

## Code of Conduct

At AH Industries, we run our business in a professional and responsible manner. We see it as our responsibility to ensure that our suppliers operate in accordance with our high standards. In 2011, AH Industries formulated a set of ethical principles (a so-called Code of Conduct) which set out what the company expects of itself and its suppliers. On some fronts, the requirements stipulated in AH Industries' Code of Conduct are higher than the standard requirements in force in many of the countries that are home to our suppliers.

AH Industries asks all its suppliers to guarantee that their subcontractors, in turn, also live up to AH Industries' Code of Conduct.

### AH Industries' Code of Conduct comprises:

- Child labour
- Pay and working hours
- Discrimination
- Coercion and harassment
- Forced labour
- The working environment
- Freedom of association
- The environment
- The fight against corruption
- Supply chain security

### Introduction

AH Industries' Code of Conduct encourages AH Industries' suppliers to ensure and promote responsible manufacturing and business principles. The aim is to ensure that both our suppliers and their subcontractors produce components and supply services to AH Industries in an ethically responsible manner. The present document sets out our minimum requirements, and AH Industries encourages its suppliers to strive for continuous improvements within all the areas touched upon within the Code of Conduct.

It is absolutely essential for AH Industries that the men and women/employees who are involved in the production of products and components, at both the company's own plants and plants owned by suppliers and their subcontractors, are treated properly and with respect.

### Field of application

AH Industries operates in accordance with the principles in the present Code of Conduct, and the company requires its suppliers to do likewise by ensuring they have an appropriate company policy and suitable managements systems in place to guarantee compliance with the requirements listed in AH Industries' Code of Conduct.

Suppliers are also responsible for ensuring that their subcontractors comply with AH Industries' Code of Conduct. In this document, the term 'supplier' hereinafter refers equally to all the suppliers' subcontractors.

### Compliance with legislation

Suppliers must comply with all applicable local legal requirements, regulations and industry standards.

## Disclosure

Suppliers must ensure that the contents of AH Industries' Code of Conduct are made known to all employees, and that the latter understand the Code of Conduct, e.g. by posting it on public notice boards within the company.

## Employment practice

The company must not be associated with child labour, be it directly or indirectly. As a rule, children should not work until they reach the compulsory school-leaving age, and the minimum age for full-time employment is 15 (or 14 where permitted under local legislation). Employees under the age of 18 must not carry out hazardous work or work at night, regardless of the number of hours worked. Employees who carry out this type of work must be over 18, and suppliers must comply with all local legal requirements. The minimum age for light work/part-time work (defined as work which does not interfere with a child's schooling) is 13 (or 12 where permitted under local legislation).

For all types of work, suppliers must seek to organise the tasks, working hours and work load of young employees with particular consideration for their age.

## Forced labour and freedom movement

Suppliers must not make use of forced labour or bonded labour, be it directly or indirectly. Forced labour or bonded labour is defined as work or services that people are forced to provide against their will under the threat of some form of punishment. Employees must enjoy freedom of movement in connection with their employment. The employees' personal papers, work permit or pay must not be withheld so as to prevent employees from leaving their employment.

## Force and disciplinary sanctions

Physical punishment, threats of violence and other types of physical or psychological coercion or abuse must not be employed. Disciplinary sanctions in the form of fines or reductions in pay are not permitted.

## Discrimination

Direct or indirect discrimination in hiring or employment opportunities on the basis of race, colour, gender, language, religion, political or other beliefs, age, nationality, social or ethnic origin, financial circumstances, sexual orientation, ancestry or other status is not permitted. Female employees must not be asked to provide an obligatory pregnancy test. Employees must not be asked to provide an obligatory HIV/AIDS test.

## Pay, remuneration and holidays

Employees must be paid a wage which ensures they can maintain a reasonable standard of living, and suppliers must comply with local laws and regulations pertaining to minimum wages. In addition, suppliers must pay remunerations as required in accordance with local legislation. Wages must be paid in legal tender at least once a month. In situations where the legal minimum wage cannot ensure a reasonable standard of living, suppliers are encouraged to supplement employees' pay in order to cover their needs. Employees are entitled to sickness absence and maternity leave in accordance with local legislation.

## Working hours

AH Industries has a fundamental belief that the maximum permitted number of working hours should not, on a normal basis, exceed 48 hours per week, with a maximum limit of 60 hours including overtime. Overtime must only be worked on a voluntary basis, and must be structured in such a way as to ensure safe and humane working conditions. Employees must be compensated for the hours worked in accordance with local legislation. AH Industries will, however, accept that the supplier's employees may work more than 60 hours if they do so voluntarily and if this is permitted under local legislation.

The number of consecutive working days must not exceed that stipulated in local legislation, and employees are, as a minimum, entitled to at least one day off per week.

## Terms of employment

Employees must be given written confirmation of the terms and conditions of their employment if this is a requirement under local legislation.

## Freedom of association and the right to collective bargaining

The company should not interfere in or hinder the right of employees to become a member of a trade union or their right to collective bargaining as defined under local legislation. In situations or countries where the freedom of association and the right to collective bargaining is limited by legislation, suppliers must provide an alternative to ensure that all employees are permitted to organise and participate in collective bargaining.

## Freedom of speech

Reprisals must not be directed at employees in order to prevent them from expressing any dissatisfaction with their working conditions in an open and loyal manner. When inspections are carried out, employees must have an opportunity to inform the inspectors about any breaches of this Code of Conduct without the fear of reprisal. Rules must be established for dealing with professional disputes, and these rules must provide employees with an efficient way to oppose any disciplinary sanctions imposed on them. The company must accept and abide by decisions made on the basis of such procedures.

## Working environment

The company is responsible for providing a safe and healthy working environment that complies with local legislation by:

- Taking responsibility for the health and safety of employees
- Offering training and ensuring that employees are educated in matters of health and safety
- Checking risks and taking the best possible precautions as regards accidents and occupational diseases
- Establishing or using a reasonable occupational health and safety management system.

## The environment

Local legislation as regards the protection of the environment must be observed.

Suppliers must strive to use environmental management systems to:

- Reduce the amount of waste and emissions to the air, soil and water
- Handle chemicals in an environmentally responsible manner
- Handle, store and dispose of hazardous waste in an environmentally responsible manner
- Contribute to the recycling and reuse of materials and products
- Implement environmentally friendly technologies.

## **Corruption and bribery**

Bribes must not be offered, promised, given, accepted, tolerated, demanded or knowingly exploited. AH Industries may give gifts or presents to customers as a gesture, and such gifts should not be seen as bribery. The value of gifts given or accepted must not exceed local triviality limits.

## **Supply chain security**

Suppliers gain access to AH Industries' goods and data during the supply process. Suppliers must maintain a suitable level of security to protect goods and data and prevent unauthorised access thereto. These precautions are designed to prevent damage, loss or misuse and must apply to both third parties and the suppliers' own employees.

## **Inspection and evaluation**

AH Industries reserves the right to inspect and check suppliers at any time in order to ensure that they comply with the present Code of Conduct. All documentation required to show that suppliers comply with AH Industries' Code of Conduct must be kept at the company.

All suppliers must ensure unrestricted access to inspections on site, including unannounced visits from AH Industries and/or its appointed representatives. There must be full access to all information that may indicate whether suppliers comply with AH Industries' Code of Conduct or not, and inspectors must be able to conduct confidential interviews with randomly chosen employees during these inspection visits.

If a site inspection reveals a failure on the part of suppliers to comply with the present Code of Conduct, AH Industries will enter into constructive dialogue with the supplier in question in order to improve conditions. AH Industries will demand satisfactory action plans designed to remedy any breaches of the Code of Conduct, and will carry out follow-up inspections to ensure that necessary improvements are implemented.

## **AH Industries' Corporate Social Responsibility - CSR**

The present Code of Conduct forms part of AH Industries' CSR policy under the company's vision and strategy. AH Industries wishes to endorse the principles in the UN's Universal Declaration on Human Rights and the conventions of the International Labour Organization (ILO).

AH Industries implemented the UN's Global Compact initiative at the beginning of 2011. The Global Compact was introduced in 1999 as a UN initiative with the aim of promoting global corporate social responsibility. AH Industries' participation in this initiative is relevant as regards the content of the present Code of Conduct. At the core of the Global Compact lie 10 principles covering four important areas: human rights, labour rights, the environment and anti-corruption.