

IDEAL OF SWEDEN

CODE OF CONDUCT

FOR BUSINESS PARTNERS TO IDEAL OF SWEDEN

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1. INTRODUCTION

1.1 Purpose and scope

Ideal of Sweden AB's, org. 556889-7994, ("Ideal of Sweden"), Code of Conduct (hereinafter, the "Code") is based on our core values. The Code applies to the entire value chain and illustrates what we expect of our suppliers, their subcontractor and other business partners (hereinafter, "Suppliers"). It offers guidance about how we should conduct ourselves in relation to our stakeholders and describes the directives and principles we follow as part of our operations.

Ideal of Sweden is proactive in its efforts to reduce its operations' negative impact on the environment and risks to people's health and safety. We adhere to the precautionary principle in our work, which means that precautions are taken as soon as there are grounds for suspecting that an activity could harm the environment or people's health.

We base the requirements of our Code internationally agreed standards such as:

- Universal Declaration of Human Rights
- The UN Convention on the Rights of the Child
- ILO Declaration on Fundamental Principles and Rights at Work

1.2 Terms and definitions

Term / Abbreviation	Explanation
Child labour	Work performed by children under the minimum legal working age that deprives them of their childhood, potential and dignity and that is harmful to their physical and mental development. Furthermore, work done by any person under 18 years of age can also be considered "child labour", depending on the type and hours of work performed and the conditions under which it is performed.
Collective bargaining	Negotiations between the employer and worker representatives, freely and independently chosen by workers.
Bribery	The giving (providing, promising, or offering) or receiving (accepting, receiving, accepting promise of or requesting) of an improper benefit for the carrying out of an employment or assignment. A bribe can take many forms and shapes, for example (but not limited to): Cash or other forms of payment paid to a person, gifts, entertainment, or hospitality (such as payment of travel, accommodation, and food/drinks) provided to a person.
Forced labour	All work or service which is exacted from any person under the menace of any penalty and for which the person has not offered himself voluntarily.
Hazard	A situation that poses a level of threat to life, health or the environment. This can include physical, chemical, biological, ergonomic, or occupational hazards.
Migrant worker	A migrant person is a worker who migrates from one territory or country to another to seek employment.
Value chain	The full range of activities required to bring a product or service from its conception to the final consumer and re-integration back into the value chain. This includes activities such as design, production, distribution, and support to the consumer. At different stages of the value chain, stakeholders add value to the product or service to increase its end value.
Worker	A person performing work full-time or part-time. This includes piece rate workers, vocational trainees and workers undergoing a probationary period, as well as sub-contractor workers.
Working hours	The period in which a worker is working. They exclude time not worked, even if paid, such as paid annual leave, paid public holidays, paid sick leave, meal breaks, time spent on travel from home to work and vice versa.

2. LEGAL REQUIREMENTS

We expect that all our Suppliers in all their activities act to maintain awareness of and comply with all applicable national laws, rules, and regulations. Should any requirement in this Code be in conflict with the applicable law, the highest standard shall be applied unless such is in contradiction with the applicable law. In such case, the law shall be complied with. The Supplier must, in such case, notify Ideal of Sweden immediately before signing this Code.

3. CHILD LABOUR IS NOT ACCEPTED

Child labour is not accepted. We acknowledge that according to the UN Convention on the Rights of the Child, a person is a child until the age of 18. The Supplier must take the necessary preventive measures to ensure that it does not employ anyone below the legal age of employment. Children must have the right to access basic education, be protected from economic exploitation, and not perform work that might be harmful to the child's physical or mental health.

Vocational trainees may participate in training from 14 years of age. Training must be directly related to their education. Children, whether as young workers or vocational trainees, cannot perform hazardous work or night work.

4. SAFE WORKING CONDITIONS

4.1 Building Safety

Suppliers must provide employees with a safe, healthy, and clean workplace and hold a building safety certificate in accordance with all current building laws and regulations. The workplace must have adequate ventilation, temperature and must meet employees' basic needs.

4.2 Fire Safety

Suppliers must maintain and administer fire and electrical safety procedures. All buildings must have well-established fire emergency action plans, well-marked exit routes, and easily accessible firefighting equipment that is continuously tested and maintained. The premises must have an operating alarm system that notifies employees in case of emergencies. Emergency evacuation drills must be performed on a regular basis to test the evacuation process and identify any need for improvement.

4.3 Accidents and First Aid

The workplace must conduct health and safety training for all employees, and have an adequate number of trained and certified responders in case of an emergency. First aid materials must be available in official languages, easily accessible and marked by signs. All relevant emergency telephone numbers must be available by each telephone.

4.4 Working Environment

The Supplier shall always comply with all applicable local laws and regulations to prevent accidents and injury to health arising out of, linked with, or occurring in the course of, work or as a result of the operation of employer facilities. The Supplier must equip all employees with the necessary protective equipment to fit the operational risk without having to pay for it.

5. WORKERS' RIGHTS

5.1 Basic Rights

Ideal of Sweden does not accept any form of modern-day slavery, including forced, bonded, compulsory, prison labour and human trafficking in the production of goods for Ideal of Sweden.

The Supplier must provide all employees with a written employment contract that clearly defines the terms and conditions of the employment in an understandable for the employee language. All employment contracts must be based on recognized national employment laws and regulations. All fees and costs related to recruitment, employment, or termination processes are not charged to employees.

Obligations to workers employed through an agent or contractor are the responsibility of Ideal of Sweden's Supplier and are therefore covered by this Code.

Migrant employees must have the same entitlements as local employees. The Supplier may not confiscate or withhold employees' identification documents.

5.2 Harassment

All employees must be treated with respect and dignity. No employee shall be subject to any forms of harassment in the workplace, including threats of physical or psychological violence and abuse. No employee shall be discriminated on the grounds of sex, nationality, ethnic origin, age, pregnancy, sexual orientation, religion, political opinion, disease, or disability. No forms of harassment shall be inflicted by Suppliers' subcontractors or other business partners.

All relevant rules regarding harassment, discrimination, and disciplinary measures must be clearly communicated to all employees and complied with.

All employees must be protected from retaliation regarding filing harassment complaints and have the right to appeal disciplinary decisions.

5.3 Freedom of association and the right to collective bargaining

All employees have the right to form or join associations of their own choosing and bargain collectively. Ideal of Sweden does not accept disciplinary or discriminatory actions from the Supplier towards the employees who choose to peacefully and lawfully organize or join an association.

5.4 Wages and benefits

All employees must receive compensation according to contractual terms, on time, and reflect the employee's experience, qualifications, and performance. The compensation must be at least the legal minimum wage, and all other types of legally mandated benefits must be paid. All employees must also receive a payslip with information in an understandable language regarding their full pay, benefits, and deduction information that reflects the payment received.

No unfair deductions are allowed, and the employee has the right to a written specification of how the wage has been calculated.

The employees shall be granted and correctly compensated for any types of paid leave to which they are legally entitled. Examples of such leave include annual leave, maternity/parental leave, and sick leave.

5.5 Working hours

Ordinary working hours, including overtime hours, must not exceed the legal limit allowed by the law of the country of operation. If such limitations do not exist, working hours must not exceed 60 hours per week, and overtime work should not exceed 12 hours per week. Overtime work must always be voluntary and compensated in accordance with the law.

Employees must be entitled to at least one break of 30 minutes every 4.5 hours worked, unless otherwise agreed in writing. Piece-rate work should not be exempted from the right to overtime compensation. Employees are also entitled to at least 24 consecutive hours of rest in every seven-day period.

6. ENVIRONMENT

The environment is of increasing concern globally, and Ideal of Sweden expects its Suppliers to act responsibly in this respect. Our Suppliers must comply with all applicable environmental laws and regulations in the country of operation.

6.1 Environmental permits

The Suppliers must have or be in the process of acquiring all relevant environmental permits and licenses for their operations.

6.2 Chemical restrictions, waste management, energy and water use

Suppliers must make sure that the chemicals used to manufacture Ideal of Sweden products comply with the Ideal of Sweden Restricted Substance List. The supplier warrants that the products do not contain toxic substances or components that breach recognized international standards or can be detrimental to the health of consumers or the environment.

Suppliers are responsible for conducting safe and sustainable waste management, especially regarding hazardous substances and materials, and must strive to reduce or eliminate waste through improved maintenance, conservation, recycling, or similar practices.

Suppliers must strive towards sustainable energy and water consumption and have mitigation strategies for reducing air pollution.

7. CORRUPTION

Ideal of Sweden has a zero-tolerance policy towards corruption and bribery and aims to cooperate with its Suppliers to maintain the highest level of transparency throughout the supply chain.

All businesses carried out with or on behalf of Ideal of Sweden must comply with Ideal of Sweden's Code of Conduct, including all policies it refers to.

All relevant stakeholders are required to commit to and comply with all applicable international standards and regulations, and local laws in the country of operation covering this topic.

Ideal of Sweden encourages its suppliers to adopt similar anti-bribery policies within their organizations.

8. ANIMAL WELFARE

Ideal of Sweden is proactively working towards ensuring that there is no use of any material derived from animals in our products.

Ideal of Sweden is against animal testing and encourages all Suppliers to follow our policy on this matter regardless that Ideal of Sweden is only using products that are not from animals.

9. MONITORING, PRINCIPLE AND ENFORCEMENT

9.1 Management system

To ensure proper implementation of this Code, Ideal of Sweden recommends its Suppliers to establish an internal management process. Ideal of Sweden emphasises the importance of the following prerequisites as part of the foundation of such process:

- The Supplier shall make a centrally placed employee responsible for implementing the Code in the Supplier's business.
- The Supplier shall make the Code known in all relevant parts of its organisation.

9.2 Transparency and grievances

Trust, transparency, and cooperation related to the business relationship of Ideal of Sweden and its Supplier must be ensured by all relevant parties. Attempts to break laws and regulations, falsify documents, mislead and deceive, or commit bribery and corruption are not accepted.

We believe in cooperation, and we are willing to work with our Suppliers to achieve sustainable solutions and promote suppliers who are in compliance. Ethical behaviour is required by Ideal of Sweden's inspection partners and any breaches of this Code must immediately be reported. Ideal of Sweden provides a confidential whistleblowing mechanism where all Ideal of Sweden stakeholders, including but not limited to employees, suppliers, subcontractors and other business partners, with concerns regarding possible breaches can raise these concerns anonymously through:

<https://whistle.alexishr.com/report/ideal-of-sweden>.

9.3 Monitoring

All Suppliers must keep Ideal of Sweden fully updated on where the services subject to cooperation with Ideal of Sweden are operated, including but not limited to where each product is manufactured. This responsibility includes informing Ideal of Sweden of any subcontractors contracted and any work performed outside the Supplier's working facilities. For auditing purposes, all relevant documentation must be maintained.

We reserve the right to make unannounced visits to all units producing goods or services for Ideal of Sweden, at any time, and reserve the right to appoint an independent third party of our choice to conduct audits in order to evaluate compliance with this Code. During audits, we require unrestricted access to all areas of the premises, to all documents, and all employees for interviews. We also demand the right to provide employees with contact details for Ideal of Sweden.

9.4 Supply chain

Ideal of Sweden's Code of Conduct only applies to our direct Suppliers. Nevertheless, we encourage our Suppliers to impose social and environmental requirements upstream in their respectful value chains.

9.5 Corrective action

The audits conducted by Ideal of Sweden are intended to uncover discrepancies between the standards of this Code and actual practices and conditions at our Suppliers. The audited Supplier will usually be given the opportunity to propose and implement a corrective action plan. Ideal of Sweden will follow up on the implementation and verify that any potential violations have been remedied. A Supplier failing to undertake improvements within the stipulated time frame would seriously damage its relationship with Ideal of Sweden. Refusal to participate and repeated serious violations of this Code and any applicable laws or regulations, may result in reduced business and, eventually, termination of the business relationship with Ideal of Sweden.

IDEAL OF SWEDEN

Place and date

Name

Title

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Name

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