

Code of Conduct 2024

ahlsell



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Background

The Ahlsell Group aims to be the first choice for customers, suppliers and other business partners who purchase and distribute installation products, tools and supplies. The Ahlsell Group seeks to ensure that we have the most satisfied customers in the industry and the highest employee engagement, and to create sustainable and profitable growth.

The Ahlsell Group's goal is to be an industry leader in sustainability and actively integrate economic, environmental 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 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 business partners are an important part of our operations, we also expect them to respect and stand by our values and our Code.

The Ahlsell Group's Code of Conduct is based on:

- The UN's Universal Declaration of Human Rights and associated UN Conventions such as the UN's Convention on the Rights 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

21 May, 2024

Claes Seldeby
President and CEO, Ahlsell AB



Scope and implementation

Our Code of Conduct applies to all employees of the Ahlsell Group, including third parties acting on our behalf, and to all our business partners¹. Our Code of Conduct is used as a baseline for sustainability evaluations of our business partners.

Compliance with laws

The Code of Conduct does not replace legislation and the Ahlsell Group must always comply with legal requirements and regulations in the countries in which we operate. The same requirements apply to our business partners. 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

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

¹ The term business partners includes all partners with whom the Ahlsell Group has a direct business interaction, including consultants, suppliers and customers.

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 the Ahlsell Group is not acting in accordance with this Code of Conduct or that the Ahlsell Group's business partners do not meet the requirements of the Code of Conduct, we encourage you to report this to the Ahlsell Group using the whistleblower web form at www.ahlsell.com

Business partner responsibilities

By approving the Ahlsell Group's Code of Conduct a business partner ensures to comply with all applicable parts. The business partner is responsible for ensuring that their sub-contractors² comply with this code and will work towards continuous improvement for people, community, and environment in their supply chains. The business partner also grants the Ahlsell Group 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 the Ahlsell Group's Code of Conduct will lead to immediate measures.

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

Due Diligence

The Ahlsell Group and its business partners shall conduct due diligence for responsible business conduct. This involves conducting risk assessments to identify potential negative impact on people, society and the environment and to stop, prevent and reduce such impact. The measures put in place shall be monitored and their effect evaluated and reported to the Ahlsell Group at any given time. The measures can be communicated by the Ahlsell Group to those affected. If activities are found to cause or contribute to negative impact on people, society or the environment, we will stop the activities and seek to provide remedy.

² The term sub-contractors includes partners acting on the behalf of the Ahlsell Group's business partner, including the business partner's suppliers, agents, consultants, representatives and other product and service providers.

Business ethics



The Ahlsell Group's conduct in all situations, regardless of the country or market, shall be characterised by responsibility and respect for business partners and the local communities in which we operate.

Ethical conduct and sound business practices are crucial to our development and profitability. Every individual representing the Ahlsell Group is entrusted with the responsibility to adhere to our core values and ethical standards. We shall convince our business partners only with commercial arguments. Our goal is to develop long-term, stable business relationships in which the Ahlsell Group is considered a responsible and professional partner.

Fair competition

At the Ahlsell Group, we emphasize the importance of fair competition and that the Ahlsell Group employees and representatives must be diligent not to enter into illegal agreements or in other ways illegally restrict or prevent competition. Our business partners are expected to prioritize competition law compliance and ethical conduct, understanding that collaboration entails shared responsibility.

Both the Ahlsell Group and our business partners must have a thorough understanding of competition laws, ensuring that actions remain within legal boundaries and to mitigate compliance risks effectively.

Proactive compliance measures, including internal controls and audits, must be implemented by both parties to prevent violations. Transparent communication between the Ahlsell Group and its business partners is crucial for promptly addressing compliance issues.

Bribery and corruption

Bribery, corruption and any other forms of corrupt conduct are strictly prohibited for all the Ahlsell Group's employees and representatives. Neither the Ahlsell Group nor any company or person acting on behalf of the Ahlsell Group 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 the Ahlsell Group nor any company or person acting on the Ahlsell Group's behalf may accept, receive or request gifts or other benefits. It is paramount to maintain accurate books and records, ensuring transparency and compliance with laws and regulations.

Conflicts of interest

Conflicts of interest between the Ahlsell Group's employees and representatives as well as its business partners must be avoided. Examples of conflicts of interest include personal financial interests and inappropriate transactions with family members or close friends. We always place the Ahlsell Group's interests ahead of personal interests.

Privacy

The Ahlsell Group 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.

Trade compliance

At the Ahlsell Group, we seek a high standard of trade in all our operations. We strive to always conduct business ethically and responsibly so that our actions align with applicable import and export regulations, sanctions, embargoes and trade laws. We encourage open communication and collaboration to ensure mutual understanding and compliance with trade laws.

We expect our business partners to share our commitment to trade compliance. By upholding these standards and working together with our business partners, we demonstrate our dedication to ethical conduct and responsible global trade.



Product compliance

The Ahlsell Group is dedicated to product compliance in line with applicable national and European legislation for its products and services. The Ahlsell Group expects that all relevant information, declaration and documentation is readily available from business partners as well as that the business partners work actively to phase out and substitute hazardous substances³.

Animal welfare

All suppliers who supplies products where animal welfare is relevant shall conduct their operations in line with laws and regulations.

Fraud

The Ahlsell Group strictly upholds a zero tolerance policy towards any form of fraudulent or dishonest conduct. This encompasses all activities such as the creation of falsified, manipulated, or misuse of any other pertinent documents or statements.

³ Hazardous substances with negative impact on health or the environment including Substances of Very High Concern (SVHC) according to the REACH regulation.



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 child⁴ 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.

The Ahlsell Group does not accept child labour. If it is found that a child is manufacturing products, despite the Ahlsell Group'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. The Ahlsell Group's partners 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.

⁴In 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.



Responsible extraction of minerals

Conflict minerals⁵ 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. The Ahlsell Group is committed to the ethical sourcing of minerals used in our products and is working with our business partners to address the process for sourcing minerals responsibly. In addition, we are committed to engaging with our business partners regarding their own disclosure obligations.

Freedom of association and collective bargaining

The Ahlsell Group 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, working hours 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. The Ahlsell Group is making efforts to ensure that all our employees receive a salary that matches or exceeds our interpretation of a living wage and moreover encourages its business partners to pay a wage that covers

⁵"Conflict minerals" refers to Tin, Tantalum, Tungsten and Gold (3TG) and is a definition that is widely used by, among others, EU, UN and OECD. Read more at www.responsiblemineralsinitiative.org

basic human needs. 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.

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

The Ahlsell Group 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, harassment and harsh or inhumane treatment

The Ahlsell Group 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.

Physical abuse or punishment, or threats of physical abuse, sexual or other harassment and verbal abuse, as well as other forms of intimidation, is prohibited.

Marginalized populations

The human rights of marginalized populations should 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.





Occupational health and safety

The Ahlsell Group works systematically for a safe and healthy work environment and expects that business partners also work systematically to reduce health and safety risks. 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 the Ahlsell Group 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. The Ahlsell Group 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

The Ahlsell Group 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.

The Ahlsell Group has a zero tolerance for alcohol and other drugs during working hours. The purpose is to prevent ill health, accidents and harmful use.

Environment and quality



The Ahlsell Group works actively to reduce the environmental impact from our operations and our value chain focusing on our material environmental impacts and urge business partners to reduce their environmental impact and emissions.

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

The Ahlsell Group 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 business partners is a source of continuous improvement.

Environment- and quality management

The Ahlsell Group works in line with ISO 14001 and 9001 and expect our business partners to implement environmental and quality management systems. This includes working systematically to enhance environmental performance, defining objectives, and carrying out regular follow-up activities.

Climate impact

The Ahlsell Group has set climate goals in line with the Paris Agreement which means that we are committed to reduce our climate impact related to our own operations as well as our products and services and their related supply chain.

The Ahlsell Group encourages its business partners to address climate change and actively work to measure and reduce their emissions. Business partners are encouraged to use renewable energy, improve energy efficiency and develop sustainable products.



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