



Policy for Responsible Business Conduct

Background and purpose

Due diligence is one of the key tools in Lekolar's overall risk management framework to help identify and manage risks that could threaten our business. It allows us to identify and understand potential risks faced when working with third parties and ascertain if those risks can be managed to ensure our protection as well as ascertain responsible business practices.

The purpose of this policy is to ensure that Lekolar does business only with ethically responsible and acceptable third parties.

Our vision for our work with social and ethical responsibility in the supply chain is to support and encourage our suppliers to at least comply with the terms of the Lekolar supplier Code of Conduct or equal policies used by Lekolar subsidiaries. Through this, Lekolar wants to take responsibility for ensuring that basic human rights, healthy working conditions and environmental considerations are respected by our suppliers and their subcontractors. Terms and conditions for suppliers are outlined in the Lekolar Supplier Code of Conduct.

Scope and applicability

This Policy is applicable to all managers and employees of Lekolar. Lekolar expects and endeavours to encourage its business partners to develop and implement responsible business standards that are aligned with ours. In cases where Lekolar believes that such parties have failed to comply with our policies or their contractual commitments, it reserves itself the right to take appropriate action.

This Policy governs principles for responsible business practice at Lekolar, together with the Lekolar Supplier Code of Conduct and the Lekolar Internal Code of Conduct.

Requirements for own business

Lekolar acknowledges that our business practices can have a potential negative impact on people, society and the environment. At the same time, we see our potential to contribute to positive development in the supply chain. Based on this, we have drawn up the following principles and requirements for our own business:

Due diligence assessments

Lekolar shall conduct due diligence assessments for sustainable business practices. That is to say: do risk mapping of negative impact on people, society and the environment, and stop, prevent and reduce such impact. The measures are monitored, and the effect assessed and communicated to those affected. Where our activities cause or contribute to a negative impact on people, society or the environment, we shall stop this activity, and we will seek to restore the damage. Where the supplier is responsible for the negative impact/damage, the supplier is also responsible for recovery.

Responsible purchasing practices

Lekolar considers responsible purchasing practices to be one of our most important tools in the work for sustainable business practices. Lekolar must adapt our own purchasing practices so that we strengthen, and not undermine, suppliers' ability to deliver on the requirements we set in order to ensure good conditions for people, society and the environment. We shall strive for long-term supplier relationships with suppliers who show a particular willingness and ability to create positive development in the supply chain.

Freedom of association and worker representation

Lekolar supports the right to freedom of association and other forms of democratically elected worker representation. We shall involve worker representatives and other relevant stakeholders in our work with responsible business conduct.

Supplier development and partnership

In dialogue with suppliers we will consider, if needed, to contribute with capacity building or resources that enable our suppliers to comply with Lekolar's requirements related to responsible business conduct (as stated in the Lekolar Supplier Code of Conduct). This way we lay the foundation for collaboration with suppliers that show the willingness and ability to work on positive development for people, society and the environment in the supply chain.

Anti-corruption

Lekolar, including all employees, shall never offer or receive illegal or inappropriate monetary gifts or other remuneration to achieve private or business benefits in their own interest or in the interest of customers, agents or suppliers. Please see Lekolar Internal Code of Conduct for guidance.

Countries affected by trade boycott

Lekolar, including all our suppliers and partners, shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or Norwegian, Swedish, Finnish or Danish Government authorities.

Principles for responsible business conduct

These principles for responsible business conduct are based on UN and ILO conventions and provide minimum, not maximum standards. The relevant legal framework at the place of production shall be respected. Where national laws and regulations address the same subjects as these guidelines, the most stringent shall apply.

1. Forced and compulsory labour (ILO Conventions Nos. 29 and 105)

- 1.1. There shall be no forced, bonded or involuntary prison labour.
- 1.2. Workers shall not be required to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice.

2. Freedom of Association and the Right to Collective Bargaining (ILO Conventions Nos. 87, 98, 135 and 154)

- 2.1. Workers, without distinction, shall have the right to join or form trade unions of their own choosing and to bargain collectively. The employer shall not interfere with, obstruct, the formation of unions or collective bargaining.
- 2.2 Workers' representatives shall not be discriminated and shall have access to carry out their representative functions in the workplace.
- 2.3 Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

3. Child Labour (UN Convention on the Rights of the Child, ILO Conventions Nos. 138, 182 and 79, and ILO Recommendation No. 146)

- 3.1. The minimum age for workers shall not be less than 15 and comply with the national minimum age for employment, or; the age of completion of compulsory education, whichever of these is higher. If local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.
- 3.3. There shall be no recruitment of child labour defined as any work performed by a child younger than the age(s) specified above.
- 3.4. No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety or morals, including night work.

3.5. Policies and procedures for remediation of child labour prohibited by ILO conventions no. 138 and 182, shall be established, documented, and communicated to personnel and other interested parties. Adequate support shall be provided to enable such children to attend and complete compulsory education.

4. Discrimination (ILO Conventions Nos. 100 and 111 and the UN Convention on Discrimination Against Women)

4.1. There shall be no discrimination at the workplace in hiring, compensation, access to training, promotion, termination or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

4.2. Measures shall be established to protect workers 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.

5. Harsh or Inhumane Treatment (UN Covenant on Civil and Political Rights, Art. 7)

5.1. 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.

6. Health and Safety (ILO Convention No. 155 and ILO Recommendation No. 164)

6.1. The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Hazardous chemicals and other substances shall be carefully managed. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in, the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

6.2. Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.

6.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

6.4. Accommodation, where provided, shall be clean, safe and adequately ventilated, and shall have access to clean toilet facilities and potable water.

7. Wages (ILO Convention No. 131)

7.1. Wages and benefits paid for a standard working week shall as minimum meet national legal standards or industry benchmark standards, whichever is higher. Wages should always be enough to meet basic needs, including some discretionary income.

7.2. All workers shall be provided with a written and comprehensible contract outlining their wage conditions and method of payments before entering employment.

7.3. Deductions from wages as a disciplinary measure shall not be permitted.

8. Working Hours (ILO Convention No. 1 and 14)

8.1. Working hours shall comply with national laws and benchmark industry standards, and not more than prevailing international standards. Weekly working hours should not on a regular basis be more than 48 hours.

8.2. Workers shall be provided with at least one day off for every 7 day period

8.3. Overtime shall be limited and voluntary. Recommended maximum overtime is 12 hours per week, i.e. that the total working week including overtime shall not exceed 60 hours. Exceptions to this are accepted when regulated by a collective bargaining agreement.

8.4. Workers shall always receive overtime pay for all hours worked over and above the normal working hours (see 8.1 above), minimum in accordance with relevant legislation.

9. Regular Employment (ILO Convention No. 95, 158, 175, 177 and 181)

9.1. Obligations to employees under international conventions, national law and regulations concerning regular employment shall not be avoided through the use of short-term contracting (such as contract labour, casual labour or day labour), sub-contractors or other labour relationships.

9.2. All workers are entitled to a contract of employment in a language they understand.

9.3. The duration and content of apprenticeship programmes shall be clearly defined.

10. Marginalized Populations (UN Covenant on Civil and Political Rights, art. 1 and 2)

10.1. Production and the use of natural resources shall not contribute to the destruction and/or degradation of the resources and income base for marginalized populations, such as in claiming large land areas, use of water or other natural resources on which these populations are dependent.

11. Environment

11.1. Negative impact on the environment shall be reduced throughout the value chain. In line with the precautionary principle, measures shall be taken to continuously minimize greenhouse gas emissions and local pollution, the use of harmful chemicals, pesticides, and to ensure sustainable resource extraction and management of water, oceans, forest and land, and the conservation of biodiversity.

11.2. National and international environmental legislation and regulations shall be respected, and relevant discharge permits obtained.

12. Corruption

12.1. Corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers or employees of any such party or government officials.

13. Animal welfare

13.1 Animal welfare shall be respected. Measures should be taken to minimize any negative impact on the welfare of livestock and working animals.

13.2 National and international animal welfare legislation and regulations shall be respected.



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