



Code of Conduct

for Business Partners Sweden & Norway

1. Introduction

The BAUHAUS SE/NO (hereafter BAUHAUS) business concept is to offer the industry's largest selection when it comes to construction, bathroom, painting, tools, storage, flooring, lighting, and garden. A far-reaching customer service in our stores, as well as at the customer's home, is central for us. We strive to meet customers' needs and exceed their expectations. We want to maximise the positive effects and minimise the negative effects of our business. BAUHAUS supports the principles of the United Nations Global Compact (UNGC) and the UN Sustainable Development Goals.

We cannot do this without our suppliers. In this Code of Conduct, we therefore describe what we require and expect of our suppliers in relation to human and labour rights, health and safety for employees, environmental protection incl. mitigation of climate change, and ethical business practices.

BAUHAUS has adopted amfori BSCI (Business Social Compliance Initiative) Code of Conduct version v.2021 in full. The requirements in this Code of Conduct are harmonised with the amfori BSCI's.

2. About the Code

- 2.1 This Code of Conduct applies to all BAUHAUS suppliers. It is an integral part of purchasing agreements and orders. By 'supplier', we mean all types of suppliers of goods and services, including contractors, consultants, and intermediaries.
- 2.2 The requirements apply to all employees at all positions in the supplier's organisation. This means permanently employed staff and seasonal employees, staff employed through intermediaries, migrant workers, temporary employees, students, and all other workers carrying out assignments on behalf of the supplier.
- 2.3 The supplier is required to operate in accordance with this Code of Conduct and in full compliance with all applicable local laws and regulations and ordinances, as well as applicable collective agreements, in the countries in which the supplier operates.
- 2.4 For some areas, this Code of Conduct goes beyond mere compliance with the law. When differences arise between requirements in this Code of Conduct and in legislation, the requirements that offer the greatest protection to the individual and the environment must be satisfied.
- 2.5 The supplier must forward the requirements in this Code of Conduct to its sub-suppliers, and ensure that they satisfy the requirements.

3. Human & Labour Right (UNGC principles 1-6)

- 3.1 Every employee must have a written employment agreement in a language that the employee understands. The agreement must clearly show the terms of employment, such as job description, working time, salary and frequency of payment, overtime payment, and period of notice.
- 3.2 The supplier must not contract employees through consecutive short-term contracts to avoid meeting obligations towards the employee that are applicable to regular employment (e.g. pension payment, holiday payment).
- 3.3 Employees must not be charged any fee in connection with recruitment. Employees must be entitled to resign without punishment or salary deduction. The supplier must not demand payment from employees in return for work.
- 3.4 Employees must be free to exercise their right to be members of organisations that represent their interests as employees, without risk of threat or harassment. Employees must have the right to participate in collective bargaining processes without risk of retribution, threat, or persecution.
- 3.5 The supplier must collaborate with trade union organisations. In countries where the freedom of association is limited, or under development, representatives chosen by the employees must be able to meet the company management to discuss salaries and terms of employment without negative consequences.
- 3.6 Suppliers in the Nordics must have collective agreements in place or apply forms of agreement similar to collective agreements.
- 3.7 The supplier must pay their employees at least the statutory minimum wage, a living wage, or a wage according to a collective agreement within normal working hours, (also where a pay rate for production, quota or piece work is

established). The alternative that gives the employee the highest wage level must apply. Wage deductions are only permitted under the conditions and to the extent allowed by law or by collective agreement.

- 3.8 Wages must be paid as money, i.e. not 'in kind', and must be paid regularly and directly to the employee. Payments must be made at the agreed time and in full, and in the currency of the country in which the business activity takes place. A detailed salary slip must be provided in a language that the employee understands in order to verify accurate compensation for work performed.
- 3.9 Employees must receive statutory benefits, such as pension. Employees must be covered by an accident insurance that includes medical care for occupational injuries and compensation in the event of invalidity caused by occupational accidents.
- 3.10 Working time must be recorded in a truthful and correct way. Working time must be divided into normal working time and overtime. Normal working time may not exceed 48 hours per week. Overtime work must be voluntary and must not exceed 12 hours per week. Overtime is accepted when there is a need to meet short-term business demands due to unforeseeable circumstances, such as severe weather conditions, force majeure, or urgent repair work. Overtime must not be requested systematically and regularly. Senior professionals and managers, who can set their own work schedules and work hours, are not strictly subject to this provision. However, to maintain a healthy work/life balance and ensure that they perform their work productively, BAUHAUS expects that the supplier allocates adequate resources to limit the workload of these employees and avoid the need for excessive overtime.
- 3.11 Employees must have at least one whole day of rest per seven-day period. Employees are entitled to statutory paid holiday and leave, with appropriate remuneration for absences such as sick leave, parental leave, and statutory public holidays.
- 3.12 Work may not be performed by children under 15 years of age, or a higher minimum age if prescribed in local legislation. Suppliers located in countries with a high risk of child labour must have a child labour prevention and premeditation plan in place that promotes the best interests of the child if child labour is detected.
- 3.13 Children between the ages of 15 and 18 may work, on condition that the work does not impact statutory schooling or conflict with the statutory minimum age prescribed in local legislation. Young workers must not perform tasks that can be harmful to health, safety, or psychological development. Young workers must not work in night shifts, regardless of the work tasks.
- 3.14 The supplier must ensure that work is voluntary and that no form of forced labour occurs. The supplier must not restrain the employee's freedom and mobility in any way during breaks and after working time, as well as freedom to use toilets, access water, and seek medical attention. Employees have the right to terminate their work after giving a reasonable period of notice. The supplier must not demand that employees hand over original personal identity documents or similar, or demand monetary deposits as a condition for employment.
- 3.15 All disciplinary procedures must be established in writing by the management, and must be clearly and understandably explained verbally to employees. Deductions to wages as a disciplinary measure are not permitted.
- 3.16 Everyone must be treated with dignity and respect. Harassment must not occur in the business operation. Abusive treatment, threat or punishment must not occur, whether it be physical, psychological, verbal, or sexual.
- 3.17 Only merit and qualifications are to be considered in relation to recruitment, salary levels, promotion, allocation of work tasks, and skills development. Discrimination on the basis of gender, age, religion, race, health and disability, ethnicity, national origin, nationality, union membership, political affiliation, sexual orientation, or marital status is not accepted.

4. Health & Safety (UNGC principles 1-2)

- 4.1 The supplier must obtain, keep up-to-date, and comply with all required health and safety permits.
- 4.2 The supplier must provide its employees with a safe and healthy work environment. The supplier must regularly carry out and document assessments of work environment risks, and document how it manages these risks. Preventive measures must be taken to minimise injuries and health risks. There must be a focus on constant improvement. Performance must be tracked and measurements implemented to ensure continuous improvement. Employees must regularly undergo training, including training in health risks, fire safety, safe handling of chemicals, evacuation plan, and first aid.
- 4.3 The supplier must provide relevant protective equipment and first-aid materials. Information about health and safety must be easily available in an appropriate language, including Material Safety Data Sheets.
- 4.4 The supplier must encourage employees to give feedback on health and safety issues, injuries, and incidents. Any accidents and occupational injuries must be reported to the management and rectified.
- 4.5 All employees must have free access to clean drinking water and hygienic toilets. If applicable, rooms where food can be stored and consumed must be safe and hygiene.
- 4.6 If dormitories are provided, they must be clean and safe. They must provide reasonable personal space and offer good lighting, drinking water, hygienic toilets, hot water, and adequate heat and cooling. Dormitories must be provided at a reasonable cost and occupancy must be voluntary. Employees must always be free to enter and exit the dormitories.

5. Natural Resources & Environmental Protection

(UNGC principles 7-9)

- 5.1 The supplier must hold relevant environmental and operational permits, licences, and registrations required according to applicable legislation. No form of criminal environmental activities or inconsiderate utilisation of natural resources may occur. For example, illegal deforestation is never accepted, and land with highly-valued biological diversity must be protected against exploitation.
- 5.2 The supplier must assess the risks and impacts of its activities on the environment, the climate and local community, in both the production and distribution chains.
- 5.3 The supplier must strive to constantly improve resource efficiency, e.g. water and energy use, and minimise waste and chemical use.
- 5.4 When extracting and processing raw materials, the supplier must safeguard the rights and interests of marginalised populations. In the event of conflict with the local community regarding use of land and other natural resources, the parties must, through negotiation, ensure respect for individual and collective rights based on customs and traditions, even in cases where such rights are not formally registered.

6. Business Ethics & Anti-corruption (UNGC principle 10)

- 6.1 The supplier must have zero tolerance regarding corruption, such as giving and accepting bribes, kickbacks, gifts, entertainment events, and money or other benefits of any type. The supplier must have established procedures in place to prevent corrupt behaviour in its own business operation and in that of its sub-suppliers.
- 6.2 The supplier must not offer or accept any benefits or other means with the aim of gaining undue or improper advantage.
- 6.3 The supplier must avoid conflicts of interest that can affect the supplier's credibility in relation to BAUHAUS or other external parties confidence in BAUHAUS.

7. Implementation & Communication

- 7.1 The supplier's management is responsible for implementing and following up the requirements in this Code of Conduct. I.e. management shall have strategies and processes to implement the requirements, allocate sufficient resources to ensure compliance and continuous improvement in its implementation.
- 7.2 The supplier must ensure that employees are made aware of the requirements in this Code of Conduct, relevant to their respective roles and responsibilities. The supplier must establish relevant committees which can represent employees' interests visavi the employer regarding e.g. terms of employment, organisation of work, health and safety and more, as well as the effective implementation of the requirements in this Code of Conduct.
- 7.3 The supplier must establish, or help to set up, a grievance procedure at the workplace, available in relevant local languages. The aim of such a procedure is to enable open communication between management and employees, and ensure that employees can have their complaints investigated and remediated. Employees must be protected from any retaliatory measures. The supplier must compensate damages incurred to the workers within a reasonable timeframe.
- 7.4 The supplier must ensure that information regarding its business activities, labour practices, health & safety, and environmental protection is accurately recorded. When requested, the supplier must provide information about its sustainability work relating to products and/or services without falsification and misrepresentation, and the information must be provided in a transparent and reliable way.

8. Compliance & Point of Contact

- 8.1 If the supplier detects deviations from the requirements in this Code of Conduct in their own business operation or in that of a sub-supplier, this must be communicated to BAUHAUS without delay. There will be no retaliation or negative consequences for persons reporting in good faith.
- 8.2 BAUHAUS retains the right to check the supplier's compliance with the requirements. Follow-up activities may be carried out by BAUHAUS employees or via an appointed third party. The follow-up may either be through a self-assessment procedure or via a site audit. In such a follow-up, BAUHAUS expects transparency and cooperation. In audits, the supplier must ensure that BAUHAUS has access to premises and relevant documentation, and that BAUHAUS can interview the management and employees.
- 8.3 If deviations are detected, the supplier is expected to investigate the root causes. The supplier must draw up an action plan with corrective measures that BAUHAUS must approve. The implementation and improvements will be followed up. BAUHAUS believes that a long-term relationship and dialogue is the key to mutual development and success.
- 8.4 BAUHAUS reserves the right to terminate collaboration with suppliers that:
 - do not rectify deviations within the agreed time period,
 - show a lack of engagement and/or transparency or present false records,
 - repeatedly and/or seriously violate the requirements in this Code of Conduct.
- 8.5 If you have any questions about this Code of Conduct, or want to report any known or suspected non-compliance, contact your BAUHAUS representative. Alternatively, send an e-mail to compliance@bauhaus.se or letter to Compliance, BAUHAUS & Co KB, Box 587, 175 26 Järfälla, Sweden