



# Code of Ethics and Responsible business conduct

2024-02-10

# Content

- Introduction 3
- The purpose of the code 3
- Legal Requirement 4
- Human Rights 5
  - Child Labor and Special Protection of young workers 5
  - Forced Labor and Modern Slavery 5
  - Discrimination and Harassment 5
- Employee Rights 5
  - Health and Safety 5 - 6
  - Wages and working hours 6
  - The Rights of Association and Collective Bargaining 6
- Workplace Environment 7
- Responsible Sourcing of Raw Materials 7
- For Environmental 7 - 8
  - Climate Change 8
  - Transportation 8
  - Circular Economy 8 - 9
- Ethics Business 9
  - Anti-Corruption 9
  - Prevention of Corruption 9 - 10
  - Entertainment and Gifts 10
  - Conflict of Interest 10
- Application Law, Regulations and Confidentiality 10
  - Import and Export Control 11
  - GDPR 11
  - Confidentiality of Information and Data 11
  - Product Information 11
  - Continuous Improvement 12
  - Complaint and Whistleblower Handling 12

## **INTRODUCTION:**

Nelco Contact AB stands out as a prominent importer and distributor of electromechanical components.

We specialize in offering a wide range of services that encompass cables, connectors, installation materials, connection and completion products, tools, and lights.

Our commitment to quality and excellence has enabled us to establish a strong reputation in the industry, and we strive to maintain our position by providing top-notch services to our clients.

Nelco Contact AB has established a strategic network of diverse stakeholders with a business model based on simplicity, flexibility, and accessibility.

Our objective is to diminish global distances by providing a range of competitive products that meet high standards of quality, product demands, working conditions, employee rights, and environmental protection.

We are an independent, family-owned, company based in Stockholm, Sweden.

Our expertise in various industries has made us one of the best in the business.

Nelco Contact AB is proud to represent over 100 branches of leading manufacturers and suppliers worldwide, who have put their trust in us for a long-term relationship.

Our products have generated over 25 million Euros in sales, and our customer's trust and the trust we received from our sources have been instrumental in our success.

## **THE PURPOSE OF THE CODE:**

Nelco Contact AB is committed to high standards of business ethics and sustainability.

Our Code of Conduct is based on the UN Global Compact's ten principles the requirements we impose on ourselves and expresses the expectation that we hold for our business partners.

We encourage our business partners to establish their own code of conduct based on similar standards and to flow down these standards to all persons and entities supplying goods and services to Nelco.

## 1. LEGAL REQUIREMENTS

The Nelco Code of Conduct describes the requirements we impose on ourselves based on the ten principles of the UN Global Compact which derived from:

- The Universal Declaration of Human Rights,
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work,
- The Rio Declaration on Environment and Development and
- The United Nations Convention Against Corruption

and expect our business partners to impose it on their own organizations as well as their subcontractors.

We expect business partners to respect the principles laid out in this Code of Conduct and to actively strive to implement these principles in their own operations.

Nelco Contact AB expects business partners to comply with the legislation in force in the countries where they carry on their business.

It is fundamental to all areas of this Code of Conduct and the baseline of all business with Nelco Contact AB that the business partners operate in full compliance with all laws and regulations applicable to its business.

All legally required permits, approvals, licenses, registrations, inspections, and related reports shall be in place, up to date and available for inspection upon request.

To ensure that these principles of this Code of Conduct are put into practice, we expect our business partners to make the Code of Conduct available to all concerned employees, businesses partners, or other stakeholders through appropriate channels.

If there is a conflict between a requirement in this Code of Conduct and local legislation, the highest standard shall apply.

## 2. HUMAN RIGHTS

Nelco Contact AB undertakes to comply with the employment and working conditions recommended by the International Labor Organization Declaration on Fundamental Principles and Rights at Work (ILO), are expected business partners to comply with the basic principles of human rights.

In addition, the employees should be treated in accordance with the International Labor Organization.

### 2.1. Child Labor and Special Protection of young workers

The Guiding Principle for all business partners regarding child labor is the UN Conventional the rights of the Child.

Shall employ no person under the age of compulsory schooling or below 15 years.

Young employees between the age of 15 and 18 are entitled to special protection and their work must not compromise educational opportunities.

### 2.2. Forced Labor and Modern Slavery

Forced labor, involuntary, any form of violence, harassment, inhumane, degrading treatment, or unpaid work, will not be accepted in any form.

No person may be kept at work for any period against his/her own will.

No employees shall under any circumstances be subjected to bodily punishment or suffer any form of physical, sexual, or psychological punishment or harassment.

Employees will be treated with respect and dignity.

## 2.3. Discrimination and Harassment

Nelco Contact AB appreciates and respects differences cultural backgrounds and traditions, adequately expecting the same from business partners.

Employees will be assessed and treated in accordance with individual's abilities and qualifications in the performance of their duties.

No form of discrimination based on race, gender, religion, political opinions, or sexual orientation will be permit.

## 3. EMPLOYEE RIGHTS

Employee's rights include many different aspects, such as the right to fair work, freedom of association, and protection against discrimination.

These rights also apply to the workplace, and include things like health and safety, privacy, and equal opportunities, etc.

Our business partners are expected to comply with the basic principles of human rights and the employees should be treated in accordance with the ILO Declaration on Fundamental Principles and Rights at Work.

### 3.1. Health and Safety

Business partners have a responsibility to prioritize the provision of a safe and healthy workplace environment for their employees.

Business partners must also ensure that they comply with the laws and regulations applicable in their respective countries.

This is crucial to safeguard the health, safety, and welfare of employees, contractors, visitors, and others who may be impacted by their activities.

Business partners should aim to eliminate fatalities, work-related injuries, and health impairments, and limit exposure to safety hazards.

To provide a hygienic working environment, we expect business partners to take appropriate measures to ensure that employees' performance and safety are not affected by alcohol, controlled substances, legal and illegal drugs.

Employees should not face disciplinary action for raising safety concerns, and they have the right to refuse unsafe working conditions without fear of retaliation until management addresses their concerns satisfactorily.

In cases where business partners provide housing for their employees, the living space per employee must be at least that laid down in the legislation.

In addition, the living quarters must be clean and safe, meet all the basic needs of the employees and that satisfactory privacy is ensured.

### **3.2. Wages and working hours**

Business partners who work with Nelco Contact AB are expected to adhere to the standards set by the International Labor Organization (ILO) regarding working hours, resting hours, maximum consecutive days of work, and annual leave.

Any overtime work should be voluntary and must comply with the applicable labor laws or ILO standards.

All business partners of Nelco Contact AB must pay their employees an appropriate remuneration that meets at least the minimum wage required by law or collective agreement in their respective region.

Deductions from wages that are not legally justified are not allowed.

Additionally, the professional skills of employees at all levels must be promoted through appropriate training and further education measures.

All employees have the right to enter into a contract of employment.

### **3.3. The Rights of association and Collective Bargaining**

As our business partners, we expect you to uphold the rights of employees.

Employees have the right to associate freely and communicate openly with management about working conditions without fear of harassment, intimidation, penalty, interference, or reprisal.

This means that employees have the right to exercise lawful free association, including choosing to join or not join any association of their choice within the national legal framework.

Employees should have the freedom to be members of an organization that represents their interests as employees, without fearing threats or harassment.

Business partners should respect the right of employees to form and join trade unions or choose not to do so.

Employees have the right to bargain collectively in a free and democratic way, regardless of their gender.

#### 4. WORKPLACE ENVIRONMENT

- A safe working environment is important for Nelco.
- Our workplace environment strives to create a physically, mentally, and socially healthy and stimulating workplaces for all employees, where we prevent the risk of occupational injuries and work-related health issues and complies with the legal requirements applicable to our business.
- Employees must know the risks that may exist and be able to avoid potential risks.
- Business partners are responsible that the working environment is safe and healthy and follow current legislation.

#### 5. RESPONSIBLE SOURCING OF RAW MATERIALS

Nelco Contact AB is dedicated to guaranteeing that none of the products we represent or distribute contain Conflict Minerals that may fund or support conflict in the Democratic Republic of Congo or its neighboring countries.

We are committed to ensuring that our products are sourced ethically and do not contribute to any conflict in the region.

Referring to the minerals include but are not limited, Tin, Tungsten, Tantalum, and Gold (3TG), and we make every effort to trace the origin of these minerals used in our products.

We expect our business partners to conduct responsible due diligence in sourcing and extracting Conflict Minerals, including Tin, Tantalum, Tungsten, and Gold, used in products, consistent with

relevant parts of the OECD Due Diligence Guidance or equivalent processes.

They should be able to determine the origin and source of these minerals reliably.

We require our business partners to have a policy and process in place to ensure that these minerals do not finance or benefit armed groups that are responsible for human rights abuses or contribute to human rights violations in any way.

If any of the products provided by a business partner to Nelco Contact AB contain any Conflict Minerals, the business partner must review the supply chain to ensure that the minerals are obtained from mines and smelters outside of conflict regions.

If Nelco Contact AB requests it, the business partner must provide all relevant information about the relevant smelters or refineries.

#### 6. FOR ENVIRONMENTAL

Nelco Contact AB expects all of its business partners to comply with the existing environmental laws and regulations.

Business partners should be aware of and should have control over the environmental impact caused by their business activities.

It is expected of them to actively work towards preventing and minimizing environmental damage.

To ensure our products' quality and legal compliance, business partners must provide legal documentation, test reports, and certificates that prove their products comply with national environmental legislation or international standards in

cases where national standards are weak or poorly enforced.

### **6.1. Climate Change**

We at Nelco Contact AB are committed to reducing our carbon footprint and minimizing natural resource consumption in all our operations.

We recognize the importance of environmental issues, especially climate change, and believe that it is the industry's responsibility to address these challenges.

Our aim is to provide solutions that have the minimum impact on the environment.

We expect our business partners to adhere to the same high standards as we do.

Business partners should approach environmental issues strategically and systematically, identifying and mitigating their own environmental risks.

We expect them to have an environmental improvement program in place with objectives and action plans.

They should comply with all applicable environmental legislation, permits, and reporting requirements under such legislation and permits.

Additionally, it is essential that their employees have adequate and documented environmental competence and training.

They should also have an appropriate incident reporting and investigation procedure in place, including a process for corrective action.

Partners expect to reduce their carbon footprint to meet Paris Climate targets. Find economic solutions for energy

efficiency and reducing greenhouse gas emissions.

We consider environmental certification that complies with ISO 14001, or any equivalent standards, positively.

### **6.2. Transportation**

All modes of transportation have a significant impact on the environment, so Nelco Contact AB has taken steps to reduce the company's carbon footprint.

We use low-emission vehicles for our business operations, and we encourage our partners to do the same.

- To minimize environmental impact, we expect our business partners to use fuel-efficient and low-emission vehicles whenever possible when transporting goods or providing services for the company.
- We also recommend using land or sea-based shipping methods instead of airfreight whenever feasible.

### **6.3. Circular economy**

The circular economy is a system that aims to keep the value of products, materials, and resources in the economy for as long as possible.

To achieve a low carbon footprint, resource efficiency and a competitive economy, companies need to transition towards designing for the environment, particularly by adopting the circular economy approach.

- By reducing the use of raw materials and resources,
- Using recycled or bio-based materials wherever possible,



- Avoiding the use of Rare Earth Elements (REE) as much as possible,
- Designing products in a modular way for re-use and recycling,
- And using materials that can be easily recycled.

## 7. ETHICS BUSINESS

It is expected that all business partners of Nelco Contact AB will make decisions based solely on factual and objective criteria, without being swayed by personal interests or those of their close associates.

Any form of conflict of interest should be avoided. This is in line with our commitment to ethical and transparent business practices.

### 7.1. Anti – Corruption

Nelcos employees should not give/accept payments, gifts or other remuneration in any way affect or could be perceived to affect the objectivity of business decisions.

At Nelco Contact AB, we pride ourselves on maintaining a strict policy of zero-tolerance towards any form of corruption or unethical practices.

Our commitment to this policy is unwavering, and we take great care to ensure that our business dealings are conducted with complete transparency and integrity.

We firmly believe that by upholding these standards, we can continue to build trust and confidence with our clients, stakeholders, and partners.

Our esteemed business partners are held to the highest standards of integrity, founded on core principles of

transparency, compliance, and ethical business practices.

It is expected that our partners will refrain from engaging in any form of corruption or influence peddling, and will abstain from offering, promising, granting, or requesting anything of value - either directly or indirectly - to or from a public official or private sector employee, with the intent of affecting actions or gaining an unfair advantage.

This encompasses the prohibition of facilitation payments in any form.

### 7.2. Prevention of Corruption

It is a requirement for business partners of Nelco Contact AB to implement an appropriate management system for the prevention of corruption, which is in line with their respective risk profile.

Develop a written statement or public policy against corruption that addresses bribery of public officials and private enterprises.

Prevent corruption, enforce anti-corruption policies, and promote ethical behavior through training and awareness programs.

Establish a system of accounting procedures and internal controls to prevent bribery and maintain accurate records.

Conduct thorough due diligence and monitoring of business partners and ensure ethical business practices.

Establish a confidential reporting mechanism to investigate concerns and prohibit retaliation against reporters and participants.

Monitor and enforce compliance with anti-corruption laws in business partners' operations.

### **7.3. Entertainment and gifts**

Nelco Contact AB expects its esteemed business partners to conduct themselves with the utmost professionalism and avoid the misuse of invitations and gifts to influence others.

We request that any invitations or gifts offered to Nelco Contact AB employees or related persons be appropriate, of minor value, and in accordance with the generally accepted local business customs.

Furthermore, we kindly request that business partners refrain from soliciting any undue benefits from our employees.

Your cooperation in this matter is greatly appreciated.

### **7.4. Conflict of Interest**

At Nelco Contact AB, we hold our business partners to a high standard of ethical conduct.

We expect all decisions regarding their business activities with Nelco Contact AB to be based solely on objective criteria.

It is imperative that any conflicts of interest with private affairs, commercial or other activities, including those involving relatives or related persons or organizations, are identified and prevented from the outset.

We appreciate our partners' commitment to upholding these ethical standards in their business dealings with us.

## **8. APPLICATION LAW, REGULATIONS**

Nelco Contact AB upholds a Code of Conduct that is implemented in our daily operations.

Upon request, We and our agents are authorized to conduct visits to monitor and control operations, during which we may interview employees.

Our suppliers are expected to provide documentation that demonstrates their adherence to Nelco's Code of Conduct.

Any deviations from the code will be reported, and an action plan will be developed, implemented, and monitored.

We strictly comply with all valid and applicable local, national, and international laws and regulations.

Adherence to these laws and regulations is integral to the success of Nelco Contact AB.

Any violation of these laws and regulations can lead to significant harm and severe consequences for our company, employees, vendors, business partners, and other stakeholders.

At Nelco Contact AB, we maintain a zero-tolerance policy for any violations and expect our business partners to adhere to valid and applicable laws, official regulations, and rules equally.

### **8.1. Import and Export Control**

We expect our esteemed business partners to comply with applicable trade rules, export controls, restrictions, sanctions and import-export embargos, including laws, regulations and rules relating to illegal boycotts, which are of utmost importance to us.

Adherence to these regulations is a critical component of maintaining a successful and mutually beneficial business relationship.

### **8.2. GDPR (General Data Protection Rights)**

Nelco Contact AB has an expectation for its business partners to respect and protect personal rights.

It is mandatory for our business partners to comply with the applicable regulations and laws, especially the General Data Protection Regulation (GDPR) effective from 25th May 2018 and the Data Protection Act 1998.

### **8.3. Confidentiality of information And data**

As a standard, Nelco Contact AB's business partners are expected to operate in compliance with international information security standards.

This includes the confidential agreement for Information Security Management.

Business partners should be mindful of the significance of maintaining confidentiality, integrity, and availability of information at all times.

The level of security must be in accordance with the sensitivity, value, and criticality of the information being processed throughout its lifecycle.

It is paramount that business partners safeguard confidential information, comply with contractual requirements on data protection, and avoid disclosing any non-public information.

By adhering to these guidelines, business partners will demonstrate their commitment to maintaining the security and integrity of information entrusted to them by Nelco Contact AB.

### **8.4. Product Information**

Nelco Contact AB requires its business partners to inform us about the presence of any hazardous chemical substances contained in the products supplied to Nelco Contact AB.

These substances may be released at any point during the entire life cycle of the products.

Therefore, Nelco Contact AB should not be supplied with any products that may contain substances that are prohibited in the countries where the product is intended to be sold.

This means that vendors and other business partners must comply with Regulation 1907/2006/EC, commonly known as the "REACH" regulation.

This regulation was amended in 2018 by Regulations 2018/675/UE and Directive 2017/2102/EU, which amended 2011/65/UE, also referred to as the RoHS Directive.

## 8.5. Continuous Improvement

Nelco Contact AB invites and encourages its business partners to share innovative ideas that can contribute to social, economic or environmental improvement.

We highly value an open exchange of new ideas and are committed to exploring new opportunities in collaboration with our business partners.

We respectfully request that partners proactively approach us with their ideas.

## 8.6. Complaint and Whistleblower Handling

Nelco Contact AB provides a whistleblower system for business partners, their employees, or stakeholders to report any compliance violations, suspected violations, or breaches of the principles of the Code of Conduct.

It is our commitment to ensure that anyone who reports such violations is protected from retaliation.

We encourage individuals to use the whistle-blower section on the internal platform (Sharepoint) to report any wrongdoing.

**The Code of Conduct of Nelco Contact AB has been received, understanding, agreement with the contents and accepted by:**

**Place, Date:**

**Signature:**

**Designation:**

**Name:**

**Company Name:**

**Address:**