

Audit report Ingram Micro

Site visit Borås, 2020-02-19

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1. Introduction

At Tele2, we recognize that our success as a business is dependent on the success of the societies where we operate. We are aware of the impact that our operations have on the world around us, and strive to maximize our creation of value for all stakeholders. By promoting sound business practices, we can ensure that our business partners join us in these efforts.

We require all Business Partners that do substantial business with us¹ to sign our Business Partner Code of Conduct, or adopt equal or higher requirements. We expect our business partners to sign, implement and comply with the code. To ensure compliance with the code we, or an external party appointed by us, will regularly conduct on-site audits at the premises of our selected business partners.

Our Business Partner Code of Conduct is built on the following international guidelines and declarations:

- The United Nations Global Compact (UNGC)
- The Universal declaration of Human Rights
- The OECD Guidelines for Multinational Enterprises
- The International Labour Organization Standards
- The United Nation's Children's Rights and Business Principles

The latest version of the Business Partner Code of Conduct can be found [here](#).

2. Audit method

Tele2 purchases supply chain services from Ingram Micro.

On February 19, Tele2's Head of Supply Chain and Tele2's Head of Sustainability conducted this on-site audit at the premises of Ingram Micro in Borås, Sweden.

The audit has the following steps:

1. Documentation review (before visit)
2. On-site audit
 - a. Company presentation
 - b. Visit at the production site
 - c. Management presentation on sustainability
 - d. Management presentation of code of conduct compliance
 - e. Discussion on preliminary audit findings
3. Review of audit report (after visit)
4. Publication of audit report

The draft version of this report was completed on: 2020-12-16

This was approved by the audited company on: 2021-01-16 (by omission, 2021-02-04 by confirmation)

The final version of this report was published on: 2021-01-16

During step 2c) management presentation on sustainability, the following topics were presented

1. Environmental sustainability
2. Health & safety
3. HR

¹ Defined as someone we purchase goods or service from for more than SEK 1 million annually

During step 2d) management presentation on code of conduct compliance the following topics were discussed:

1. [Fair working conditions](#)
2. [Diversity and inclusion](#)
3. [Compensation and benefits](#)
4. [Occupational health and safety](#)
5. [Environment](#)
6. [Anti-corruption](#)

3. About Ingram Micro

Ingram Micro helps businesses maximizing the value of the technology they make, sell or use. With its vast global infrastructure and focus on cloud, mobility, supply chain and technology solutions, Ingram Micro enables business partners to operate more efficiently and successfully in the markets they serve.

Ingram Micro amplifies the value of its position at the intersection of thousands of vendor, reseller and retailer partners by customizing and delivering highly targeted applications for industry verticals, business to business customers and commercial needs. From provisioning solutions for system integrators working at the heart of the network to offerings through the full lifecycle of mobile devices, SMB to global enterprise software and computing, point of sale to cloud services, professional AV to physical security—Ingram Micro is trusted by customers to have the expertise and resources to help them define and push the boundaries of what's possible.

Through 2020, Ingram Micros is prioritizing the following areas of corporate responsibility:

- Internal programs to expand CSR competency
- Continued focus on climate action and waste reduction
- Supply chain risk assessments
- Alignment with UN Sustainable Development Goals that are relevant to our impacts and activities

Ingram Micro is certified according to the following international standards:

- ISO9001 – quality management
- ISO14001 – environmental management
- ISO27001 – information security management

The site in Borås has 96 employees, plus temporary workers.

4. Audit findings

During the management presentation on sustainability the following was presented:

Health and safety

- The company has a systematic way of working with health and safety, and follow the guidelines from the responsible public authorities.
- The company has a health and safety policy, which is displayed on message boards throughout the site.
- The site's health and safety committee meets once per quarter.
- There are bi-weekly meetings with the local union representatives.
- The company conducts an annual employee survey, and shorter "pulse" surveys once per quarter.
- The company investigates health issues according to the health and safety policy and accidents as a part of recurring safety checks.
- Records and corrective actions plans are documented, and set up in conjunction with local union representatives and the health and safety committee.
- All incidents are logged, with special attention to incidents that led to recordable injuries.

- The local operations take part in a company-wide global initiative called Safety Star, where one health and safety topic is raised each month. In 2019 the company also introduced a health and safety day under the heading I AM SAFE.

Environmental

- The company is certified according to ISO 14001, and aims for its environmental efforts to be integrated into the daily work of all employees.
- The company is subject to an annual external environmental audit in relation to ISO 14001. Tele2 is invited to participate in the next audit.

Human Resources

- During 2019 the company has, with external help, developed a process for handling bullying and discrimination. As a part of its implementation all employees will undergo a training during the spring.
- There is a skills training program for managers and future managers called the Leadership/Trainee Academy Cycle.
- The company has 4 employees on part-time long-term sick leave, and 2,5 FTEs on short-term sick leave. The company incentivizes managers to keep their employees healthy by linking managers' bonus with the percentage level of sick leave at the site.
- The company has run an integration project called JOIN with Lernia and the Swedish Public Employment Service, with the ambition in introducing immigrants to the workforce.
- The company has run a project with the Swedish Public Employment Service to enable those with long-term unemployment to re-join the workforce.

In terms of ensuring compliance with the Business Partner Code of Conduct, the following six important areas were considered.

4.1 Fair working conditions

Our code demands that:

- All employees of Business Partners are entitled to fundamental human rights which shall be known, understood and respected and be applied equally.
- No one shall be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse.
- Forced, exploited or bonded labour is strictly forbidden.
- Employees shall not be required to lodge deposits or original identity papers as a condition for employment.
- Employees shall not be forced to work more than the limits on regular and overtime hours allowed by the laws of the country in which they are employed.
- Overtime shall be compensated at no less than the legally required rate.
- All employees shall have contracts specifying the terms of employment.
- Children under the minimum working age established by local law or fifteen (15) years, whichever is greater, shall not be used as part of the labour force.
- Employees under eighteen (18) years shall not be engaged in hazardous or heavy work, or on night shifts.

Ingram Micro has asserted their full compliance with these requirements.

The company has a human rights policy. The policy is aligned with the Universal Declaration of Human Rights, the UN Guiding Principle on Business and Human Rights, the ten principles of the UNGC, the ILO Declaration on Fundamental Principles and Rights at Work, and the RBA Code of Conduct, and outlines actions to ensure that Ingram Micro is not engaged or complicit in human rights violations.

There are no indications through documentation review, management presentation, site visit or preliminary compliance discussion to suggest otherwise.

This leads to the following findings regarding Ingram Micro's compliance:

- Ingram Micro is deemed to be in compliance with the fair working conditions requirements of the Tele2 Business Partner Code of Conduct.
- No other discrepancies were found which would lead to a requirement of a corrective action.

4.2 Diversity and inclusion

Our code demands that:

- All employees of Business Partners are protected by the fundamental right not to be discriminated against. They shall not be subject to discrimination, whether active or by means of passive support, whether based on ethnicity, national origin, religion, disability, gender, sexual orientation, marital or parental status, union membership, political affiliation or age.
- The rights of employees to freely associate and to bargain collectively, in accordance with the laws of the countries in which they are employed, shall be recognised and respected.

Ingram Micro has asserted their compliance with the requirements of our code.

Ingram Micro assert that they are committed to a workplace free from harassment and discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status. This policy applies to hiring and employment practices, including wage payments, promotions, rewards, and access to training, among others.

It is considered good practice in the industry to provide information to employees describing local laws and regulations pertaining to freedom of association and labour unions, and to provide minutes from management-worker meetings.

The company provides information about freedom of association at monthly information meetings where the local union representatives are present. The company has monthly meetings with management and employees, and the minutes from these meetings are shared on the information screens.

Based on this there is nothing to suggest that there are any issues with freedom of association and the provision of minutes from management-worker meetings at Ingram Micro.

This leads to the following findings regarding Ingram Micro's compliance:

- Ingram Micro is deemed to be in compliance with the diversity & inclusion requirements of the Tele2 Business Partner Code of Conduct.
- No other discrepancies were found which would lead to a requirement of a corrective action.

4.3 Compensation and benefits

Our code demands that:

- No employee of Business Partners will be paid less than the minimum total wage required by applicable national law, including all mandated wages, allowances and benefits.
- All employees shall have the right to equal pay for equal work, as well as periodic holiday with pay.

Ingram Micro has asserted their full compliance with these requirements.

The company states that all employees have the right to equal pay for equal work, and periodic holiday with pay, in accordance with local rules and regulations. Those employees that are covered by collective bargaining agreements receive compensation and benefits in accordance with those agreements. Employees receive more paid leave than required by local rules and regulations, and salaries are benchmarked both locally and globally.

There are no indications through documentation review, management presentation, site visit or preliminary compliance discussion to suggest that Ingram Micro would not be in compliance with the requirements in our code.

This leads to the following findings regarding Ingram Micro's compliance:

- Ingram Micro is deemed to be in compliance with the compensation and benefits' requirements of the Tele2 Business Partner Code of Conduct.
- No other discrepancies were found which would lead to a requirement of a corrective action.

4.4 Occupational health and safety

Our code demands that:

- Safety at work is a prioritised concern of Business Partners and therefore it takes adequate steps to prevent accidents and injury to health, by minimising the causes of hazards inherent in the working environment and by providing appropriate safety equipment.

Ingram Micro has asserted their full compliance with these requirements. There are no indications through documentation review, management presentation, site visit or preliminary compliance discussion to suggest otherwise.

It is considered good practice in the industry to have emergency evacuation plans available to all employees, to conduct and document fire/evacuation drills, to have a chemical spill emergency response plan, to provide employees training on health and safety issues, and keep a record of work-related accidents.

The company has emergency evacuation plans available to all employees, and have conducted and documented fire/evacuation drills. The company provides training on health and safety when new employees start working, followed by a yearly training. The company keeps a record of work-related accidents, including a record of what most commonly causes accidents.

This leads to the following findings regarding Ingram Micro's compliance:

- Ingram Micro is deemed to be in compliance with the occupational health and safety requirements of the Tele2 Business Partner Code of Conduct.
- No other discrepancies were found which would lead to a requirement of a corrective action.

4.5 Environment

Our code demands that:

- Environmental laws and regulations applicable to local surroundings and the relevant business sector shall be complied with by Business Partners.
- Practices minimising the impact on the environment shall be encouraged and care shall be taken with any environmentally sensitive substances or processes.
- Business Partners promote a sustainable development and cost efficiency by proactively reducing resource consumption and thus the impact on the environment.

Ingram Micro has asserted their full compliance with these requirements.

The company handles waste management in cooperation with Stena Recycling, and all consumption material is made using recycled material.

The company follows up on emissions of greenhouse gases in transports, and has a company car policy that promotes hybrid and electric vehicles.

The company uses 100% renewable electricity, and sees that long-term they need to become climate positive.

There are no indications through documentation review, management presentation, site visit or preliminary compliance discussion to suggest that that Ingram Micro would not be in compliance with the requirements in our code.

It is considered good practice in the industry to not have received any environmental regulatory citations in the past three years.

The company states that they have not received any environmental regulatory citations in the past three years.

This leads to the following findings regarding Ingram Micro's compliance:

- Ingram Micro is deemed to be in compliance with the environmental requirements of the Tele2 Business Partner Code of Conduct.
- No other discrepancies were found which would lead to a requirement of a corrective action.

4.6 Anti-corruption

Our code demands that:

- Business Partner employees and members of the Board of Directors may not offer, ask, give or accept, directly or indirectly, any undue advantage for personal gain to or from any third party, unless it can be constituted as being within the boundaries of accepted business practices such as representation and reasonable hospitality given in the ordinary course of business.
- In most countries, gifts or benefits to government employees or public officials are considered a violation of law. Business Partners must not offer money or any gift, at their own initiative or on behalf of Tele2, to an official or employee of a governmental entity, except for symbolic gifts of insignificant monetary value, provided this is allowed by law.

Ingram Micro has asserted their full compliance with these requirements.

The company has an anti-bribery policy, and adheres to the principles of the UN Global Compact. The 10th principle of the UN Global Compact is to work against corruption in all its forms.

There are no indications through documentation review, management presentation, site visit or preliminary compliance discussion to suggest otherwise.

This leads to the following findings regarding Ingram Micro's compliance:

- Ingram Micro is deemed to be in compliance with the anti-corruption requirements of the Tele2 Business Partner Code of Conduct.
- No other discrepancies were found which would lead to a requirement of a corrective action.

5. Corrective action plan

Based on these findings no corrective action plan is required.