



LK's Code of Conduct for LK Companies and Suppliers

1. Introduction

LK is active in a world that expects us and our suppliers to be conscious of our impact on society in areas such as the environment, economy and social issues.

This code of conduct applies to all companies within LK and our suppliers and has been developed to enable LK to achieve its economic, environmental and socially responsible goals and principles. It clarifies LK's expectations of ourselves as a company and our suppliers to respect basic human rights and treat employees fairly and with respect. LK demands that all companies within the group, plus our suppliers, comply with the principles and requirements of this document. These requirements shall be regarded as a minimum level. "We" in this document is defined as both LK and our Suppliers

A supplier of LK is a company or organisation with whom there is a commercial agreement on the delivery of goods or services which affects the supplied products and services.

All suppliers are responsible for making sure that their own suppliers and agents in turn follow this code of conduct. They are also responsible for assessing whether their suppliers and agents comply with the code. This code of conduct should thus apply to the entire supply chain of LK. That is why LK's business is based on close and long-term cooperation with customers and suppliers alike.

This code of conduct includes all companies and suppliers in the LK group



2. Compliance and monitoring of suppliers

LK expects us to do business in accordance with the principles of this code of conduct.

All suppliers are expected to provide proof that the requirements of this document are implemented. Suppliers shall allow LK, or a designated third party, to have reasonable access to premises and relevant information in order to assess compliance with the requirements. All major suppliers shall be regularly monitored for compliance with their ethical, social and environmental obligations. If any supplier breaches the requirements of the code of conduct, measures shall be taken forthwith.

LK will give preference to the suppliers that meet the requirements of the code of conduct to satisfaction.

If a supplier detects a serious breach of the code of conduct in its own or its suppliers' activities, it must be reported to LK without delay. An action plan to address the shortcomings shall be attached to the report. Similarly, the supplier is expected to submit a corrective action plan if discrepancies with the code of conduct are detected during an audit/assessment.

LK is happy to help with the implementation and interpretation of the requirements of this document. For more information, you are welcome to contact your commercial contact person at LK.

2.1. Management systems and systematic work

LK encourages its suppliers to be certified under, or work according to, internationally recognised environmental management systems, quality management systems and management systems for health and safety, e.g. ISO 14001, ISO 9001, OHSAS 18001/ISO 45001 or similar.

3. Requirements regarding business ethics

3.1 Complying with laws and regulations

We shall comply with all laws and regulations in the countries where we operate. If there is a conflict between any requirements of this code of conduct and legislation, then legislation always takes precedence.

We shall ensure that employees receive relevant information and training regarding legal requirements, rules and internal demands that affect their work.

3.2 Fundamental rights of employees

We shall abide by the fundamental rights of employees listed below.



3.2.1. Equal value and discrimination

We shall abide by the principle of equal value for all and there must be no discrimination in the workplace (e.g. recruitment, remuneration, training, promotion or termination). Each employee shall be treated according to his/her own abilities and qualifications.

No form of discrimination based on ethnicity, gender, parenthood, age, religion, political opinion, sexual preferences, national or social origin or the like may occur.

3.2.2. Employment contracts

All employees are entitled to a documented and signed employment contract. Basic conditions of employment (e.g. service, salary, working time) shall be included in the contract.

3.2.3. Forced labour and punishment

We do not accept forced labour as defined in ILO Convention No 29 and 105.

Corporal punishment, or threat thereof, unreasonable disciplinary practices, mental or physical coercion, verbal assault, sexual or other harassment of an employee is wholly unacceptable.

3.2.4. Salary and working hours

The statutory minimum wage is the lowest salary that can be accepted, but our recommendation is to pay a salary covering the cost of living.

Wages must be paid regularly and on time. Overtime shall be compensated in accordance with national law.

All employees shall have the right to receive a pay slip that clearly and comprehensibly indicates all salary including compensation for overtime, hours worked, benefits, legal deductions (e.g. tax), bonuses and other relevant items.

3.2.5. Leave and sickness

All employees shall be allowed to exercise their legal right to holiday, sick leave and parental leave without any repercussions.

3.2.6. Association

All employees shall be allowed to use their right to become a member of an organisation that represents the interests of employees without fear of intimidation or harassment.



3.3 Child labour

We do not accept child labour in any form. This also applies to our suppliers' subcontractors. Unless stated otherwise in local legislation, all persons under the age of 15 are considered to be children and all persons under the age of 18 shall be considered as young. Suppliers shall protect children from economic exploitation and ensure that they do not carry out work that may adversely affect their schooling.

According to national legislation, the definition of a child varies between 14 and 16 years. In the absence of national legislation in this area, persons under 15 years of age shall be considered children. For more information, visit: <http://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/lang--en/index.htm>

If we employ a person between the ages of 15 and 18, they shall not be allowed to carry out dangerous work, including night work, in accordance with ILO Convention No 138 on minimum age for access to work.

If children work as apprentices, in accordance with local legislation, they must be protected against any form of exploitation. The employer must also ensure that:

- The work does not conflict with the child's education
- The apprenticeship is limited to a few hours per day
- It is easy work that is clearly focused on learning
- The child receives compensation for work done

3.4. Safety requirements in the workplace

We must have a safe, healthy and sound working environment. We shall strive to continually improve things that affect health and safety. LK's minimum requirements are:

- Pregnant women should be protected in a satisfactory manner and have sufficient room for privacy
- Workplace accidents must be minimised and, where possible, eliminated
- Emergency procedures shall be communicated to employees and, if necessary, documented and kept up to date
- Evacuation plans and evacuation routes must be visible and functional throughout the property
- Temperature, noise level, lighting and air quality at the workplace must comply with local legislation
- Employees shall have proper personal protective equipment for the work they perform
- All machinery must be fitted with proper safety devices



- The employer shall ensure that all employees understand the safety requirements and warning signs
- All chemicals must be handled safely. Information about the chemicals shall be available to employees. In order to decide on the correct personal protective equipment, each chemical product shall be inspected before release to production
- Containers with chemical products must be labelled with their contents
- Employees shall receive proper training regarding the safety of the assigned tasks

3.5. Housing conditions

If we provide accommodation for employees, the living space must comply with national and local legislation, be hygienic, safe and provide the means to maintain privacy. The applicable safety requirements in the workplace shall also apply to housing conditions.

3.6 Business Ethics

We do not tolerate corruption, bribery and unfair acts that restrict free competition. All business activities must be conducted in a manner consistent with national law.

- We shall not act in a way that violates competition law in the countries where we operate, market our products or have business agreements with customers and/or suppliers.
- We shall not engage in cartels or unlawful cooperation with competitors, customers or suppliers that restrict or distort competition.
- We shall not receive, offer or give unlawful payment or other compensation to any person or organisation with the purpose of circumventing or violating applicable rules.

An employee of LK who is exposed to the above activities is required to report it within their own organisation. LK reserves the right to act vigorously against this type of activity.

4. Environment

LK's and our suppliers' impact on the environment, and all work to limit this impact, are important issues for the organisation. The environmental status of the suppliers is an important part of LK's overall environmental impact. We shall have knowledge and control of the environmental impact of our operations. We will work purposefully to reduce and prevent any negative environmental impact and the precautionary principle shall apply.

Furthermore, we shall comply with the relevant legislation in the environmental field, both for our own business and for products and components delivered to and from LK (e.g. EU RoHS, EU REACH, EU WEEE).



Code of conduct
01/01/2022
1.1

Confirmation

We hereby confirm that we have committed to all the principles and requirements described above.
We and all our suppliers will strive to comply with these principles and requirements.

Company	Name
Date	Title
City	Signature