

The logo for GLF, consisting of the letters 'GLF' in a bold, red, sans-serif font.

Swedish quality  
since 1941

# The Supplier Code of Conduct

Version 3 | 2024

# Introduction

At GLF, we strongly believe that integrating sustainability and a long-term perspective into corporate practices is the only right way to develop a business. By creating this Supplier Code of Conduct (otherwise referred to as the Code) we want to share our values and responsible approach towards doing business with our suppliers. Only by combining our efforts we can create a sustainable supply chain and, ultimately, a healthy environment for present and future generations for many years to come.

The Supplier Code of Conduct is based on GLF Environmental Policy. We were guided by, among others, The International Bill of Human Rights, The Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child, International Labor Organization's (ILO) Conventions and recommendations, including ILO Declaration on Fundamental Principles and Rights at Work, as well as The Ten Principles of the UN Global Compact, OECD Due Diligence Guidance for Responsible Business Conduct, and other laws, recommendations, guides.

This document outlines both requirements and aspirations for our suppliers:

The requirements mentioned hereafter should not be treated as exhaustive but rather as a non-exclusive list of basic norms with which every Supplier is expected to comply. Whenever the words "must" or "shall" are used in the sentence, it means that we demand the Supplier to adhere to the rule or norm stated therein.

Since our goal is to do business with trustworthy, responsible, and sustainable companies in addition to the requirements stated in this Code, we include herein a set of aspirations, that we highly encourage our suppliers to follow.



## **Core principles embedded in the Code:**

-The Supplier must adhere to all applicable laws and regulations stipulated on international, national, regional, and local levels, as well as obtain and work within the limits of its permits, including without limitation, environmental permits.

-It is the Supplier's responsibility to perform internal audits, due diligence, and other necessary actions to prevent any illegal behavior or the breach of this Code. Moreover, the Supplier should undertake the precautionary approach to environmental issues, by integrating the prevention of emissions, pollution, contamination, or other negative environmental impact into its business processes.

-The routine of monitoring, collecting, and documenting relative data is highly encouraged as a basis for informed decision-making in the Supplier's business operations.

-Continuous improvement should be inherent to every aspect of the Supplier's business practice.

-Transparency, dialogue, mutual support, effective communication, and collaboration shall be the core principles within the business relations between the GLF and the Supplier.

A photograph of two people walking away from the camera on a dirt path through a forest. The person on the left is wearing a dark hoodie and dark pants. The person on the right is wearing a dark jacket, blue jeans, and a backpack. The forest is dense with tall trees and green foliage, and the lighting is bright and natural.

# People

*Respect for all human rights and the guarantee of dignified working conditions are fundamental to every business. Therefore, we expect our suppliers to be committed to following basic principles to foster a culture of openness, freedom, and trust throughout the entire supply chain.*

### **Human rights and social conditions**

The Supplier must recognize and guarantee all internationally recognized human rights (including, but not limited to, women's rights and the rights of the child) and treat its employees fairly, equally, and with respect.

### **Non-discrimination**

All forms of discrimination based on bias or prejudice are prohibited. The Supplier shall provide equal employment opportunities starting from the recruitment stage and shall guarantee equal and fair working conditions to all employees, regardless of person's race, color, gender, sexual orientation, language, religion, political or other opinion, national or social origin, property ownership, birth or other status, pregnancy, parenthood, disability, age, union affiliation, etc.

The Supplier is encouraged to actively promote diversity, equity, and inclusion within the workplace through the implementation of relevant educational activities and other appropriate methods. These efforts may include but are not limited to providing diversity training programs, organizing awareness campaigns, fostering an inclusive work environment, and implementing equitable hiring and promotion practices.

### **Zero-tolerance for harassment**

The Supplier shall maintain a zero-tolerance policy towards all forms of harassment, bullying, verbal, psychological, physical abuse, or discriminatory behavior. The Supplier shall implement all necessary precautionary measures to prevent such occurrences within its operations.

In the event that an incident of harassment is reported or identified, the Supplier shall promptly investigate the matter and take appropriate remedial action in accordance with applicable laws and regulations.

### **Equal pay**

The Supplier must ensure that all employees with the same qualifications, experience and performance receive equal pay and benefits for equivalent work in comparison with others who perform the same work under similar working conditions.

### **Minimum wage**

Wages for normal working hours, overtime work, and other overtime pay shall amount to at least the highest of the minimum amounts prescribed by law, bargaining agreement, or such compensation that is normally applied in the Supplier's industry. Illegal, unauthorized, or disciplinary deductions are not permitted.

### **Working hours**

The Supplier shall comply with applicable legislation and industry standards relating to working and resting hours, different types of leave and public holidays.

### **Freedom of association**

The Supplier shall respect the right of employees to organize themselves in trade unions and their possibility of collective bargaining.

### **Health and safety at work**

The supplier must at least comply with applicable laws and regulations regarding working environment and working conditions. The supplier shall prioritize the health and safety of the workers. This means, among other things, that the supplier must ensure that appropriate protection is used, that equipment and buildings are safe, and that hazardous substances and hazardous waste are handled in a safe manner. There must also be clear rules and routines for safety and health in the workplace that are complied with.



**Child labor**

The Supplier undertakes to ensure that child labor does not occur in the business as defined in ILO Conventions on Child Labor and shall work to ensure that this does not happen with its subcontractors.

**Forced labor**

The Supplier shall not engage in or tolerate any form of modern slavery, forced labor, or human trafficking within its operations or supply chain. Employees shall retain the right to terminate their employment after the agreed notice period, as prescribed by applicable laws or agreements. The Supplier shall implement all necessary precautionary measures to prevent such occurrences within its supply network. Additionally, the Supplier shall establish and maintain appropriate procedures for responding to such occurrences.

**Action against forced eviction**

The Supplier shall commit to conducting business in a way that respects the rights of local communities, minorities, indigenous people, land, forest, and water rights. The Supplier shall adhere to the Free, Prior and Informed Consent (FPIC) principle when undertaking projects that interfere with the abovementioned rights. The Supplier shall comply with all applicable laws regarding the prohibition of unlawful eviction and unlawful deprivation of land, forests, and waters.

**Use of private or public security forces**

When engaging with private or public security forces, the Supplier must provide sufficient instructions and take precautionary measures to ensure their strict respect of human rights and prevention of torture, cruel, or inhumane treatment.



A photograph of a lumber yard with large stacks of wood under a clear blue sky. The wood is stacked in neat piles, and the sky is a deep, clear blue. The perspective is from a low angle, looking up at the stacks of wood.

# Business

*We believe that doing business ethically is not an option, but an obligation that both GLF and our suppliers must adhere to at all times. We expect our suppliers to cooperate with GLF in building a responsible supply chain following the next principles, as no one company alone can do it effectively.*



#### **Business ethics**

The Supplier shall conduct business in a fair and ethical way and shall not sell any counterfeit raw materials, products, or parts to GLF.

The Supplier shall maintain accurate and complete financial records and cooperate with GLF to provide timely and accurate financial information upon request.

#### **Anti-corruption**

The Supplier must comply with all applicable anti-corruption and anti-money laundering laws, regulations, and good practices. The Supplier, including any of its employees, consultants, affiliates, contractors must not offer, promise, or give bribes, benefits, or compensations in any form to any counterparts (including GLF, public authorities, etc.) that are contrary to law or that are incompatible with relevant good practices. Likewise, it is prohibited to accept bribes, benefits, or compensation from third parties that may affect, or be perceived to affect, objectivity when making business decisions.

The Supplier should continuously work on assessing related risks, increasing awareness and making necessary improvements to eliminate corruption, money laundering and guarantee financial transparency in business practices.

#### **Fair competition and antitrust**

The Supplier must compete fairly, according to antitrust, competition, and fair-trade laws and regulations. Moreover, it must not engage in any illegal practices that restrict the competition on the market or limit fair and equal conditions for businesses, for example, information exchanges that reduce strategic uncertainty in the market, illegal agreements on customer allocation or product limitation, other cartels, abuse of dominant market position, etc.

#### **Conflicts of interest**

The Supplier shall avoid any conflict of interest when conducting business with GLF, to facilitate an objective and impartial decision-making. The Supplier shall reveal all existing situations, circumstances and disclose to GLF all related information to prevent any real, potential or apparent conflict of interest.

#### **Export controls and economic sanctions**

The Supplier must take all necessary steps to comply with export control laws and regulations as well as economic sanctions to ensure that no prohibited goods, services, raw materials or other products are supplied to GLF. The Supplier must take all precautionary measures to guarantee that GLF will not be in violation of such laws when entering into business relations with the Supplier.

For this, appropriate sanctions-screening, risk assessment and due diligence, internal controls, procedures and responsibility allocation should be created and implemented. Regular update and improvement of procedures should take place for the Supplier to be aware of the up-to-date sanctions landscape.



### **Information security**

The Supplier must take all necessary steps to protect GLF information from any cyber-attacks, data leakage, or other similar threats and incidents and must immediately inform GLF in case they occur.

The Supplier must proactively identify and address risks and weaknesses related to cyber-security and guarantee data confidentiality and integrity.

The Supplier can implement a management system to incorporate a holistic approach to information security according to international standards.

### **Data protection**

The Supplier must guarantee that the collection, processing, usage, storage and sharing of personal data is done accurately and according to the law. The Supplier should take proactive, risk-based approaches to protect personal data from misuse or unauthorized disclosure.

### **Intellectual property rights**

The Supplier shall respect intellectual property rights and take all necessary measures to protect it as stipulated by relevant law, regulations and contractual obligations with GLF.



### **Confidential information**

The Supplier must protect GLF confidential information, and do not disclose it to any unauthorized person within or outside of its company. Confidential information means any information that is clearly marked or identified in any form as confidential, as well as any other not public information about GLF, including, but not limited to its business, affairs, personnel, trade secrets. By way of exception, the Supplier can disclose such information in the following situations:

- a) GLF has expressed its prior informed consent with respect to the purpose and recipient of such information; or
- b) Such disclosure is mandatory according to the applicable laws. In such circumstances, the Supplier must inform GLF as soon as practically possible of such disclosure, the recipient and the purpose of the disclosure.

### **Disclosure of information**

In order to help GLF to fulfill its legal obligations, the Supplier shall disclose relevant information when requested by GLF. The Supplier should cooperate with GLF to identify sustainability risks and opportunities related to supply chain management and provide all necessary information.



# Environment

*GLF acknowledges climate change as one of the greatest challenges of the 21st century. Together, with suppliers we strive to contribute to achieving the goals of the UNFCCC as well as the Paris Agreement. Moreover, preventing adverse human rights and environmental impacts, maintaining high water and air quality in our value chains is essential for human health, environmental sustainability, economic prosperity and social equity. Therefore, we want to partner with nature positive business and expect our suppliers to support our journey by treat the supply and use of raw materials responsibly with circularity in design.*

**Reduction of GHG emissions**

The Supplier is required to comply with all applicable laws and regulations regarding the reduction of greenhouse gas (GHG) emissions, climate change, mitigation and adaptation, or related.

The Supplier should prioritize preventing and reducing GHG emissions in its business operations and the company's negative environmental impact. The Supplier should choose less GHG-intensive energy sources and transportation options with a smaller carbon footprint.

**Decarbonization**

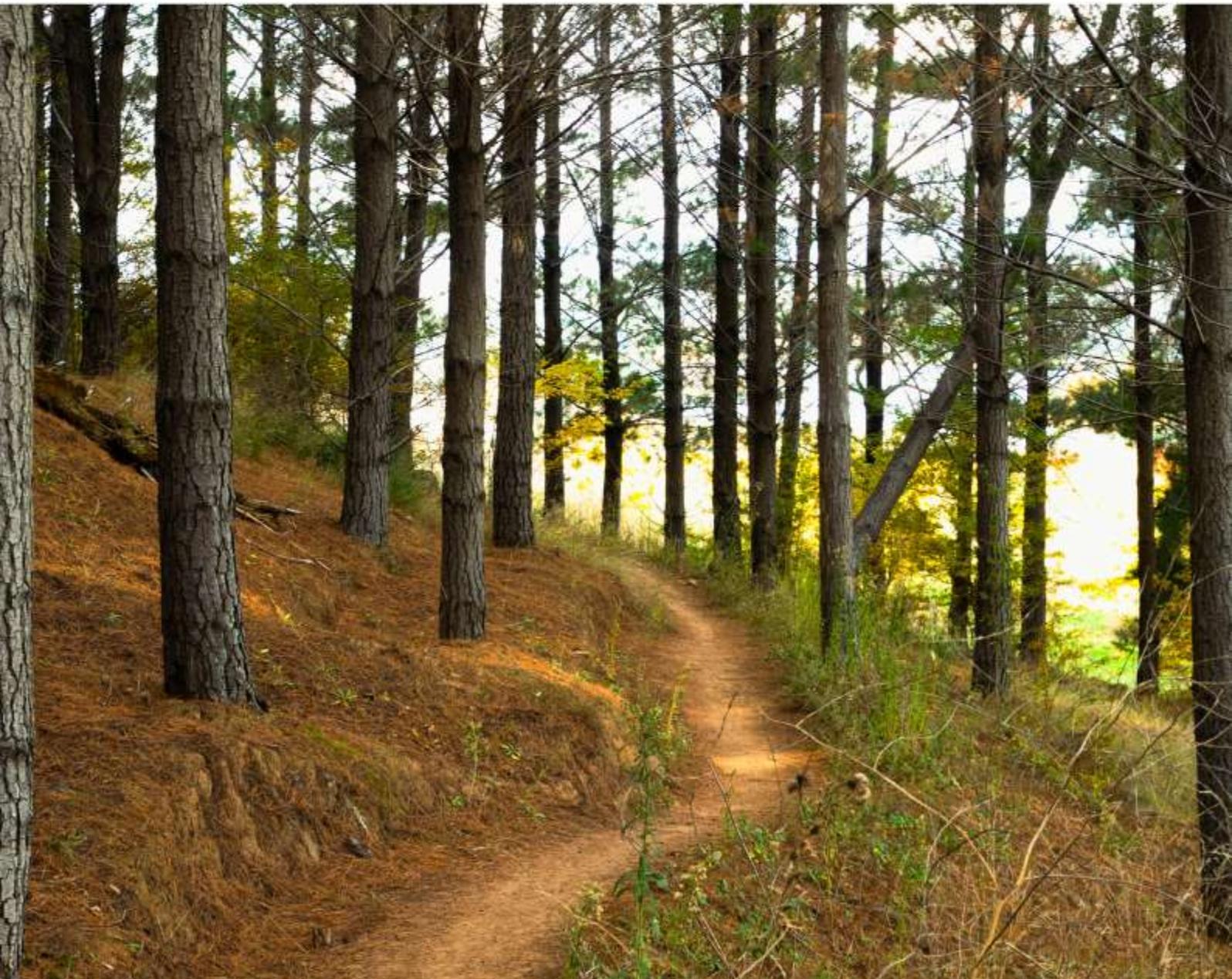
We highly encourage the Supplier to take a proactive approach to calculating GHG emissions, identifying their main sources, creating and implementing a decarbonization plan, setting science-based targets to cut emissions, and participating in voluntary climate initiatives.

**Energy efficiency**

The Supplier is expected to identify potential possibilities for enhancing energy efficiency and continuously work to implement them.

**Renewable energy**

As a part of the decarbonization ambition of the supply chain, the Supplier should strive to advance the use in the operation and transportation of renewable energy or electricity created from other fossil- and carbon-free sources.



## **Responsible sourcing of raw materials:**

### **Minerals**

At times when the supply of minerals from Conflict-Affected and High-Risk Areas is involved (for example, tin, titanium, gold), GLF requires the Supplier to perform due diligence according to OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and applicable legislation.

The respective procedures and management systems should be adopted and implemented by the Supplier, and audits are to be performed.

The Supplier shall provide, upon request from GLF, the reports created based on CMRT (Conflict mineral reporting template), EMRT (Extended Minerals Reporting Template), and/or equivalent templates.

### **Forestry**

The Supplier must ensure all forest raw materials (timber, wood, wood products, or related materials) do not contribute to deforestation and forest, land, and soil degradation. The forests and forest land from which the materials originate should be managed sustainably.

The forest raw materials should be PEFC or FSC-certified and/or licensed under the FLEGT system. Otherwise, the Supplier should be able to provide, upon request, sufficient information proving the equivalent quality and characteristics of raw materials.

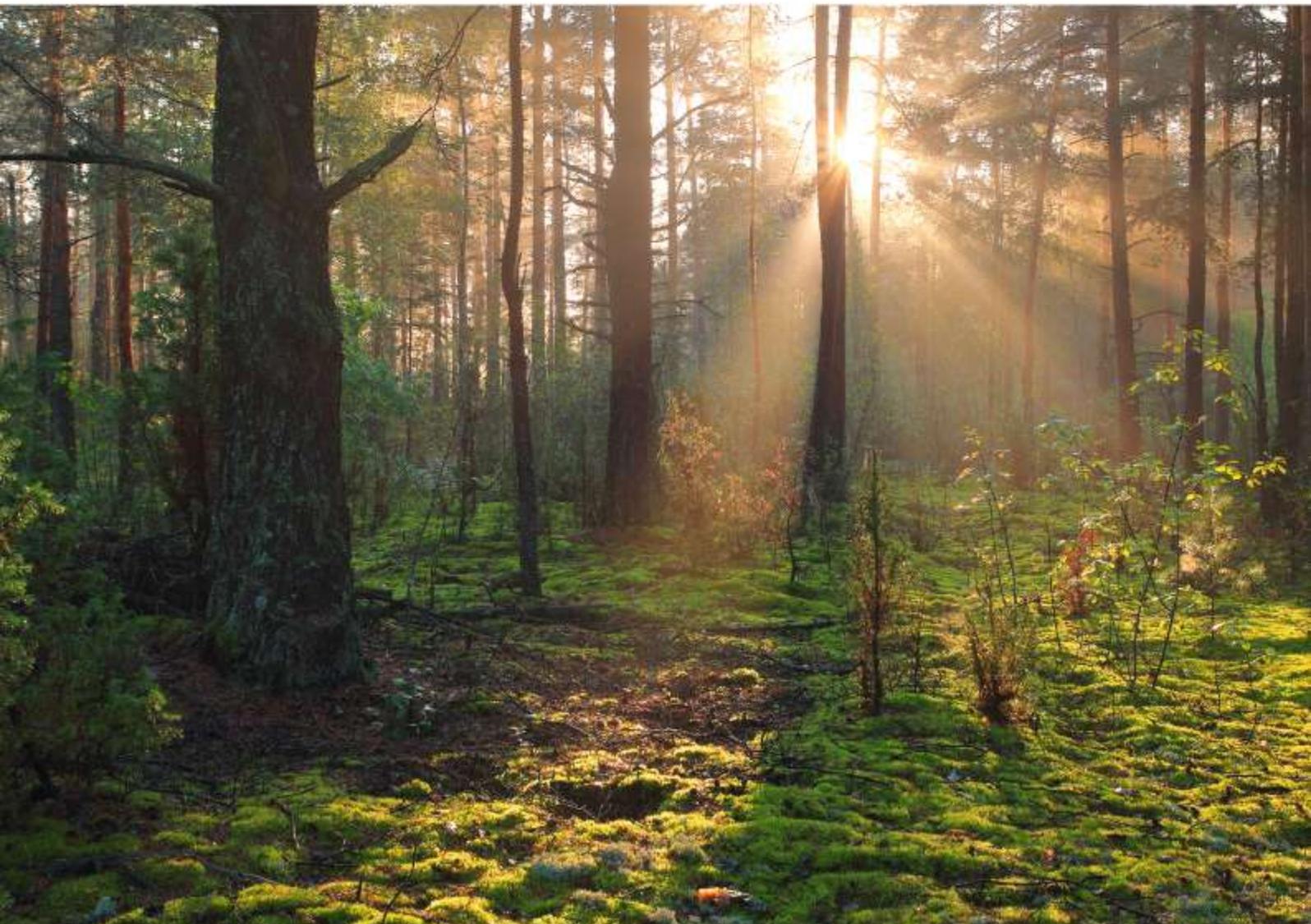
The Supplier shall offer all necessary assistance to GLF to facilitate the carrying out of checks, audits, due diligence, information provision, and/or risk assessment when required by law or contractual obligations.

### **Other resources**

For all other products, materials, and resources, the Supplier shall comply with applicable laws and regulations.

The Supplier shall take all adequate actions to ensure that their production at any stage does not directly or indirectly contribute to violations of human rights and/or environmental degradation and can reasonably track the origin of materials.

Attention must be paid to chemicals in products to ensure responsible chemical management.



### **Circularity, waste reduction and management**

GLF encourages the Supplier to explore opportunities to enhance circularity of materials by optimizing their processes and transitioning to circular business models and include circularity in design of their products.

The Supplier must take action to reduce waste in their production and manage waste as required by applicable laws and regulations.

The Supplier should promote the reuse of products and use recycled materials where possible. The waste hierarchy (as defined by the EU Waste Framework Directive (Directive 2008/98/EC) should be considered when treating the generated waste, as well as waste segregation should be carried out to facilitate recycling.



### **Water quality, consumption and management**

The Supplier should monitor and document data related to water use to be able to identify possibilities and take action to optimize water management, reduce consumption and reuse water in production, and increase water quality.

The Supplier should be able to identify the sources of incoming water as well as be aware of wastewater treatment providers and processes and cooperate with them when necessary to increase water quality. The Supplier is encouraged to perform on-site pre-treatment of wastewater to optimize the final water treatment.

### **Air quality**

The Supplier must adhere to all laws, regulations and standards on all levels pertaining to air quality, emissions, and pollution control. The Supplier should strive to minimize air pollutants, as well as develop and implement plans to improve air quality and minimize noise pollution.

### **Biodiversity and animal welfare**

The Supplier should assess their current and potential impact on biodiversity in order to take action regarding restoration, conservation of ecosystems, improving biodiversity, and not disrupting animal welfare or stopping the extinction of known species.

# Compliance

Adhering to this Supplier Code of Conduct, applicable laws and regulations is the prerequisite to collaboration with GLF. GLF reserves the right to verify the compliance with this Code before entering into any agreements with the Supplier as well as to conduct audits at any time throughout the validity period of the contract with Supplier.

The Supplier should monitor, assess, and continuously improve its business operations to guarantee its compliance with this Code. In case of non-compliance the Supplier shall take all possible measures to investigate the case and cooperate with GLF where necessary to resolve the issue. Supplier shall remediate any consequences and indemnify all costs, losses, and damages GLF incurred as a result of the breach of the code in a timely manner. GLF must be immediately informed about any identified case of non-compliance.

If any conflict occurs between GLF and the Supplier, the Parties shall cooperate to resolve it amicably.

The Supplier should establish a whistle-blower process where all employees and/or other individuals can report any non-compliance with the Code, violation of law or, unethical conduct, harassment without being punished in any form.

The Supplier should pass on similar requirements as are stated in this Supplier Code of Conduct to its upstream suppliers to promote a sustainable approach across the entire supply chain.

