations in the countries that a supplier operates in, the supplier will inform us.

As a supplier to Swedol-TOOLS you agree to provide us with access to relevant information, documentation, and facilities for the purposes of assessing the implementation of and performance against this Code. We also reserve the right to appoint independent third parties to conduct ethical audits in order to ensure compliance with the Code and the amfori BSCI standard.

If any serious breach of the Code is identified in a supplier’s own operations or in its supply chain, the supplier must immediately report the issue to us. Suppliers are expected to provide a corrective action plan with date of closure for the issues identified.

If the principles and requirements are not respected and sufficient remediation is not taken Swedol-TOOLS may choose to terminate the business relationship.

5. Commitment

By signing this document, you as a supplier to Swedol-TOOLS endorse our values and commit to take appropriate measures to observe the principles of the Code.

Company Name

Date

Signature

Clarification of signature