



# DALEMA

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## Dalema's Code of Conduct

### Purpose

At Dalema, we want to run our business in accordance with responsible business practice. We must comply with applicable laws and regulations, and respect cultures and the rights of individuals in all countries where we do business.

To make Dalema's position clear to the Group's companies, employees, board and stakeholders, we have established this Code of Conduct on responsible business. The document address important principles and set clear rules and expectations for our behavior.

We expect that you, as an employee, are familiar with these guidelines and that you follow them.

### Our Principles

The guidelines are derived from key principles, which in turn are based on globally recognized guidelines defined by the UN Global Compact and OECD's recommendations on responsible business conduct. The principles are:

#### **1st principle: Avoid harm.**

Dalema and its companies shall avoid contributing to corruption, human rights abuses, poor working conditions or adverse effects on consumers, local communities, and the environment, both in our own business and through business relations.

#### **2nd principle: Responsible approach.**

Dalema and its companies shall take a responsible approach to principles of good business conduct by performing due diligence. Companies must base their work on relevant international guidelines and best practice for their sector and implement measures for continuous improvement.

The following sections contains areas that Dalema considers to be the most critical and important for responsible business conduct.

#### **Human rights**

We shall respect universal human rights, and particular action will be taken to prevent unacceptable violations of human rights (see section on Due Diligence).

#### **Working conditions**

We have zero tolerance for any instances of forced labour and child labour in the supply chain, and every company shall work to eradicate this.

Furthermore, we do not accept any form of bullying, harassment, discrimination or other illegal behaviour towards colleagues, business associates, customers, or other partners. Employees shall work actively to create a working environment characterized by equality, diversity, and mutual respect where everyone has the opportunity to contribute to business success and to realize their potential.

We support the right to freedom of association and other forms of democratically elected worker representation.

### **Due Diligence**

The companies shall implement procedures for tailored due diligence for their operations and supply chains in accordance with legal requirements and the principles of the OECD Due Diligence Guidance for Responsible Business Conduct. This involves working in a systematic way to identify, assess and address the company's actual or potential negative impacts on the environment or people.

### **Responsible Procurement**

Responsible purchasing practices are a prerequisite for responsible business conduct. Dalema and its companies shall act as responsible buyers and set reasonable expectations towards our partners with regards to addressing important environmental and social topics.

Our suppliers and partners shall:

- Follow our guidelines for suppliers, hereunder the Code of Conduct for Suppliers and product specific requirements.
- Ensure that their own subcontractors also comply with these guidelines, including all subcontractors backwards in the contractual chain.
- Conduct due diligence and show willingness and ability to continuous improvement for people, society, and the environment.
- At the request of the Group, be able to document how they, and potential subcontractors, work to comply with the guidelines.
- Show willingness to let the Group, when necessary, conduct second-party audits on production sites.

Production sites in high-risk countries<sup>1</sup> shall be subjected to a valid third-party certification or

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<sup>1</sup> [Countries' Risk Classification amfori BSCI](#). This list is updated regularly.

other valid equivalent monitoring/certification system. We accept amfori BSCI, SMETA, SA 8000, WCA and Opal Vendor Assessment.

In addition to comply with the requirements above, preference when selecting new suppliers shall be given to suppliers certified in accordance with ISO 14001 or other environmental management standards, and ISO 9001 or other quality management standards.

We shall strive towards lasting supplier relationships with suppliers who show a particular willingness and ability to create positive developments in the supply chain. In dialogue with suppliers we will consider, if needed, contributions with capacity building or resources that enable our suppliers to comply with our requirements related to people, society, and environment. We want a purchasing practice that strengthens, and not undermines, our suppliers' ability to deliver on our requirements. Collaboration is key to all this.

All companies with planned Private Label and OEM productions in India, China, Malaysia, and Vietnam shall use the Group's sourcing office Opal as a partner. Deviating from this must be approved by the CEO of the respective company.

### **Anti-corruption**

Employees shall not offer, request, give, accept, or receive bribes or other improper advantages for business or private gain, including facilitation payments, whether directly or indirectly, for themselves or for agents and suppliers

This means that employees must neither directly nor indirectly accept discounts for personal purchases, payments, gifts, trips, events, or other benefits from the company's business relationships when:

1. it is not in accordance with recognized business hospitality or consideration, or
2. it is not of modest scale with regard to value and frequency, or
3. it cannot be considered appropriate with regard to time and place, or

4. for other reasons where it is conceivable that the concerned person's behaviour on behalf of the company could be affected in a negative way

If the employee or the employee's close relatives are offered a personal benefit that goes beyond these limits, or if there is any doubt about it, the manager must be consulted to clarify whether the offer can be accepted.

It also means that no employee shall offer or provide illegal or unjustified financial or other benefits to or for government employees, or employees of customers, in order to obtain or retain business advantages. This implies, among other things, that it is prohibited to use methods such as sub-deliveries, purchase orders, consultancy agreements and the like to transfer illegal or unjustified financial or other advantages to the mentioned persons.

The manager must always be consulted if there is any doubt about these guidelines.

### **Countries Affected by Trade Boycott**

Dalema Group, including all our suppliers and business partners shall avoid trading with partners that have activities in countries where a trade boycott is imposed by the UN and/or National Government Agencies.

### **Confidential information**

Throughout the entire length of employment, complete confidentiality applies to all company secrets and other information about technical, administrative, and business matters that become known through an employee's work in the company. The duty of confidentiality also applies after the employment relationship has ended.

It is also prohibited, directly or indirectly, to provide information about these conditions to third parties. Other employees in the company who do not need the information or have the right to obtain it are also considered third parties.

### **Duty of Loyalty**

Duty of loyalty applies to all employees in the Dalema group and concerns many aspects.

A breach of duty of loyalty may exist, for example, if an employee:

- makes critical statements that damage the business;
- behaves inappropriately towards customers, colleagues or managers;
- is involved in a relationship or situation in private that may adversely impact the employment relationship, and the employee fails to raise this with its employer.
- fails to inform the employer of other employments/engagements/secondary positions that the employee may have or undertake
- fails to contribute to clarifying any irregularities in the employment relationship
- promotes own business interests at the expense of the employer's
- violates the duty of confidentiality

During the employment, employees must act loyally towards the employer. The duty of loyalty entails, among other things, that employees must not enter into any form of personal business relationship, directly or indirectly, with companies that operate in competition with the employer or any of the Group's companies without the employer's consent. This also applies to customers, suppliers, business partners or other business relations of the Dalema Group.

Employees must not, during their employment, hold secondary positions or perform other paid work of any importance, if the company, by reasonable judgement, comes to the conclusion that the additional activities affect work effort or is otherwise disadvantageous for the company. This also applies to paid and unpaid board positions.

Employees may not speak to the press/media or other news organization on behalf of the employer or another company in the Group, unless it has been approved in advance by the manager.

Employees managing personnel, shall not employ people in their immediate family or close relationships without this being clarified with the employer.

### **Environment**

We shall respect the environment and local environmental laws, and work purposefully to reduce our environmental impact from own operations and across the value chains.

### **Continuous improvement**

Based on the current situation, we shall implement measures that constantly bring the company closer to fully complying with the above principles. This Code of Conduct will not cover all areas of business responsibility that may become relevant. Therefore, it must be a continuous discussion about ethics in the day-to-day operations of all companies in Dalema.