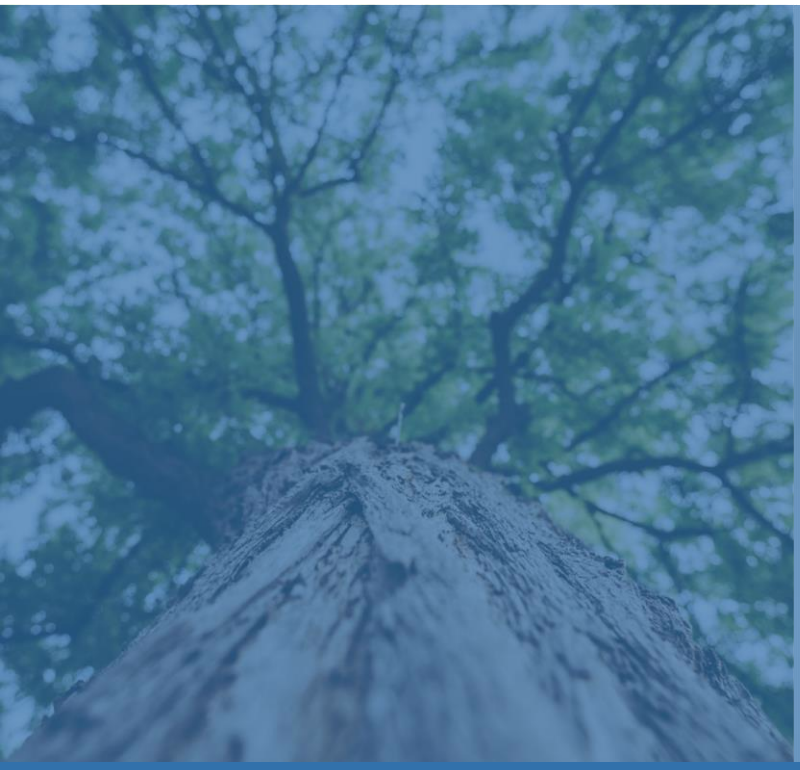
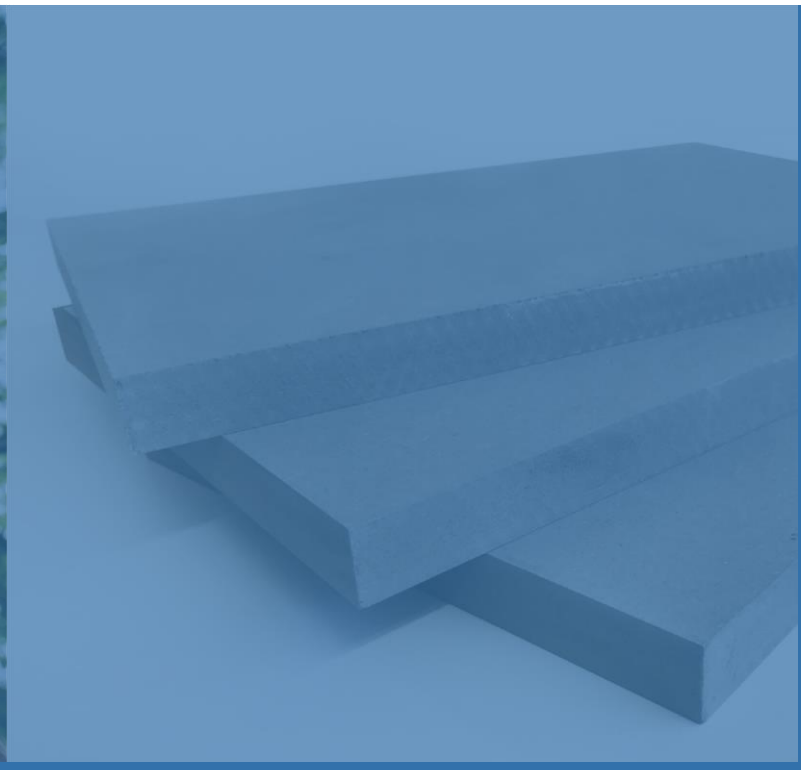
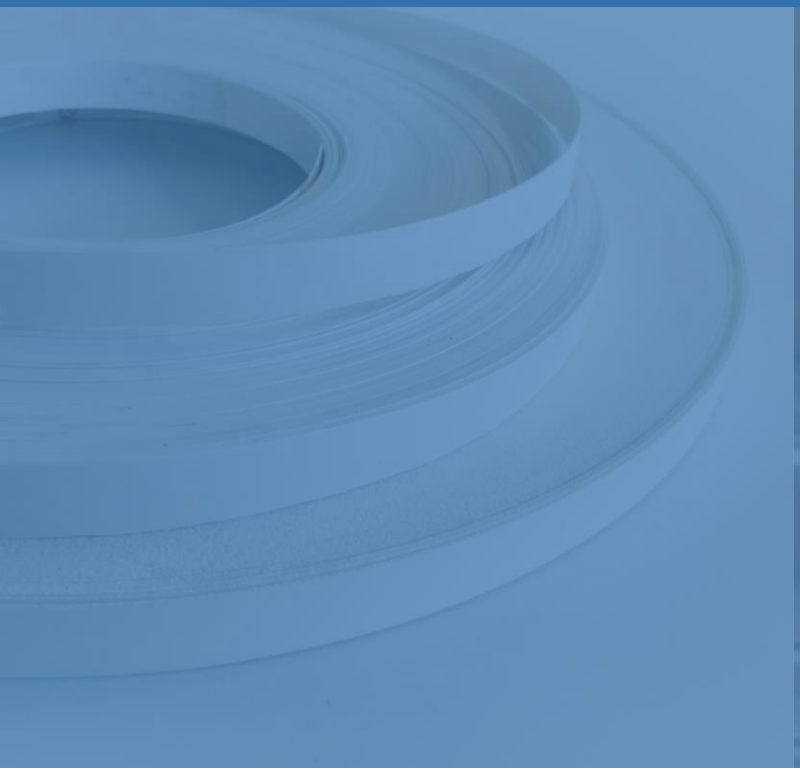
HOLM
TRÄVARORS





SUPPLIER'S CODE OF CONDUCT



Supplier's Code of Conduct

Introduction

Holm Trävaror firmly believes that an active responsibility for sustainable development is a prerequisite for Earth's survival. We are together with our customers, traders, producers, suppliers and carriers an active part in this important work – now and in the future.

It is important to Holm Trävaror that the goods we buy are produced in a manner that respects human rights, labour, work environment, environment and anti-corruption. We expect our business partners, such as suppliers, distributors and agents to do the same.

Our code of conduct for our suppliers is based on the criteria of Möbelfakta, which in turn is built around the "UN Global Compact", the "UN guiding principles on business and human rights", and the "OECD due diligence guidance for responsible business conduct" which comprise the following:

- UN:'s universal declaration on human rights (1948);
- ILO:'s eight core conventions on forced labour, child labour, discrimination, and freedom of association and right to organise (no. 29, 87, 98, 100, 105, 111, 138 & 182);
- National labour laws of the country where work is performed, including regulations on wages, working hours, leave, and work environment;
- National environmental laws of the country where the work is performed;
- The UN convention against corruption.

Human Rights

Holm Trävaror and its partners shall support and respect human rights and has a responsibility to respect and promote the human rights, both within its own operations and in the supplier chain. Hence, the supplier must ensure that it does not participate, directly or indirectly, in violations of human rights. This also includes situations when the company fails to pose questions on violations of human rights or benefits from violations that are carried out by a third party.

Labour law

Child labour is prohibited (ILO 138 and 182*, UN Child Rights Convention, Article 32*)

• No person may be employed who is below the age of compulsory schooling or under 15 years, or younger than the minimum age of employment, if this age exceeds 15 years.

• Young people between 15 and 18 may only be employed on condition that they have reached the legal age for employment and have completed national compulsory education. Young people between the ages of 15 and 18 may not be employed for hazardous work, or work that has a negative impact on the individual's personal development (physical, psychological, mental, spiritual, moral or social development). There must be a policy in place for the types of tasks a person aged between 15 and 18 may carry out.

• If child labour is detected, the company must take action based upon the best interests of the child, and find suitable solutions in consultation with the child and the family of the child.

Forced labour is prohibited (ILO 29* and 105*)

• Forced labour, including slave labour, bonded labour or involuntary prison labour may not occur, and all labour must be voluntary without threat of penalty or similar. Including threats of denunciation to authorities.

• The employee must have the right to terminate their employment following a reasonable period of notice.

• The company may not retain original copies of ID documents.

• The supplier may not demand payment or monetary deposit from workers in exchange for work or be charged any fee in connection with recruitment.

• The supplier must not restrict the worker's mobility during breaks or outside working hours, nor restrict access to water and sanitation, as well as to seek treatment.

Discrimination and harassment is prohibited (ILO 100* and 111*)

• Discrimination on the basis of ethnic affiliation, sex, civil status, pregnancy, religion, social or ethnic origin, nationality, physical ability, political opinions, union membership, gender-crossing identity or expression, age, health condition, or sexual orientation, or other character trait that is protected by applicable legislation, may not occur. Neither in employment processes, nor in occupation. Discrimination refers to any distinction of employees that is not based on merits or qualities, but involves differential treatment on biased grounds.

• The supplier shall work to promote diversity and equal opportunities in their operations.

• Harassment may not occur in the operation. Harassment refers to instances when employees are exposed to harsh or inhuman treatment, including sexual harassment or some form of psychological or physical punishment.

Freedom of association and collective bargaining (ILO 87* and 98*)

• The supplier must recognise and respect the rights of employees (and employers) to organise, to join organisations in which they themselves choose to participate, and the right to collective

bargaining. Collective bargaining refers to formalised and/or non-formalised forms of cooperation to support and defend employees' interests in working life and in the relationship between employers and employees.

• The supplier must respect the full freedom of workers' organisations to draw up their constitutions and rules, as well as implement agreements of collective bargaining where they exist. The supplier must also respect lawfully established workers' organisations and negotiate in good faith and with the best efforts try to reach a collective bargaining agreement.

• In countries where freedom of association is limited or under development, the supplier must support instances where employees may meet the company management to discuss wage and labour conditions without risk of negative consequences.

Terms of employment, wages, and working hours

• All employees must have a written employment agreement, in a language the employee understands, that includes information about the nature of the work, working hours, wages, and holiday leave.

• The employer must ensure that all employees understand their terms of employment, for example with the help of a staff handbook and training.

• Wages must be paid directly to the employee within the agreed timeframe and in full.

• The company must support the payment of living wages to employees, and under no circumstances pay less than the national or locally stipulated minimum wage.

• Overtime must be voluntary, and overtime compensation must be paid according to national legislation, and must be clearly specified in payslips.

• Working hours per week must not exceed legal limits or a maximum of 60 hours per week, including overtime.

• The employees must have at least one day of rest per week.

• The supplier must ensure that the employees have breaks during the working day. Leave, including vacation, holidays, sick leave, and parental leave must be approved and compensated in accordance with national legislation.

• All employees must be covered by social insurances in accordance with national law.

Safe and hygienic work environment (ILO 155 and 170)

• Employees working in the company operation must be offered a safe and healthy work environment in which preventive measures are taken to reduce injury and risks to health. A safe and hygienic working environment is one in which the employee, when occupying an area over which the employer has direct or indirect control, is guaranteed to be free from or protected from conditions that can constitute a hazard for the employee's physical and/or psychological health.

• A register is to be kept of accidents and incidents. Incidents are such events that could have led to an accident.

• Employees must be trained on the potential health risks that the work can entail, including hazardous operations and general safety information. Employees must regularly be given relevant training and instructions for operating machines and other equipment.

• Employees must have access to all necessary protective equipment without having to pay for it themselves.

• Temperature, air quality, and noise levels must be regulated in accordance with local legislation. Where the work environment cannot be changed, it must be mitigated with protective equipment.

• Chemicals must be handled safely, and safety data sheets must be available.

• Fire drills must be held regularly. Fire equipment, evacuation plans, and emergency exits must be available and clearly visible in all areas.

• The workplace must be clean, fresh, and safe. Hygienic facilities must be available. This also applies to employee accommodation.

Environment

Environment refers to compliance with the environmental protection legislation that applies in the country in which the work is carried out*, and the operation must be carried out with consideration for the company's surrounding environment.

• The company must conduct its operations responsibly in relation to the environment and comply with local and national environmental legislation. There must be a system in place for checking compliance with legislation, along with lists of relevant legislation.

• The company must identify, measure and follow-up its environmental impact, and long- and short-term environmental goals, with associated action plan, must be drawn up to ensure continuous improvement.

• In choices of materials and manufacturing, the precautionary principal must be observed regarding environmental risks.

• All employees must be provided with environmental training, and the company must implement suitable initiatives to promote greater environmental awareness.

• The company must encourage the development of environmentally friendly technologies.

Anti-corruption

Anti-corruption refers to compliance with the UN Convention Against Corruption* and the bribery legislation that applies in Sweden, in the country in which all or parts of the product are manufactured, and other countries' laws that otherwise govern the company's operation.

• The supplier shall combat all forms of corruption, including blackmail and bribery.

• The supplier must not, directly or indirectly, offer undue payment or other forms of compensation to any person or organisation with the aim of obtaining, maintaining, or directing business operations, or receive other undue advantages within the framework of its operation.

• We expect our partners to keep accurate, complete and up-to-date records on their transactions.

• The supplier must not, directly or indirectly, request or accept any form of undue payment or other forms of compensation from a third party that can affect the objectivity of business decisions.

Further communication, compliance and follow-up of above stated policy

The supplier is obliged to pass the criteria in above mentioned code of conduct further to subcontractors and partners to ensure conformity along the supply chain. The supplier shall have procedures for forwarding this policy and ensure that the following criteria are met:

- The supplier shall adopt one or more policies that cover the above mentioned criteria and have it approved at the highest executive level of the company.
- In writing, the requirements of this code of conduct shall be distributed to first-tier suppliers affected by this policy and in turn be passed on in the supply chain.
- A version of the policy commitment shall be readily available to employees, for example on the workplace or on the company's webpage.
- The supplier shall appoint one or more people to be ultimately responsible and one or more to have operative responsibility for the requirements of this code of conduct. Systematic work should be in place to ensure the compliance with this code of conduct.
- If the supplier finds deviations from the requirements of the code of conduct in its own operations or with a subcontractor, the primary causes shall be investigated, and relevant measures put in place and communicated to us as soon as possible.

Holm Trävaror believes in a constructive and open dialogue on stated issues in order to build mutual trust and achieve joint development in a sustainable action.

We reserve the right to check our supplier's compliance with the requirements, which may be done by reviewing documentation or auditing. When checking, the supplier is expected to act transparently and cooperatively, as well as ensure access to premises and relevant documentation.

We reserve the right to terminate cooperation with suppliers who do not remedy deviations within the agreed time period or exhibit repeated serious violations of the requirements of this code of conduct.

Signing

We hereby confirm that we have taken note of Holm Trävaror's "Suppliers Code of Conduct", accept it in its entirety and understand that we are expected to ensure compliance.

City/Date: _____

Supplier: _____

Signature: _____

Name clarification: _____

Title: _____

Email: _____

Phone: _____