

Ariens Scandinavia AS Supplier Code of Conduct

Latest approved by Ariens Scandinavia Leader Groupe 10.03.2023



1. Introduction

At Ariens Scandinavia AS we recognize that our business has an environmental and social impact, both in our own operations and beyond. Being a responsible and sustainable company is something we see as both a necessity and an opportunity for Ariens. Striving for sustainable operations throughout the value chain is a strategic priority for us. We support UN Global Compact's ten principles on human rights, environment, and anti-corruption, and engage with suppliers that are committed to the same principles.

Based on this commitment, we have developed Ariens's Supplier Code of Conduct ("SCoC"). Our overall objective is to encourage the respect for human rights and labour rights as well as environmental protection among our business partners. The SCoC refers to international conventions such as the Universal Declaration of Human Rights, UN Guiding Principles for Business and Human Rights, OECD Guidelines for Multinational Enterprises, International Labour Organization (ILO) Conventions and recommendations relevant to improve working conditions in the supply chain.

2. Implementation

As a business enterprise which has endorsed Code of Conduct, Ariens Scandinavia AS has demanded that all suppliers shall adhere to the principles and requirements.

Suppliers shall also be responsible for ensuring that sub-suppliers, contractors, and agents are in compliance with the SCoC. All suppliers shall sign the document. Ariens Scandinavia AS is committed to working for accurate follow-ups of our suppliers' ability to meet these requirements.

Ariens Scandinavia AS strives to further detail the root causes of any such adverse impact in human rights, particularly when sourcing from high-risk regions or sectors and expect the same from our Suppliers should act with due diligence and develop the necessary management systems, policies and processes to a reasonable extent as well as effectively prevent and address any adverse human rights to impacts that may be detected in the supply chain.

We expect our suppliers to adopt a management system to drive continuous improvement and ensure compliance with applicable laws and the SCoC.

Suppliers should establish or participate in effective operational-level grievance mechanisms for individuals and communities who may be adversely impacted. Suppliers should also establish good management practices that involve workers and their representatives in sound information exchange on workplace issues and allow for appropriate measures for protecting workers in line with the aspirations of the SCoC. Specific steps should be taken to make workers aware of their rights and responsibilities. In addition, suppliers are expected to maintain appropriate training programs for employers, managers, workers and workers representatives in order to implement the principle of the SCoC and to comply with applicable legal requirements.

Terminating a business relationship with a business partner due to failure of implementing Ariens's Supplier Code of Conduct is considered a last resort. However, it may be necessary to terminate a business relationship if the business partner fails to act in a manner consistent with the principles set out in this SCoC, and/or the business partner is unwilling to undertake the measures needed to fulfil any of the obligations set out in the SCoC.

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3. Business Principles and Legal Requirements

3.1 Compliance with laws and regulations

Suppliers shall comply with all applicable national laws, industry minimum standards, ILO and United Nations conventions. Should the provisions of national law and the requirement of the SCoC differ, the highest standard shall apply. Ariens Scandinavia AS expects suppliers to adopt a management system to drive continuous improvement and ensure compliance with the laws and standards previously described.

Suppliers shall ensure that all its employees receive adequate information and training in relation to relevant legal, regulatory and internal requirements that apply to their jobs.

3.2 Forced Labor *ILO Conventions No. 29 and 105*

Suppliers shall not engage in any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. Suppliers shall ensure that workers are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse. A business can also become complicit in forced labour if they benefit from the use of such forms of labour by their business partners. Suppliers shall act with special diligence when engaging and recruiting migrant workers both directly and indirectly.

3.3 Freedom of Association and Collective Bargaining *ILO Conventions No. 87, 98, 135 and 154*

Suppliers shall respect the right of workers to join or form unions and to bargain collectively.

Workers shall not be discriminated because of trade union membership.

When operating in countries where trade union activity is unlawful or where free and democratic trade union activity is not allowed, suppliers shall respect this principle by allowing workers to freely elect their own representatives with whom the company can enter into dialogue about workplace issues.

3.4 Child Labour and Special Protection of Young Workers *UN Convention on the Rights of the Child; ILO Conventions No. 79 and 138, 182; ILO Recommendation No. 146*

Suppliers shall not directly or indirectly employ children below the minimum age of completion of compulsory schooling as defined by law, which shall not be less than 15 years, unless the exceptions recognized by the ILO apply. Children under the age of 18 shall not engage in labour that is hazardous to their health, safety, morals nor work at night. Suppliers must establish procedures for age-verification as part of the recruitment process, which may not be in any way degrading or disrespectful to the worker.

If child labour is found to already takes place, actions shall be taken immediately. In removing children from the workplace, the supplier should identify in a proactive manner and take measures to ensure the protection of affected children. When appropriate, the supplier shall pursue the possibility to provide decent work for adult household members of the affected children's family.

Young workers between 15 and 18 have the right to special protection and their work may not impair possibilities of education. Suppliers shall set the necessary mechanisms to prevent, identify and mitigate harm to young workers. This is to be done with special attention to the access young workers shall have to effective grievance mechanisms and Occupational Health and Safety trainings.

3.5 Discrimination *ILO Conventions No. 100, 111, 143, 169, 183; UN Convention on Discrimination Against Women*

Suppliers shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, birth, social background, disability, ethnic and national origin, nationality, membership in unions or any other legitimated organizations, political affiliation or opinions, sexual orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. Workers shall not be harassed or disciplined on any of the grounds listed above. Measures shall be established to protect employees from sexually intrusive, threatening, insulting or exploitative behavior and from discrimination or termination of employment on unjustifiable grounds, e.g. marriage, pregnancy, parenthood or HIV status.

3.6 Fair Remuneration *ILO Convention No. 26, 95, 131*

Suppliers shall respect the right of the workers to receive fair remuneration that is sufficient to provide them with a decent living for themselves and their families, as well as the social benefits legally granted. Wages shall, as minimum, comply with wages mandated by governments' minimum wage legislation, or industry standards approved on the basis of collective bargaining, whichever is higher. Wages shall always be sufficient to cover living expenses and provide some disposable income. Overtime shall be compensated at a premium rate according to national law, or not less than 1,25 times the regular rate, whichever is higher. Wages are to be paid in a timely manner, regularly, and in a legal currency.

The level of wages shall reflect the skills and education of workers and shall refer to regular working hours. It is unacceptable to use wage deductions as a disciplinary measure.

3.7 Decent Working Hours *ILO Convention No. 1 and 14; ILO Recommendation No. 116*

Suppliers shall ensure that workers are not required to work more than 48 regular hours per week, without prejudice to the specific expectations set out hereunder. Applicable national laws, industry benchmark standards or collective agreements are to be interpreted within the international framework set out by the ILO. In exceptional cases defined by the ILO, the limit of hours of work prescribed above may be exceeded, in which case overtime is permitted.

The use of overtime is meant to be exceptional, voluntary and shall not represent a significantly higher likelihood of occupational hazards. Workers shall be granted the right to resting breaks in every working day and the right to at least one day off in every seven days, unless exceptions defined by collective agreements apply.

3.8 Occupational Health and Safety *ILO Convention No. 155, 184; ILO Recommendation No. 164*

Suppliers shall respect workers right to healthy working and living conditions, taking in account the existing knowledge of the industry and its related hazards. Suppliers shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced. Vulnerable individuals such as, but not limited to, young workers, new and expecting mothers and persons with disabilities, shall receive special protection. The supplier shall respect the workers' right to exit the premises from imminent danger without seeking permission. Suppliers shall ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. Effective measures are taken to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work. These measures should aim at minimizing so far as is reasonable the causes of hazards inherent within the workplace. Suppliers will seek improving workers protection in case of accident including through compulsory insurance schemes. An active collaboration between management and workers, and/or their representatives is essential in order to develop and implement systems towards ensuring a safe and healthy work environment.

Suppliers shall ensure access to drinking water, safe and clean eating and resting areas as well as clean and safe cooking and food storage areas. When needed, effective personal protective equipment (PPE) shall be provided to all workers free of charge. Furthermore, suppliers shall ensure that adequate medical assistance is available at the workplace, such as first aid, personnel trained in first-aid, or access to a nurse or doctor.

If a supplier provides accommodation to workers, it shall be clean, safe, adequately ventilated, and have access to clean sanitary facilities and clean drinking water. Fire safety and emergency evacuation plans in dormitories shall be of the same standard as in the working environment.

3.9 No Precarious Employment

Suppliers shall ensure that their employment relationships do not cause insecurity and social or economic vulnerability for their workers and that work is performed on the basis of a recognized and documented employment relationship, established in compliance with national legislation, custom or practice and international labor standards, whichever provides greater protection. All employees are entitled to their own copy of the employment contract, which must be written in a language they understand. Before entering into employment, suppliers are to provide workers with understandable

information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment. Suppliers shall take into special consideration employees who have children, especially seasonal and migrant workers with children located distantly, so that these workers can combine work with parenthood.

Suppliers shall not use employment arrangements in a way that deliberately does not correspond to the genuine purpose of the law. This includes, but is not limited to, apprenticeship schemes where there is no intent to impart skills or provide regular employment, seasonality or contingency work when used to undermine workers' protection and labour-only contracting. Furthermore, the use of sub-contracting may not serve to undermine the rights of workers.

3.10 Protection of the Environment

At Ariens Scandinavia AS we strive to continuously improve our company's environmental performance and work to adapt a new management system Miljøfyrtårn comparable to ISO:9001 . We require that our suppliers conduct their operations responsibly in relation to the environment and comply with local and national environmental legislation. Our suppliers are encouraged to implement their own environmental management system according to ISO 9001 or equivalent. Through a structured and systematic approach or the identification, measurement and follow-up of its environmental impact, the supplier may continually improve its environmental performance and minimize the use of resources and the production of waste.

3.11 Product Safety

Our product assortment is the core of Ariens Scandinavia AS business. It is therefore of great importance that we can ensure the quality and legal compliance of our products in all countries where we operate in. All products in our assortment shall be safe and traceable. Suppliers shall inform of any risks associated with the products supplied to us.

Suppliers shall also commit to Ariens Group's Chemical Restriction List as well as any chemical legislations relating to the product, such as but not limited to, REACH, RoHS, CLP and Biocide directive. Suppliers are required to report the presence of substances, above 0.1 % weight of a product, that are listed in the EU's Candidate List of substances of very high concern (SVHC). If a supplier's products contain SVHC-substances as stated above, and is located in the EU, their products must be registered in the EU SCIP-database and notify us of the SCIP-number for registered goods. Non- EU suppliers must supply Ariens Scandinavia AS with necessary information for registration.

3.12 Responsible Sourcing of Raw materials

Ariens Scandinavia AS is committed to avoiding the use of so called conflict minerals, which currently pertains; tin, tantalum, tungsten and gold (also known as "3TG") and cobalt, that have fueled conflict in the Democratic Republic of the Congo or an adjoining country. We expect our suppliers to exercise adequate due diligence following the OECD Due Diligence Guidelines with respect to sourcing, extraction, and handling of these minerals to make a reliable determination of the origin and source of such minerals. We expect our suppliers to support our effort to identify the origin of minerals used in our products.

3.13 Ethical Business Practice

We do not tolerate any act of corruption, extortion, or embezzlement, nor in any form of bribery, including but not limited to, the promising, offering, giving or accepting of any improper monetary or other incentive.

As a supplier to Ariens Scandinavia AS you are expected to keep accurate information regarding your activities, structure and performance, and should disclose these in accordance with applicable regulations and industry benchmark practices. Falsifying any such information is unacceptable. The collection, use and otherwise process personal information, including that from workers, business partners, customers, and consumers in their sphere of influence, should be conducted with reasonable care. These activities shall also comply with privacy and information security laws and regulatory requirements.

4. Monitoring and Compliance

Ariens Scandinavia AS expects all suppliers to respect our Supplier Code of Conduct and the requirements. In case of conflict between the provisions of the SCoC and any applicable laws or regulations in the countries that a supplier operates in, the supplier will inform us.

As a supplier to Ariens Scandinavia AS you agree to provide us with access to relevant information, documentation, and facilities for the purposes of assessing the implementation of and performance against the SCoC. We also reserve the right to appoint independent third parties to conduct ethical audits in order to ensure compliance with the SCoC .

If any serious breach of the SCoC is identified in a supplier's own operations or in its supply chain, the supplier must immediately report the issue to us. Suppliers are expected to provide a corrective action plan with date of closure for the issues identified.

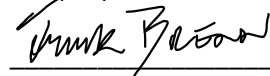
If the principles and requirements are not respected and sufficient remediation is not taken, Ariens Scandinavia AS may choose to terminate the business relationship.

5. Commitment

By signing this document, you as a supplier to Ariens Scandinavia AS endorse our values and commit to take appropriate measures to observe the principles of the Code.

Ariens Scandinavia AS

Company Name



10.03.2023

Signature and date

Frank Brenn

Clarification of signature