



ARVID NORDQUIST HAB

Arvid Nordquist Code of Conduct

Introduction

The purpose of this Code of Conduct is to ensure that suppliers to Arvid Nordquist operates in accordance with internationally recognised minimum standards on human rights, labour and the environment. Arvid Nordquist adheres to the principles of this code and expects the same of its suppliers.

The aim of this Code is to help improve social and environmental standards. Arvid Nordquist is therefore willing to work with our suppliers to achieve compliance with the provisions of this code.

However, we will not conduct business with a supplier if compliance with the terms of this Code is deemed impossible. Nor will we conduct business with a supplier engaged in violations of fundamental human rights. Arvid Nordquist shall periodically review the adequacy and continuing effectiveness of this Code of Conduct.

The terms of this code extend to all workers, regardless of their status or relationship with a supplier. This Code of Conduct therefore also applies to workers who are engaged informally, on short-term contracts, or on a part-time basis.

It shall be the responsibility of the supplier to ensure that its sub-suppliers do not violate the standards of this Code of Conduct.

This Code of Conduct establishes minimum standards and Arvid Nordquist encourages suppliers who want to take further steps regarding human rights, labour and environmental protection.

In addition to meeting the terms of this code, the supplier shall comply with all national laws and regulations, as well as other applicable standards. Where there are differences between the terms of this code and national laws or other applicable standards, the supplier shall adhere to the higher or more stringent requirements.

This Code of Conduct is based on the general principles contained in the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), the International Covenant on Economic, Social and Cultural Rights (1966), the Eight Fundamental ILO Conventions and other relevant international human rights and labour standards.

Standards in the Code of Conduct

Human Rights

Forced Labour

The supplier must not participate in, or benefit from, any form of forced labour including bonded labour, forced prison labour, slavery, servitude, or human trafficking, in accordance with the ILO-conventions 29 and 105. Workers must have the freedom of movement during the course of their employment.

The supplier must not withhold any part of any personnel's salary, benefits, property or documents.

The supplier shall treat all personnel with dignity and respect. The supplier shall not engage in or tolerate the use of corporal punishment, mental or physical coercion and verbal abuse of personnel.

Child Labour and Young Workers

The supplier shall not engage in, or benefit from, the use of child labour, in accordance with the ILO convention 138. The minimum age for employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by national laws in accordance with the ILO developing-country exception).

The supplier must have procedures to verify the age of the employees. If child labour is found, the supplier must immediately take action and create a plan in line with the best interests of the child. The child should be given the opportunity to go to school (as long as they have compulsory schooling) and if possible, an adult from the child's family shall be offered work.

The supplier may employ children between 12 and 15 years to perform light work a few hours per day, where permitted by national law. The work shall only consist of simple tasks and not interfere with children's schooling.

The Contractor shall not employ young workers (under 18) to perform work that could jeopardize their health, safety or morals, in accordance with ILO Convention 182.

Discrimination

The supplier shall not engage in or support discrimination on the basis of race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics, in accordance with the ILO conventions 100 and 111.

The Right to Freedom of Association and Collective Bargaining

The supplier must not interfere with the workers' rights to form and join unions or other associations of their own choosing, and to bargain collectively. Workers' representatives shall not be subject to discrimination and the supplier must recognise elected workers' representatives and bargain with them regarding important concerns at the workplace.

If trade unions are not allowed in the area of operation, or only state authorised organisations are allowed, then the supplier shall facilitate, and not prevent, alternative measures to allow employees to gather independently to discuss work-related matters.

Working conditions

Health and Safety Standards

The supplier shall ensure that its workers are offered a safe and healthy working environment. This should include - but not be limited to - protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed.

The supplier shall provide its employees with the protective equipment and training necessary to perform their tasks safely.

The supplier must provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which conforms to the needs and numbers of its employees. Accommodation, if provided by the supplier, shall conform to the same requirements, including the general provisions on health and safety standards listed above.

The supplier shall protect workers from acts of physical, verbal, sexual, or psychological harassment, abuse, or threats in the workplace, whether committed by managers or fellow workers including when determining and implementing disciplinary measures.

Remuneration

The supplier shall comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher. In any case, the supplier shall always provide a 'living wage', which enables workers to meet the basic needs of themselves and their dependents, as well as provide some discretionary income. Overtime shall be remunerated at a premium rate. Wages shall be paid in legal tender and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure.

Labour contract

All workers shall be provided with a written, understandable, and legally binding labour contract. The supplier shall not rely on part-time, short-term or casual labourers, trainees or false apprenticeships to pay lower wages and fewer benefits. Provisions for non-permanent and seasonal workers should be no less favourable than for permanent workers.

Work hours

The supplier shall grant employees paid holiday and sick leave each year, as well as parental. Women, who take maternity leave, must not face dismissal or threat of dismissal, and shall be able to return to work in their former employment at the same rate of pay and benefits.

The supplier shall ensure that the work-week is limited to 48 hours. Overtime shall be voluntary, infrequent, and must not exceed 12 hours per week. Employees are entitled to at least one day off per week, and shall be given reasonable breaks while working and sufficient rest periods between shifts.

Environment

The Supplier shall strive to minimize the negative environmental impacts of its activities, products and services related to, among other things, the use of natural resources, emissions and waste, as well as product related questions. The supplier shall also demonstrate continuous improvement in environmental performance and take into account the environmental aspects throughout the value chain and not only the company's own operations.

The production must not be in conflict with national or international environmental regulations. Waste management, handling and disposal of chemicals and other hazardous substances and emissions treatment must meet at least legal requirements.

The supplier shall prevent and minimize the impact of production using environmentally friendly methods and by reducing and streamlining the use of resources.

Biodiversity

The supplier shall take the natural environment and ecosystems in consideration regarding the production and shall operate within the framework of international conventions on biodiversity (eg the Convention on Biological Diversity, the Cartagena Protocol on Biosafety and CITES). Facilities and activities must not be located in or close to sensitive ecosystems and protected areas.

Products containing GMO:s or where GMO has been used in the manufacturing process must be clearly labeled.

Chemical Substances and Products

Chemicals and hazardous substances covered by regional or international bans (eg, persistent organic pollutants, ozone-depleting substances and hazardous substances) may not be used in any stage of production. Suppliers should actively work to phase out harmful chemicals and replace with less harmful alternatives.

Employees who handle chemicals must be trained and informed about safe handling and use, and chemicals and hazardous substances must be labeled correctly and stored safely.

Climate and Energy use

The supplier must have a plan for reduction of energy use and greenhouse gas emissions and also a strategy for phasing out use of fossil fuels and shift to renewable energy sources.

Compliance

The supplier shall maintain appropriate records to demonstrate compliance with the terms of this Code of Conduct. Records shall be available to Arvid Nordquist upon request at any time.

Training and Awareness Raising

The standards included in this Code of Conduct shall be communicated to all employees, including managers and supervisors. In areas with high illiteracy rates, employees shall receive verbal instructions.

Complaints Procedures

The supplier shall establish mechanisms for hearing, processing, and settling complaints of employees. Workers must have the right to anonymously submit complaints regarding all workplace concerns, including complaints regarding the supplier's failure to comply with this Code of Conduct, without fear of punishment or adverse employment action.

Relations to Sub-suppliers

The supplier is responsible for ensuring that its respective sub-suppliers comply with the terms and standards of this Code of Conduct. This includes sub-suppliers classified as home-based workers or small farmers.

Monitoring

The supplier shall at any time freely submit to announced and unannounced audits. The supplier is required to provide physical access to any auditor from Arvid Nordquist or assigned by us.

Arvid Nordquist reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the terms of this Code of Conduct.

Where instances of non-compliance with the terms of this Code of Conduct are identified, the supplier shall promptly take corrective action to remedy the deficiencies, as well as take measures to prevent similar problems from recurring in the future.

Zero-tolerance Standards

We do not accept that the suppliers do not take corrective action when non-compliance is discovered over an agreed period of time, or in other ways show that they do not share our view of sustainable business and thus do not respect our code of conduct. Nor do we accept the supplier to offer or accept bribes or commits another form of corruption.