



ALLU Business Partner Code of Conduct

Introduction

Allu business partners are typically including (but not limited to) suppliers, distributors, agents, consultants, contractors and service providers who have continuous and repetitive business interactions with Allu, hereafter referred to as “Business Partners”. Allu’s expectations for the Business Partners in the field of ethics, social and environmental behaviour are described in this document “ALLU Business Partner Code of Conduct” (The Code).

Typically, the legal context and the main business processes between Allu and its Business Partners are described in the written and signed agreement between the parties. Allu expects the Business Partners to follow the principles of The Code whether there is a legal agreement document in place between the partners or not.

Business Partners are expected to comply with The Code to their best ability beyond the minimum legal requirements. Sharing and following The Code Should strengthen the sustainable relationship between Allu and its Partners.

The Code is based on Allu Values: “Fair Play at Heart”, “Safety In Mind” and “Customer First”. The values are the foundation for Allu’s operations and the guideline for the behaviour of Allu people. Even if the Business Partner may have some other values, Allu always expects the Business Partner to follow The Code in all situations . The failure to follow the

Code may result in terminating the business relationship.

There are several international agreements which are providing the defining guidelines for The Code. The main guiding documents are:

-United Nations Bill of Human Rights¹

-ILO Declaration on Fundamental Principles and Rights at Work²

-United Nations Global Compact³

-OECD Guideline for Multinational Enterprises⁴

-United Nations Convention Against Corruption⁵

The reference links to these international documents are represented in the end of this document.

1. Fair Play at Heart

1.1 Legal requirement

It is a must that the Business Partner follows and obeys the local laws and regulations. Additionally, Allu expects the Business Partners to be updated on, and to comply with international regulations and conventions. The Business Partner shall comply with requirements set out in this document and obtain all legally required permits, registration and licenses to conduct its business in a legal and proper manner.

1.1.1 The Business Partner shall especially comply with legislation regarding human



rights, labour rights, working conditions, environment, tax, anti-corruption, health and safety.

1.1.2 In cases where the international standards and regulations provide stronger protection than the local law in the context of The Code, it is recommended to honour the more stringent legislation.

1.1.3 The Business Partner must be able to demonstrate the compliance with the local legal requirements at Allu's request.

1.2 Anti-Corruption and Competition Law

Allu has zero tolerance for corruption and bribery and expects Business Partners to take an active stand against corruption. E.g. fraud, unlawful kickbacks, embezzlement, extortion, cronyism and conflict of interests are forms of corruption. Allu is committed to respect competition laws which prohibit unfair business practices.

1.2.1 Anti- Corruption

Business Partner shall:
Comply with local legislation and international anti-corruption conventions and shall not engage in, or cause Allu to engage in any form of corrupt practices.

Establish processes to prevent corruption by having a written policy against it and providing appropriate training to its staff.

Not make any illegal contribution, directly or indirectly to any third parties or public officials.

Be aware that no Allu employee may offer or provide any undue advantage to the Business Partner in exchange for personal gain or benefit of any kind.

Be aware that Allu will not accept any benefit intended for Allu employee to facilitate the Business Partner's business with Allu.

Avoid all potential conflict of interests while being engaged with Allu.

1.2.2 Competition Law

Business Partner shall:

Respect and comply with applicable competition laws and regulations.

Establish processes to prevent competition law infringements including but not limited to price fixing, bid rigging, market and confidential information sharing.

Provide appropriate competition law compliance training to its personnel.



1.3 Labour and Human Rights

It is a must that Allu Business Partner treats its employees fairly and with respect. Business Partner shall commit not to violate person's human rights directly or indirectly in any way.

1.3.1 Child labour:

Business Partner shall:

Not use or support the use of child labour or exploitation.

Make sure that all new employees have completed compulsory school before the employment.

Not employ employees younger than the minimum permitted age by the local law.

Establish a documentation system which checks and maintains the proof of age verification when employing new employees.

Protect all young workers (below 18 years of age) from performing work that may be harmful physically, mentally or socially. Young workers should not work the night shifts.

Comply with all the related laws and regulations when employing people under apprentice programs.

Develop written procedure for remedy and informing the authorities in case children are found to be working at Business Partner's site or with Business Partner related business contacts.

1.3.2 Enforced Labour

Business Partner shall:

Not use or engage in the use of forced, compulsory or illegal labour including but not limited to trafficking, prison labour or bonded labour.

Not require employees to surrender at any time their original personal certificates or identification documents issued by the authorities, as a condition for employment.

Make sure that the overtime work is performed only within the limits of local laws and regulations and make sure that the employees are fairly compensated for their overtime work.

Allow employees to leave their workplace and accommodation freely during their leisure hours.

Not use unfair disciplinary actions in the form of financial penalties such as unfair or illegal deductions from wages or discontinuing agreed upon benefits.

Not use any deposits, fees loans or repayment agreements to prevent employees from discontinue the employment by giving legally binding, reasonable notice.

Repayment agreements if used should be transparent, reasonable and limited in time.



1.3.3 Discrimination

Business Partner shall:

Not to have any kind of discrimination in hiring and employment policies and practices.

This includes but is not limited to discrimination concerning promotion, benefits, contract termination, layoff, access to training on the grounds of e.g. age, ethnicity, national or social origin, religion, gender, sexual orientation, marital or paternal status, pregnancy, disability, political affiliation, legal union and/or association membership, serious illness or any other condition that could be considered as discrimination protected by local legislation and ILO Conventions.

1.3.4 Harassment or Inhumane Treatment

Business Partner shall:

Not tolerate any physical or mental harassment or abuse, expressed verbally or through gestures, including harsh or inhumane treatment, coercion, detention or sexual advances. Any threats for such behaviour should be interpreted as actual behaviour as well.

Refrain from using public warnings and punishment procedures.

1.3.5 Working hours

Business Partner shall:

Divide working hours into normal working hours and overtime working hours.

There may be jobs/tasks which require continuously more hours than normal office/workshop hours. The compensation for extended hours should be agreed upon in the written employment agreement.

Make records of all working hours diligently in a comprehensible manner in written form.

Comply with applicable legislation and industry standards concerning working hours.

Make sure that employees shall not work, on a regular basis, more weekly and daily hours than the legislation allows.

Not require employees to work overtime on regular basis, and/or not more than local legislation allows.

Take care that the employees can have sufficient time to rest between the shifts and shall have minimum of one day off per week.



1.3.6 Compensation and benefits

Business Partner shall:

Comply, at a minimum with all laws and regulations relating to wages, including minimum wages, overtime pay, piece rates and other elements of compensation, and provide legally mandated benefits, including social insurance.

Ensure that the employees with the same experience, skills and qualifications receive equal pay for equal work and equal opportunities.

Ensure that all employees are paid at least the statutory minimum wage.

Pay wages in full, regularly, directly to the employee, at the agreed time.

Record all wages and payments accurately and provide all employees with a pay slip clearly stating all parts of the salary in an understandable manner, including overtime compensation, hours worked, benefits, lawful deductions, bonuses, extras and other relevant items.

Ensure that all employees have the right to paid statutory vacation and legally stipulated leaves, including compensated sick leave and parental leave without any negative effects on employment.

Inform all employees of their employment terms and conditions, including rights and obligations, in the employee's native language or in a language they understand, for instance with a written and signed labour contract.

1.3.7 Freedom of Association and Collective Bargaining

Business Partner shall:

Recognize and respect the right of employees to freely associate, organize and bargain collectively in accordance with the laws of the country/state of employment.

Allow employees to appoint independent work representatives and communicate openly with management regarding the conditions without the fear of harassment, intimidation, penalty, interference or reprisal.

Respect those employees who choose not to participate in workers' association for their choice and treat them equally with those who participate.

Recognize the importance of open communication and direct engagement between the employees and the management.

1.3.8 Right to report Concerns

Business Partner shall:

Ensure that all employees have the right and possibility to report concerns regarding compliance with the legal requirements or company policy/rules to their employer without fear of reprisal.

Consider using "Grandfather Principle", which allows employee to report concerns to the next management level over the direct line manager with confidentiality.



1.4. Environment

Allu is committed to actively protect the environment and contribute to long term sustainable development in its business processes.

Business partners are expected to increase positive environmental impact and limit the negative impact of the business transactions. Environmental planning according the recommendations of environmental standards e.g. ISO 14000 is recommended.

1.4.1 Environmental Risk Management

Business Partner shall:

Establish, implement a risk-based program to reduce and minimize any negative environmental impact from the activities concerning products and services.

1.4.2 Program on Environmental Responsibility

Business Partner shall:

Actively work with, and provide information and documentation pertaining to the following areas:

- Chemical and hazardous material management
- Waste management
- Emissions to air, water and soil
- Energy management
- Water consumption

-Transportation and travel

There may be other enforceable Business Partner specific rules and responsibilities depending on the territory and local legislation.

1.4.3 Precautions and Environmentally Friendly Technologies

Business Partner shall:

Take precautionary measures when there is a consideration that an action could harm the environment or human health and strive to develop and utilize environmentally friendly technologies in its products, services, designs and selected materials.

1.4.4 Polluter Pays

Business Partner shall:

Pay the social and economic costs that arise from the Business Partner entity or personnel that causes damage to the environment. it must be noted that the obligation to pay does not give right to pollute.

2. Safety in Mind

Safety is a fundamental value at Allu. Therefore, health and safety must be considered always when planning and conducting the business processes.

Business Partner is obliged to provide a safe and healthy working environment and take all practical steps to prevent incidents, injuries and exposure to anything which may cause sickness.



Business Partner must have an adequate health and safety program including e.g. health and safety policy, health and safety training which is practical and understandable.

Business Partner shall organize practical, understandable health and safety training to prevent risks and act quickly when risks are realized.

2.1.1 Health and safety

Business Partner shall:

Identify and assess health and safety risks, and minimize their impact, by implementing emergency plans risk remedy procedures.

Ensure that all employees are properly protected from exposure to potential health and safety hazards.

Ensure that hazard identification, risk assessment and determination of necessary control measures are in place.

Make sure that relevant and functioning personal protective equipment is provided, free of charge to all employees.

Implement procedures and systems to manage, to track and report occupational injury and illness.

Ensure that practical first aid kits are easily accessible, and that the employee(s) who have training to use the kit are available in every shift.

Ensure that employees do not work under the influence of drugs and/or alcohol.

2.1.2 Workplace Conditions

Business Partner shall:

Ensure that the work premises are clean, well lit, adequately ventilated and kept at acceptable temperatures and noise levels.

Provide free access to clean drinking water, hygienic toilets and clean separate areas to eat meals.

2.1.3 Fire Safety

Business Partner shall:

Make sure that all work premises are regularly checked to maintain fire safety on everyday basis.

Ensure that functioning fire alarms, fit for purpose firefighting equipment are maintained properly and regularly.

Ensure that fire exits are clearly marked and free from obstacles.

Carry out fire and evacuation rehearsals on random basis but frequently enough to maintain ability to evacuate effectively in case of a hazard.

2.1.4 Vehicles and Storage Equipment

Business Partner shall:

Make sure that the vehicles and the storage equipment the Partner may address the employees to use are checked for safety before letting employees to use them.

Diligently take care of the mandatory legal and practical safety and condition



check-ups of the vehicles and storage equipment.

Inspect that the employees who may use Business Partner's vehicles and equipment have the licenses and proper training for the unit to be used.

2.1.5 Residential Facilities

Business Partner shall:

In case that the accommodation is provided, make sure that every employee shall have a right to her/his own bed.

Provide separate sleeping areas, toilets and showers for different genders.

Make sure that all fire safety regulations mentioned in the paragraph 2.1.3 are met for accommodation and canteen facilities.

3. Customer First

Placing customer first is an essential value for Allu to maintain long term sustainable relationships with customers. This is relevant also for Allu Business Partners regardless of their position in the Allu supply and/or support chain.

3.1.1 Ensuring Quality

Business Partner shall:

Make sure that everything delivered under Allu brand meets the quality standards set by Allu. It is preferred that the Business Partner conducts its processes by using ISO or comparable quality standards. In case there are shortcomings in the quality delivered to the customer, the Business Partner will

inform Allu immediately to find together a remedy which is acceptable to the customer.

3.1.2 Providing Feedback

Business Partner shall:

Provide feedback on customer experience to Allu. This feedback should include among other things; buying preferences and changes thereto, customer's experience in using Allu products, customers' wishes on improvements in Allu products and services.

3.1.3 Living Up to Promise

Business Partner shall:

Give the customer honest and straightforward information on Allu products and their safe use in different applications. Information and instructions should be always given in a way that Allu and the Business Partner can live up to promise given to the customer.

3.1.4 Returning customer

Business Partner shall:

Service the customer always with a good servant behaviour in a prompt and friendly manner. Good service makes it easy and comfortable for the customer to return to buy and use Allu products and services. Taking care of customers' success is essential for Allu and its Business Partners' long-term success



Monitoring and Follow Up

In addition to be an ethical, social and environmental guideline, the Code can be seen also as an opportunity for continuous improvement both for Allu and the Business Partner. The parties must include in their management system the risk assessment, processes, control systems and practical training to make the main principles of The Code to become business reality every day.

Monitoring and following up the Code is based on mutual trust between Allu and the business partner.

Monitoring

Business Partner shall keep relevant records to be able to follow up the requirements of the Code.

Business Partner shall grant Allu representative or mutually agreed upon third party to audit the relevant points of The Code. Auditing shall include the free access to interview Business Partner's employees freely and in confidence.

Allu treats all business and personal information which will be handled in accordance with the audit strictly confidential.

Violation of the Business Partner Code will cause a negative impact on the business relationship between parties, including but not limited to, the risk of contract termination.

Allu expects that any violation and/or failure to meet the requirements of The

Code will be communicated openly with Allu to find the remedy without a delay.

Reference links:

United Nations International Bill of Human Rights¹,

<https://www.un.org/>

ILO Declaration on Fundamental Principles and rights at Work² <http://www.ilo.org/declaration/lang--en/index.htm>

United Nations Global Compact³

<https://www.unglobalcompact.org>

OECD Guidelines for Multinational Enterprises⁴

<http://www.oecd.org/corporate/mne/oecdguidelinesformultinationalenterprises.htm>

United Nations Convention Against Corruption⁵

<http://www.unodc.org/unodc/en/treaties/CAC/index.html>

Other useful links:

ILO Code of Practice in Safety and Health

<http://www.ilo.org/safework/lang--en/index.htm>

ILO International Labor Standards

<http://www.ilo.org/global/standards/lang--en/index.htm>

ISO 14001,

<http://www.iso.org/iso/home/standards/management-standards/iso14000.htm>