

Code of Conduct

Absortech Group

Including partners and suppliers





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Introduction

Swedish-based Absortech Group is a world leader in innovative moisture damage prevention. Our aim is to counteract moisture damage during transport, and our offering is “Peace of Moisture Mind” for our stakeholders.

This is our Code of Conduct that defines how we should act on a day-to-day basis. This document reflects on our core values and company culture, and provides guidelines on how to act and how to make ethical decisions for a more sustainable future.

At our core is the notion that we are responsible for the impact we have on society, the economy and the environment. We are committed to taking part in the improvement of humanity and the environment within our sphere of influence. This includes the whole supply chain from the extraction of raw materials to the end use of our products. It also includes the waste of resources among our stakeholders.

This Code of Conduct is therefore not only a guide for Absortech Group. It is also a guide for our partners and suppliers, and it plays an important part in how we choose them.

Sometimes you might face a situation where the right thing to do is not obvious. Well, we hope that our Code of Conduct will help you to make the right decision.



Peter Seif, Absortech CEO



Purpose and scope

This Code of Conduct concerns everyone within the Absortech Group, as well as suppliers and partners. It defines our basic requirements within business ethics, human rights, employment, health and safety, and environmental performance.

The Code is based on:

- **UN Declaration of Human Rights**
- **UN Global Compact**
- **ILO Principles of Rights at Work**
- **OECD Guidelines for Multinational Enterprises**
- **Absortech Group Policy for sustainability, quality, and environment**
- **EU's Corporate Sustainability Due Diligence Directive**

It is important for Absortech Group that our products are produced and handled in a sustainable manner. Absortech also expects our suppliers and other partners to implement the principles described in this Code of Conduct in their own businesses, or at least adopt equivalent standards and conduct their business in accordance with these standards.

The Code of Conduct is therefore a part of the agreement between Absortech Group and our suppliers and partners, and is followed up by audits.

It covers all employees within Absortech Group and their suppliers and partners. Including, but not limited to full and part-time employees, consultants, contractors, trainees, temporary workers, migrant workers, senior management and board of directors.

Within the Code of Conduct you will find our requirements, but also descriptions and recommendations on how to fulfill these requirements.

Absortech expects all suppliers to comply with this Code both for their own operations and to set corresponding requirements in their value chains.



Recommendations

- **Know and live the code**
- **Think before you act**
- **Follow the law**
- **Report concerns**



Signing the Code

By approving and signing the Code, the supplier undertakes to fulfill the requirements of this Code both within its own operations and to set corresponding requirements in its value chain.

The supplier must be provided with a copy of this Code when an agreement or collaboration is initiated, and the Code shall either be included in the supplier contract as an appendix or the supplier shall sign a copy of this Code. Upon request, the supplier must be able to explain to Absortech how the requirements and conditions set by the Code are fulfilled.

Absortech can check the supplier's compliance with the Code by holding a dialogue, asking the supplier to complete a self-assessment or by performing on-site audits at the supplier's premises. Absortech has the right to interview employees and have access to complete documentation from the supplier for follow-up of the Code. The supplier is responsible for ensuring that its subcontractors comply with the Code and the supplier's corresponding requirements and for evaluating and controlling the subcontractors' compliance with these.

Reporting deviations or violations of the Code

In situations where a supplier or subcontractor discovers or suspects deviations from this Code, either within the supplier's operations or within other parts of the value chain, the supplier has the obligation to immediately notify Absortech and ensure that the subcontractor submits a report to Absortech as soon as possible. Violations of the Code must be reported to Absortech, either to the relevant contact person at Absortech or via the Absortech whistleblower channel, which is available via the website.

The Absortech whistleblower channel enables all employees, regardless of position or role within the value chain, to report possible and potential violations of the Code safely and anonymously.

All reports of potential violations of the Code are treated confidentially and the whistleblower is kept anonymous to the extent that local law allows anonymity. All reported incidents are investigated fairly and thoroughly by internal and/or external parties, all independent in relation to the supplier being investigated for potential breach of the Code.

Negative consequences or any form of retaliation for the whistleblower who reported in good faith are strictly prohibited.

If a supplier or subcontractor violates this Code or fails to report a violation to Absortech, Absortech has the right, in accordance with current legislation, to terminate the existing agreement or cooperation with the affected party with immediate effect, regardless of other conditions that apply between Absortech and the supplier.

According to this Code, Absortech has the right to request documentation. If Absortech has good reason to suspect a violation of the Code, an extended review may also be required, either by an internal party or by an independent third party. The supplier undertakes to bear reasonable costs for such a review.





Legal compliance and the Code of Conduct

This Code of Conduct sets up a minimum requirement of expectations and demands on Absortech Group, our suppliers and other partners. If provisions in other laws, regulations or rules have a more stringent position to the standards written in this Code, those shall be observed and complied with.

In cases of conflict between this Code of Conduct and a mandatory local regulation, the local regulation shall have precedence.

It is fundamental that everyone within Absortech Group and our suppliers as well as partners comply with all applicable laws, rules and regulations in the countries where they operate.

Recommendations

We recommend implementing a structured procedure to obtain and analyze the laws and regulations that affect the organization. These should be documented and include international, national and local regulations that concern the environment, working environment and business. We also recommend that the fulfillment of these laws and regulations is audited and approved regularly.

Management system

Absortech Group shall have an established and third-party certified management system according to ISO 9001 and ISO 14001.

A management system is a set of policies, processes and procedures used by an organization to ensure that it can fulfill the tasks required to achieve its objectives.

Our partners and suppliers shall have an established and documented management system and we recommend that it is certified by an accredited third-party certification company.

Business ethics and anticorruption

Absortech Group and our suppliers and other partners:

- Are expected to apply good business practices.
- Shall not engage in or tolerate any form of corruption, bribery, extortion or embezzlement.
- Shall not offer or accept any benefits or other means to obtain any improper advantages. Such improper benefits may comprise cash, non-monetary gifts, pleasure trips or services and amenities of any other nature. This does not apply to local traditions and widespread business customs.
- Shall avoid conflicts of interest that may compromise the supplier's credibility in the Absortech group.
- Shall respect and comply with all applicable competition laws and regulations and not enter into discussions or agreements with competitors concerning pricing, market sharing or other similar activities.
- Shall respect intellectual property rights and protect information by safeguarding it against misuse, theft, fraud or improper disclosure.
- Shall under no circumstances make or tolerate facilitation payments, i.e. payments to public officials for the purpose of expediting or taking care of routine government actions, such as processing paperwork or issuing licenses or permits.
- Shall not give or receive kickbacks, and these must not occur, directly or indirectly within our value chain. Kickbacks are payment of a portion of a contract value made to an employee or other contracting party or through third-party techniques such as sub-contracting, purchase orders or consulting agreements, with the purpose of providing officials, political parties, politically exposed persons or employees of a supplier or business partner with cash compensation for an assignment.





- Must steer clear of any possible conflicts of interest during their engagement with Absortech. Should any unavoidable conflicts arise, they must be promptly reported to Absortech. Furthermore, Absortech's employees, partners and suppliers are required to refrain from any activities or professional associations that could be construed as a conflict between their own interests and those of Absortech or the supplier, whether these connections are direct or indirect. Must comply with current tax legislation and must not engage in illegal tax planning.
- Must comply with applicable decisions and rules regarding export control and international sanctions. This refers to decisions and rules issued or adopted by authorities and organizations within the EU, UN, USA, UK or any member of the EU or EEA.

Shall ensure that personal information (including from workers, business partners, customers and consumers in their sphere of influence) is collected, used and otherwise processed with reasonable care, in accordance with privacy and information security laws and regulatory requirements.

Recommendations

To uphold a high standard of integrity and always operate honestly and fairly is vital for building trust with customers and other stakeholders. If any deviation from the stated business ethics is discovered, this shall be reported to all affected stakeholder such as Absortech Group, customers, partners and suppliers.

Human rights

Absortech Group expects all within the organization as well as our suppliers and other partners to respect internationally proclaimed human rights for all employees. This includes, but is not limited to, full and part-time employees, consultants, contractors, trainees, temporary workers, migrant workers, senior management and board of directors within the organization as well as outsourced processes.

All employees shall have the right to enter into and to terminate their employment freely.

Modern slavery and forced labour

All forms of modern slavery are unacceptable. Absortech Group, suppliers and other Absortech partners shall not participate in, or benefit from, any form of forced labor.

This means that Absortech Group and their suppliers and partners shall not restrict the movement of employees by, for example, confiscation of identity documents and/or passports, withholding of wages, abusive working conditions, violence or any other abuse.

Indigenous people

Suppliers shall respect the rights of indigenous and tribal peoples and their social, cultural, environmental and economic interests, including their connection with lands and other natural resources.

Recommendations

We believe that an organization's employees are the most important resource and must be handled with respect for human rights. This includes not only the employee, but also their families. You have to ascertain that employees have documented employment contracts and you must perform employee interviews with focus on development and well-being.





Child labour and young workers

Child labour is unacceptable, unless the exceptions recognized by ILO apply. Organizations shall establish robust age-verification mechanisms as part of the recruitment process, which may not in any way be degrading or disrespectful to the worker. If it turns out that children are employed, they should be dismissed with care and assurance that they will reach a better life situation and will not get into more hazardous employment such as prostitution, drug trafficking etc.

Where young workers are employed, it should be ensured that:

- **The kind of work is not likely to be harmful to their health or development.**
- **Their working hours do not hinder their attendance at school, or their capacity to benefit from training programs.**

Recommendations

The minimum working age is the age of completion of compulsory school, but never less than 15 years old. Young employees aged 15–18 shall not be exposed to work that is likely to harm their physical or mental health, safety or morals.

No discrimination

Absortech Group, its suppliers and other Absortech partners shall not discriminate or exclude 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 legitimate organization, political affiliation or opinions, sexual and gender orientation, family responsibilities, marital status, diseases or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

Absortech Group and our suppliers and other partners shall ensure that employees are not subject to inhumane or degrading treatment, corporal punishment, mental or physical coercion and/or verbal abuse. All disciplinary procedures must be established in writing and are to be explained verbally to workers in clear and understandable terms.

Acquisition of land and land resources

Land and the right to land is a key issue for poverty reduction and Absortech, our partners and suppliers are expected to respect land rights. Absortech, our partners and suppliers must be the legal owner of, or have valid leases for, the properties it uses and must not contribute to negative social, environmental or economic impacts from its land acquisitions.

Sustainable sourcing of raw materials and conflict minerals

Absortech does not accept the use of minerals and metals mined in conflict areas. Absortech, our partners and suppliers must comply with all applicable laws regarding conflict minerals. The supplier and its subcontractors must identify any risks and carry out the necessary measures to minimize them when procuring raw materials.





Recommendations

All humans shall be treated with dignity, respect and equally. The organization must be clear that discrimination is not acceptable and should inform all within the organization about this policy and Code of Conduct.

Discrimination might not always be obvious, but here are some examples of discrimination:

- **An employee has a lower salary than a colleague with the same or equivalent work and the difference is related to gender.**
- **A manager makes unwelcome sexual advances.**
- **An employer terminates a probationary period when the employee says that she is pregnant.**
- **An employee is harassed due to ethnic or social background.**
- **A company only hires employees with a certain religion.**

Absortech Group and our suppliers and other partners shall have appropriate grievance mechanisms that are available to personnel and interested parties for them to make comments, recommendations, reports or complaints concerning the workplace, the environment or business practices.



Employment conditions

Absortech Group and our suppliers and other partners shall not use employment arrangements in a way that deliberately goes against the genuine purpose of the law. This includes e.g. 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. Use of sub-contracting may not serve to undermine the rights of workers.

Clear employment conditions

Absortech Group and our suppliers and other Absortech partners shall, before employment, provide workers with understandable information about their rights, responsibilities and employment conditions, including working hours, remuneration and terms of payment.

Freedom of association and collective bargaining

Absortech Group and our Suppliers and other Absortech partners shall respect:

- **The right of workers to form unions in a free and democratic way.**
- **Workers' right to bargain collectively.**
- **Workers' representatives and give them access to the workplace for interaction with the workers.**

In situations where the right to freedom of association and collective bargaining is restricted by applicable laws and regulations, it is expected to allow alternate forms of worker representations.

Recommendations

Make sure that employees have documented employment contracts and that the organization keeps one copy and that both copies are signed by the employer and the employee. The employment contract must be clear and in a language that the employee can easily understand.

Fair remuneration

Absortech Group and our suppliers and other partners shall pay workers fair remuneration that is sufficient to provide them with a decent living for themselves and their families. Also, legally established social benefits are expected to be paid.

Absortech Group and our suppliers and other Absortech partners shall as a minimum comply with wages mandated by governments' minimum wage legislation or industry standards approved on the basis of collective bargaining, whichever is higher.

Wages are to be paid in a timely manner, regularly, and fully in legal tender. Partial payment in the form of allowance "in kind" is accepted in line with ILO specifications. The level of wages shall reflect the skills and education of workers' and shall refer to regular working hours.

Deductions will be permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.

Wages shall be reviewed at least yearly.

Decent working hours

Absortech Group and our suppliers and other partners shall ensure that normal working hours and overtime working hours are within the limits permitted by applicable laws and regulations, or agreed to in relevant collective agreements. Overtime shall be voluntary, paid at a premium rate according to applicable laws and regulations or agreed to in relevant collective agreements. There shall be resting breaks every day, and during overtime work.

Health and safety

Absortech Group and our suppliers and other partners shall comply with occupational health and safety regulations, or with international standards where domestic legislation is weak or poorly enforced, and ensure a safe and healthy workplace or any other location where work is undertaken.

Recommendations

As the employees are the most important resource in an organization, it is very important that they feel safe and stay healthy.

Absortech Group and our suppliers and partners should adopt a systematic approach for a continuously improved work environment.

The approach includes, for example, co-operation between management and workers, systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers, and the setting and following up of goals.

Several considerations on working hours and health and safety:

- **Overtime should be paid at no less than 1.25 times the regular rate.**
- **An employee should be allowed to take a break after no more than 5 hours of work. A break could be of different length, but a lunch break should be at least 30 minutes long. An employee shall also have the right to take shorter pauses, for example, to visit the restroom or take a drink of water.**
- **Monotonous or sedentary work should be avoided and shorter breaks to move and stretch should be encouraged.**

Environmental performance

Absortech Group and our suppliers and other partners shall manage their operations responsibly in relation to environmental risks and impact. We shall strive to constantly reduce the environmental impact of our products and processes through their entire lifecycle.

Environmental impact shall be identified, measured and analyzed so that improvements can be made to have the greatest effect.



Recommendations

Absortech Group and our suppliers and partners should implement an environmental management system according to ISO 14001. This includes implementing a policy and targets for improvements and reduction of environmental impact including emissions of greenhouse gases.

Examples of actions that can/should be taken when applicable:

- Obtain all permits and licenses, comply with regulations and report environmental issues in accordance with local demands.
- List all chemicals used in the organization and eliminate the use of hazardous substances when possible. If hazardous substances cannot be eliminated, safe handling, storage and disposal of the substances shall be ensured. The European Union directives REACH and RoHS regarding chemicals shall be followed.
- Strive for an effective use of resources through use of renewable and/or reused material.
- Strive for minimization of emissions and waste generated and handle the waste in a good environmental manner which should be (1) reuse (2) recycle (3) energy recovery (4) incineration without energy recovery, and (5) landfill/disposal of waste in a safe and environmentally responsible manner.
- Strive for the reduction of greenhouse gas emissions by choosing materials and processes with low emissions of greenhouse gases and optimize the use of raw-material.
- Reduce consumption of energy and water and choose energy from renewable energy sources. Monitor the energy and water consumption and install improvements for reduction.



- Prevent pollution of air, soil and water from processes.
- Carry out systematic environmental work for resource efficiency and the use of circular materials and process flows. When choosing packaging materials, Absortech, our partners and suppliers must use recycled and recyclable materials (i.e. cardboard and plastic) to the greatest extent possible and limit excess packaging materials. The supplier must work to minimize, reuse, recycle, incinerate (with energy recovery) and dispose waste according to the waste hierarchy.
- Carry out systematic environmental work to reduce the negative impact of operations and the value chain on biological diversity. Meaning that we may not purchase or use materials from High Conservation Value Areas (HCVA) or

threatened forests listed by the Convention on International Trade in Endangered Species (CITES) and/or the International Union for Conservation of Nature (IUCN).



Follow-up of the Code of Conduct

Absortech Group and our suppliers and partners shall allow Absortech to conduct audits of operations relevant for this Code of Conduct. Absortech also expects its suppliers to conduct appropriate due diligence in their own operations and supply chain.

If Absortech finds that a supplier is not meeting the requirements and expectations set out in this Code of Conduct, Absortech may offer guidance specifying which issues need to be corrected or improved. The supplier should then take corrective actions promptly and commit to showing progress.

If the supplier or other Absortech partner believe that the terms of this Code are not adhered to or believes that Absortech is not acting in accordance with its own Code of Conduct, Absortech encourages such concerns to be raised to Absortech.

If a violation of this Code is suspected, Absortech, our partners and suppliers have a responsibility to report this to Absortech.

Reporting of violations must be done directly to Absortech, either to the relevant contact person at Absortech or via the Absortech whistleblower channel which is available on the Absortech website at <https://absortech.com/about/our-people/transparency-accountability/>.

The whistleblower channel enables all employees, regardless of position or role within the value chain, to report potential violations of the Code safely and anonymously.



The supplier/partner hereby declares and confirms all its obligations and liabilities pursuant to this Code and accepts all rights of Absortech against the supplier pursuant to this Code. Furthermore, the supplier/partner confirms that this Code shall have precedence in case of any violating or unclear provisions in the contract or pursuant to applicable terms between Absortech and the supplier/partner.

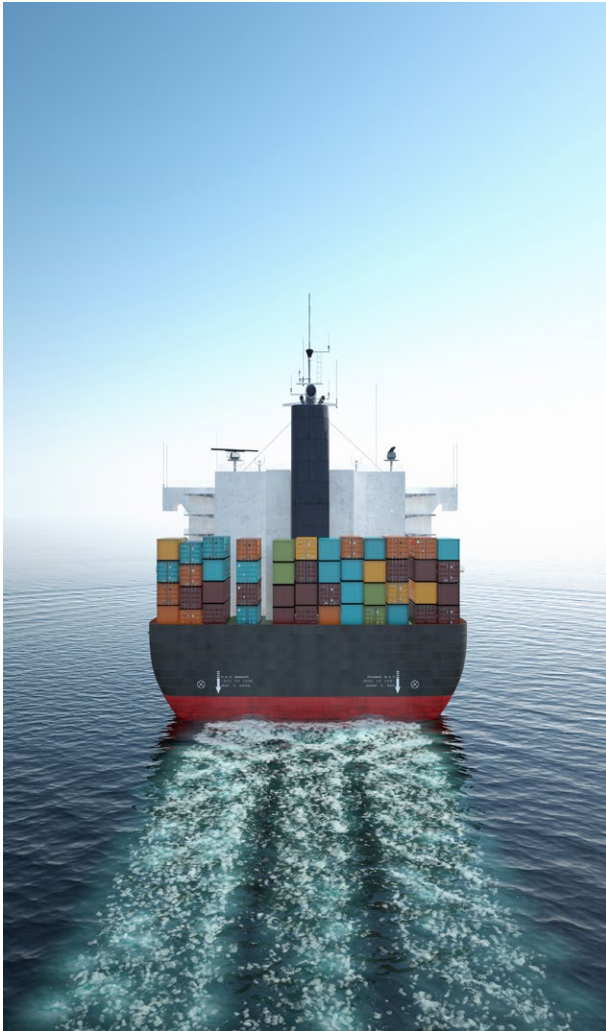
Supplier or partner name:

VAT no.:

Date:

Signature:

Clarification of name:



Absortech helps you prevent moisture damage during transport. Our promise is to protect your brand, increase your savings and lower the environmental footprint of your logistics processes. We are a pioneer in moisture damage prevention with headquarters in Sweden. Since 1996, we have been offering a wide range of inhouse developed and produced desiccants made from calcium chloride. Peace of Moisture Mind® is our moisture damage prevention concept, which includes steps like audits, tests and global supply chain solutions. We are committed to basing our operations on sustainable principles and helping businesses like yours implement sustainable solutions to prevent moisture damage.

LEARN MORE AT [ABSORTECH.COM](https://absortech.com)



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