

The image features a close-up of a hand gripping a blue, cylindrical metal handle. The background is a dark, textured surface overlaid with intricate blue technical drawings and blueprints. These drawings include various geometric shapes, lines, and annotations such as 'φ4', '15', 'φ6', 'R15', 'R28', and 'R70'. The overall aesthetic is industrial and precise.

*ahlsell*

# Code of Conduct

FOR BUSINESS PARTNERS

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## 1. Background

The Ahlsell Group is a customer centric multi specialist industrial partner, with the aim of being the first choice for customers, suppliers, and other business partners in all sectors we serve. The Ahlsell Group is dedicated to sustainable development, innovation and having a range of high quality, sustainable products and services. Together with our partners we strive to promote responsible and sustainable solutions throughout the whole value chain.

<sup>1</sup>Long-Term and Net Zero Targets:  
Ahlsell AB commits to reducing absolute greenhouse gas emissions in scopes 1, 2, and 3 by 90% by 2045 compared to the base year 2022, and to neutralizing the remaining emissions to achieve net zero greenhouse gas emissions across the entire value chain by 2045.  
Near Term Targets:  
Ahlsell AB commits to reducing absolute greenhouse gas emissions in scopes 1 and 2 by 75% by 2030 compared to the base year 2022. Additionally, Ahlsell AB commits to reducing absolute greenhouse gas emissions in scope 3 by 42% within the same timeframe.

### 1.1 COMMITMENT TO SUSTAINABILITY

The Ahlsell Group are committed to being an industry leader in sustainability, actively incorporating economic, environmental and social responsibility into our operations. Operating sustainable enterprises requires work in several dimensions of the business. This involves making sustainable products and services available to the market, responsible procurement practices, and minimizing our environmental footprint. The Ahlsell Group has set climate goals approved by the Science Based Target Initiative<sup>1</sup>, that are in line with the Paris Agreement.

### 1.2 VALUES

Our values – accountability, openness, and simplicity – guide all our operations. Together with this Code of Conduct for Business Partners, hereafter the “Code”, which provides guidelines for responsible conduct, these values define our expectations. We expect our Business Partners to respect and adhere to the values set forward in the Code.



## 2. Foundation of the Code

The Ahlsell Group's Code is based on:

- The UN's Universal Declaration of Human Rights and associated UN Conventions
- The ILO's Principles concerning Multinational Enterprises and Social Policy
- OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- ISO 14001, 9001, and 45001
- The UN Sustainable Development Goals

### 2.1 SCOPE AND IMPLEMENTATION

The Code applies to all Business Partners doing business with the Ahlsell Group. In addition to the requirements set forth by the Code, we may include complimentary sustainability requirements in respective contracts depending on delivery to the Ahlsell Group. The Code serves as a baseline for sustainability evaluations of our suppliers. The Ahlsell Group does not set forth requirements to business partners in the Code that the Ahlsell Group does not itself prioritize and adhere to.

If a Business Partner is found to be in violation of any obligations outlined in the Code, and such a violation is deemed to have or potentially have a negative impact on the Ahlsell Group's reputation, brand or ethical standards, we

reserve the right to take appropriate actions, including but not limited to suspending cooperation, requiring corrective measures, or terminating the business relationship. Ahlsell Group will assess each situation on a case-by-case basis and determine the necessary course of action to uphold our values and commitments.

#### 2.1.1 COMPLIANCE WITH LAWS AND REGULATIONS

Business Partners must require all its employees and representatives to comply with applicable legal requirements and regulations in the geographical areas in which they operate, and the requirements set out in the Code. In cases where the Code sets a higher standard than legislation, the standards in the Code of Conduct for Business Partners will apply.

#### 2.1.2 IMPLEMENTATION AND COMPLIANCE MONITORING

Business Partners are responsible for understanding and adhering to the Code. They must reflect the content of the Code in agreements with their suppliers and work towards continuous improvement for people, community and

environment within their supply chains. Business Partners must maintain documentation and records to verify compliance and allow the Ahlsell Group to verify compliance with the Code through a combination of dialog, assessments, site visits, employees' interviews and other measures, either using a third-party or by themselves. Any breach of the Code may prompt corrective measures which the Business Partner must close within a reasonable timeframe. Business Partner must provide evidence that the breach has been resolved and any related risks mitigated. In event of Business Partner's failure to comply with the Code Ahlsell have the right to terminate the partnership/ agreement(s).

#### 2.1.3 REPORTING MALPRACTICE

Business Partners must:

- a. Maintain a confidential grievance mechanism to allow all employees, stakeholders and affected parties to voice concerns without fear of any form of retaliation.
- b. Record and act on all grievances raised. In cases where human rights violations are identified, including but not limited to issues such as child labor, prompt and effective remedial action is mandatory.
- c. Ensure that suppliers and their sub suppliers are aware of and able to use the reporting channel.

If Business Partners believe the Ahlsell Group or its business partners are not adhering to this Code, they should report these concerns via the whistleblower web form at [www.ahlsellgroup.com](http://www.ahlsellgroup.com).

#### 2.1.4 BUSINESS PARTNER RESPONSIBILITIES

By agreeing to the Code, Business Partners commit to ensuring compliance. They are also responsible for guaranteeing that their sub suppliers comply with the Code and for striving for continuous improvement in their operations, benefitting people, communities and the environment.

#### 2.1.5 DUE DILIGENCE

Business Partners shall establish a due diligence process and conduct comprehensive due diligence to identify, prevent and mitigate risks to legal compliance, business ethics, people, society and the environment within its own operations and value chains. Identified risks should be monitored and managed over time, with measures adapted as needed. Where actual or potential adverse impacts are identified, appropriate actions shall be taken to reduce or prevent such impacts.

# 3. Business Ethics

Business Partners must conduct their business with responsibility and respect for its business partners and local communities. Ethical conduct and sound business practices are essential for development and profitability. Business Partners should prioritize long-term, stable business relationships based on commercial arguments alone.

Business Partners shall maintain a compliance framework appropriate to their operations, which may include relevant policies, procedures, internal controls, and employee training. Such measures shall help identify, manage, and mitigate risks to ensure adherence to applicable laws, regulations, and high ethical standards.

Any violation, potential violation, or compliance risk relating to the Business Partner's collaboration with the Ahlsell Group must be reported immediately to the Ahlsell Group. Reports are to be made either to your established Ahlsell contact or via the whistleblower web form at [www.ahlsellgroup.com](http://www.ahlsellgroup.com), to enable appropriate actions that safeguard our business, partners, and the wider community.

## 3.1 FAIR COMPETITION

Business Partners must require employees to comply with applicable international and national competition laws and regulations and avoid any agreements or activities that unlawfully restrict or prevent competition. Business Partners shall implement both proactive and reactive measures to address potential violations and cooperate promptly

and transparently with the Ahlsell Group to resolve any compliance concerns. Competition law compliance must be prioritized to uphold a business with fairness and trust throughout value chains.

## 3.2 ANTI-BRIBERY AND CORRUPTION

Business Partners shall prohibit bribery, corruption, and any form of corrupt conduct. They may not, directly or indirectly unduly, offer, promise, give, accept, or request payments, gifts, or other benefits to obtain or retain a personal or business advantage or to improperly influence a public authority's decision. Business Partners must implement both proactive and reactive measures to prevent and address potential violations and must cooperate promptly and transparently with the Ahlsell Group to resolve any compliance concerns where the Ahlsell Group is, or potentially is involved. Anti-bribery and corruption compliance shall be prioritized to uphold ethical business practices and trust throughout value chains.

## 3.3 CONFLICT OF INTEREST

Business Partners shall identify, disclose, and actively manage any actual, potential, or perceived conflicts of interest that could compromise objectivity or business integrity. This includes, but is not limited to, personal financial interests, inappropriate transactions, or preferential treatment involving family members, close friends, or related entities. Business Partners shall ensure that business decisions are made transparently and in the best interests of their organization and stakeholders.

## 3.4 INFORMATION SECURITY

Business Partners shall maintain a high level of information security that is in line with industry standards and regulatory requirements. They are expected to implement appropriate technical and organizational measures to protect the Ahlsell Group's confidential information and digital assets against unauthorized access, breaches, and cyber threats. Confidential information may only be accessed by authorized personnel and must not be shared with third parties without consent. These obligations remain in effect after the business relationship ends.

## 3.5 DATA PRIVACY

Business Partners must comply with applicable data protection laws when handling personal data related to their work with the Ahlsell Group. This includes applying best practices to protect personal data from improper disclosure, loss, or misuse. When processing personal data on behalf of the Ahlsell Group, Business Partners must follow contractual terms and ensure Sub-contractors or Sub-processors do the same. Business Partners remain fully responsible for their compliance.

## 3.6 TRADE COMPLIANCE

Business Partners must comply with applicable international, national, and regional trade laws and regulations, including but not limited to export controls, sanctions, customs requirements, and trade restrictions, i.e. also in the markets for which the products are destined to be promoted and sold by Ahlsell. Any actual or potential trade compliance issue related to business with the Ahlsell Group must be identified and addressed without delay.

## 3.7 PRODUCT COMPLIANCE

Business Partners must ensure that all products and materials supplied to the Ahlsell Group comply with applicable international, national, and industry-specific laws, regulations, and safety standards. The Business Partner is expected to have relevant information, declaration and documentation readily available and to work actively to phase out and substitute hazardous substances<sup>2</sup>.

## 3.8 FRAUD

Business Partners must maintain a zero-tolerance policy towards fraudulent or dishonest conduct, including the creation or manipulation or misuse of documents or statements.

## 3.9 ANIMAL WELFARE

Animal welfare should be respected. Business Partners who supply products where animal welfare is relevant shall conduct their operations in line with applicable laws and regulations.

<sup>2</sup> Hazardous substances with negative impact on health or the environment including Substances of Very High Concern (SVHC) according to the REACH regulation.

# 4. Social Responsibility

The Ahlsell group expect its business partners to practice social responsibility in their operations. This includes adherence to ethical practices, respect for human rights, and proactive measures to foster sustainable social development.

## 4.1 HUMAN RIGHTS AND FAIR WORKING CONDITIONS

Business Partners must safeguard human rights and good working conditions throughout their value chain and treat all employees fairly, equally, and with respect.

### 4.1.1 CHILD LABOR, FORCED LABOR AND HUMAN TRAFFICKING

Every child<sup>3</sup> 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.

Business Partners must not employ children below the legal age for employment, the age is equal to the age that compulsory schooling is completed or according to local laws, whichever is higher, but never less than 15 years of age. Young workers are to be protected by not working night shifts, overtime or work that is heavy, hazardous or unsafe to their physical or/and mental health and development. In case of an encounter of a child working in conditions conflicting with these requirements Business Partners must act immediately in the child's best interest, working together with involved partners to improve the child's situation. Business Partners must not engage in any

form of slavery, forced, bonded or involuntary labor. Employees must have freedom of movement during their employment. The employer must not withhold identity cards, travel documents or other important personal papers from its employees. Employees have the right to terminate their employment giving reasonable notice and must not be required to pay any recruitment or employment fees or costs.

### 4.1.2 RESPONSIBLE EXTRACTION OF MINERALS

Conflict minerals<sup>3</sup> 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. Business Partners providing products containing Conflict Minerals must establish policy and procedures for ethical sourcing of minerals and collaborate with sub suppliers for increased traceability in line with the latest OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Upon request Business Partners must share a Conflict Minerals Reporting Template with the Ahlsell Group.

### 4.1.3 FREEDOM OF ASSOCIATION, COLLECTIVE BARGAINING

Business Partners must respect employees' rights to organize and negotiate collectively or individually according to local laws. Employees must be free from harassment or reprisals for exercising these rights.

<sup>3</sup>In this context, the definition of a child is according to the definitions in the ILO conventions No. 138 and No. 182. If relevant national legislation prescribes a higher age, this shall be the age that applies.

<sup>4</sup>"Conflict minerals" refers to Tin, Tantalum, Tungsten and Gold (3TG).

## 4.1.4 EMPLOYMENT CONTRACTS, EMPLOYMENT TERMS, WORKING HOURS AND REMUNERATION

Business Partners must comply with national legislation regarding working hours and pay employees a living wage<sup>5</sup> sufficient to meet the basic needs of Employees and their family. Overtime should be exceptional and voluntary practice, compensated at a premium rate. Wages must be paid on a regular basis. Deductions from wages must be transparent and never used as a disciplinary measure.

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

Employees on parental leave must not be fired or threatened with dismissal because of that cause 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.

## 4.2 DIVERSITY AND EQUALITY

Business Partners must value diversity and promote gender equality, ensuring equal rights

and opportunities regardless of ethnicity, gender, disability, religion, sexual orientation, or age.

## 4.3 DISCRIMINATION, HARASSMENT AND HARSH OR INHUMANE TREATMENT

Business Partners must work systematically against all forms of discrimination. All discrimination and harassment incidents must be addressed promptly and with regard to the victim. Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, are prohibited.



<sup>5</sup>A living wage is the wage level that is necessary to afford a decent standard of living for workers and their families calculated in accordance with the International Labour Organization's (ILO) principles of estimating the living wage.



#### 4.4 MARGINALIZED POPULATIONS

The human rights of marginalized populations must be respected. Production and business activities, including the use of natural resources, should not contribute to the destruction or degradation of the resources and income base for marginalized populations.

#### 4.5 OCCUPATIONAL HEALTH AND SAFETY

Business Partners must ensure a safe and healthy work environment by working systematically regularly assessing health and safety risks proactively and promptly address any risks as well as communicating safety measures clearly to all employees. All employees, especially those in high-risk areas, should be provided with regular and comprehensive training on health and safety practices.

#### 4.6 WORK ENVIRONMENT

Business Partners must work systematically to provide a safe working environment for its employees by for example, proactive risk management, provide competence and training for performing tasks safely, open dialogue, continuous improvements, clean workplaces, safe machinery in production and providing necessary personal protection.

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.

#### 4.7 ALCOHOL AND/OR DRUG ABUSE

Business Partners must work 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.



## 5. Environment and Quality

Business partners are expected to actively collaborate with the Ahlsell Group in reducing environmental impacts from their products and services. The Ahlsell Group require business partners to prioritize quality and environmental stewardship, ensuring compliance with regulations in their respective countries.

### 5.1 ENVIRONMENT AND QUALITY MANAGEMENT

Business Partners must work actively to reduce their environmental impact from their own operations and their supply chain. They should have management systems in place in accordance with ISO 14001 and 9001 standards.

### 5.2 CLIMATE IMPACT

Business Partners must address their climate impact in a structured way. This includes measuring emissions and committing to reduce their greenhouse gas emissions along their value chain by establishing an emission reduction commitment and follow-up. They should prioritize the use of renewable energy, improve energy efficiency, and develop sustainable products.

Business Partners who supply products to Ahlsell shall provide documentation at product level in relation to the environmental performance of products. This includes digital product data and lifecycle documentation.

### 5.3 RESOURCE USE AND CIRCULARITY

Business Partners are expected to proactively plan for production and transportation, focusing on optimization, repairability, reuse, repurposing, recycling materials and reducing waste generation. Further, Business Partners should choose renewable and/or fossil free energy sources and renewable and recycled and/or low-carbon materials whenever possible. Business partners should address negative impacts on resource use by proactively exploring and applying the principles of circular design to minimize resources usage, prolong product lifetime and enable resource recovery.

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