

Code of Conduct

Introduction

CKAB is dedicated to being a responsible employer and a good corporate citizen, with products and solutions that contribute to improving people's lives around the world. All our activities - including the manufacture, distribution and sale of our products – shall be conducted with respect and consideration for human rights, human safety, health, the society and for the environment. We strive for continuous improvement with sustainability as a core concern in all our operations.

CKAB's Code of Conduct is established to underline the principles by which the company conducts its relations with employees, business partners, suppliers and other stakeholders. It applies to all members of the organization. Furthermore, CKAB expects all business partners, suppliers, dealers, consultants, etc. to implement the same principles. In incidents of non-compliance, employees are encouraged and expected to report this to relevant internal officers, and they are assured that there will be no retaliation or other negative consequences; this also applies to all business partners, suppliers, dealers, consultants, stakeholders, where all types of complaints can be reported in accordance with the grievance mechanism. It is a *whistleblower function* that every CKAB company has made available. It can be found on each company's own website.

Human rights and Workplace principles

Child labour

Child labour, in any form, is not tolerated. Unless local law stipulates a higher age limit, no person younger than the age for completing compulsory education or younger than 15 (or 14 were permitted by ILO convention No. 138) shall be employed, neither by us nor by our suppliers. For authorized minors, management is responsible for providing working conditions, hours of work and wages appropriate for his or her age and in compliance with applicable local law as a minimum. If a child is to be found working at a site where CKAB products and components are produced, CKAB encourages remediation that does not worsen the child's social situation.

Forced labour

CKAB does not tolerate forced, involuntary labour or human trafficking in any form. This includes prison, indentured and bonded labour, and other forms of working against one's own will or choice.

Health & safety

All employees shall be provided with a safe and healthy working environment. The employer takes appropriate action to prevent workplace accidents and illnesses. That is acquired using our emergency preparedness, which is an important topic at CKAB, that topic of course holds many subheadings, which is taught to all our employees.

Safe and healthy working environment includes incident and accident management, and that we uphold and teach our employees; the principles on how to operate and use personal protection equipment, machine safety, workplace ergonomics, and of course fire protection. Furthermore, all employees are informed about the principles we use for emergency preparedness, which, in some cases also extend to include, when applicable, safe and healthy residential facilities, with applicable local law as a minimum requirement.

We expect and require that our suppliers operate under these principles as well.

Non-discrimination

CKAB recognizes and respects individual differences. We also expect and demand that from our suppliers as well. Not only shall All employees or potential employees be treated strictly according to his or her abilities and qualifications in any employment decisions, including but not limited to hiring, advancement, compensation, benefits, training, layoffs and termination. This policy also includes that ethical codes of conduct for Indigenous peoples and local communities, must be maintained by both CKAB and CKAB's potential suppliers; to ensure a respectful and ethical dialogue, between nations and between peoples and people in relation to conservation and sustainable use of natural resources. Discrimination with regard to sex, race, religion, age, disability, sexual orientation, nationality, political opinion, Union-affiliation, social or ethnic origin, including indigenous peoples, and their rights, is not tolerated.

Harassment and abuse

No employee at CKAB shall be subject to segregation or to physical, sexual, psychological, or verbal harassment or abuse. Wage deductions, like fines and penalties, will not be utilized as a disciplinary practice.

As an extended consequence of **harassment and abuse**, we, **CKAB**, do **NOT** accept *unlawful eviction and unlawful deprivation of land, forests, and waters* in connection with the acquisition, construction or other use of land, forests and waters, which provide a person's livelihood.

CKAB prohibits the hire of or use of unauthorized private or public security guards to protect the company's project, if it is not agreed upon and stipulated by CKAB. If performed, it will be with instructions issued and controlled by a representative of CKAB.

Because of this, all guard work must be carried out without the use of *torture*, or other *cruel, inhuman and degrading treatment* that risks harming individuals. Furthermore, guard work must not lead to it preventing and infringing the freedom of association for individuals.

Working hours

CKAB AB recognizes the need for a healthy balance between work and free time for all employees. Unless national regulations require lesser maximum hours of work, and except under extraordinary business circumstances, employees at CKAB shall not, on a regularly scheduled basis, be required to work a standard working week of more than 48 hours per week or a total working week of more than 60 hours (including overtime). Except in extraordinary business circumstances, all workers shall be entitled to at least one day off in every seven-day period.

Compensation

Wages, including overtime and benefits, shall equal or exceed the level required by applicable law, and collective bargaining agreements.

Freedom of association & right to collective bargaining

All employees at CKAB are free to exercise their legal rights to form, join, or refrain from joining organizations representing their interests as employees. No employee should be subject to intimidation or harassment in his or her peaceful exercise of these rights. The employer shall also respect the employees' right to collectively bargain. Employees who report misconduct or suspected violations are protected from retaliation. Furthermore, in association with the Labour Union organizations CKAB have communicated a process for our personnel, enabling them to raise any concerns without fear of retaliation from CKAB, or any other public organization or public media. We also require that our suppliers follow these principles with respect to their employees; thus, giving them the opportunity to exercise the so-called **'whistleblowing' function**, (if needed), if, or when, at such an occasion, for some reason whatsoever, the employee chooses to exercise these rights; our suppliers **must provide their employee/ employees with protection against retaliation**.

Environmental principles

Resource Efficiency

The present production at CKAB shall have a CO₂ neutral impact no later than 2039; this is also the goal we challenge our suppliers to strive toward, which is of greatest importance, also for obtaining good air quality. For CKAB, all wastewater is taken care of in a water treatment plan; CKAB increases material recycling, and CKAB also increases the use of renewable energy sources over time. CKAB also urge our, suppliers, partners, consultants and stakeholders to do the same.

As a consequence of this resource efficiency approach, CKAB also supports **Preservation of livelihoods**; which includes; avoiding deforestation and the principle of prohibiting the causing of harmful soil alteration, water pollution, air pollution, harmful noise emissions, or excessive water consumption that would significantly impair the natural basis for the preservation of biodiversity and adequate animal welfare as well as the production of food

Which also includes the denial of a person's access to safe drinking water, and/ or preventing or destroying a person's access to sanitary facilities, or in worst case, harm the health of a person.

Precautionary Principle

CKAB supports the precautionary principle by avoiding materials, methods posing environmental, and health risks when suitable alternatives are available. CKAB also has a process for *Responsible Chemical Management*, where our Chemical manager must approve all purchases of Chemical products.

Business principles

Legal Compliance

In every country in which CKAB operate; shall the company accept the laws and regulations of that country. In situations where the law does not give guidance, CKAB applies its own standards based on its documented corporate "Core values" and culture. In cases of conflict between mandatory law and the principles contained in this code, the law shall prevail.

Relations with Business Partners

CKAB's dealings with its business partners and suppliers are characterized by fairness, fair competition and anti-trust. CKAB **shall not offer** partners, potential customers, suppliers, governments, agencies of governments, or any representatives of *such entities, any rewards or benefits in violation of either applicable laws or reasonable and generally accepted business practices*. CKAB employees **must not accept** payments, gifts, or other kinds of reimbursement from a third party that could affect or appear to affect their objectivity in their business decisions.

Accounting and Reporting

All **financial transactions** by CKAB are to be reported **in accordance with generally accepted accounting practices**, and **accounting records** must show the nature of all transactions in a correct and non-misleading manner. CKAB will provide disclosure that is open, truthful, relevant, comprehensible and timely. (In accordance with Swedish Law) This is also one of the cornerstones to prevent; **Anti-Corruption** and by conducting the same manner and behavior in regard when maintaining **Confidentiality and Intellectual Property Rights**. This means that all CKAB's employees and suppliers respect CKAB's **confidential information rules** and **intellectual property rights** by **safeguarding against** misuse, mishandling, **counterfeit of parts (which are not accepted by CKAB)**, nor is **theft, fraud** or **improper disclosure** of information in accordance with applicable law and eventual contractual terms involved.

This also applies to the personal **privacy sphere, where** laws, as well as the contractual terms with CKAB, must be observed; when collecting, and storing, using, processing and/or sharing personal information about individuals. This to secure and prevent that **no** individual is subjected to arbitrary interference with his or her privacy, family, home or correspondence, thus preventing attacks upon his/her honor and reputation.

Reporting requirements on Suppliers and subcontractors

Suppliers are required to comply with the principles of this Code of Conduct. If suppliers use subcontractors for production of parts to CKAB, it is the supplier's responsibility to ensure that the subcontractor complies with these requirements. Upon request, the suppliers are *obliged to provide CKAB with a list of subcontractors with whom it cooperates*.

CKAB are aware of Export **controls and economic sanctions**, and its role in international politics. Therefore, where applicable UN sanctions are in place, we do not engage our company in business commitments for potential customers who are subject to such sanctions.

Conflict of interest

Employees and managers at all levels in CKAB; shall conduct their private and other external activities, businesses and financial interests; in a manner which does not conflict; **or** appear to conflict with their job responsibilities and interests at CKAB. Should such a **conflict of interest** arise, then the person who is subject to the conflict **must report this immediately** to his/her immediate supervisor.

Political Involvement

CKAB observes neutrality regarding political parties and candidates. Neither the name nor the assets of the CKAB Company will be used to promote the interests of political parties or candidates.

Monitoring and compliance

Management is responsible for implementing and informing employees of their rights, duties and responsibilities under this Code of Conduct. Management is also responsible for maintaining adequate documentation to demonstrate it and its suppliers' compliance. As a condition of doing business with CKAB, suppliers must authorize CKAB and its designated agents (including third parties) to perform audits, including confidential employee interviews.

Peter Hölzer

Chief Executive Officer (CEO)
PeBe AB