

May 2022

# AAK Code of Conduct for Agents and Distributors



**AAK**

# Introduction

by Johan Westman, President and CEO

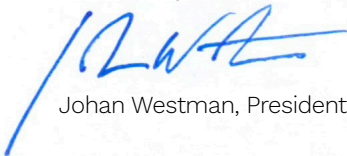
**The AAK Code of Conduct for Agents and Distributors is designed to guide our representatives in how to interact with our stakeholders.**

AAK's core behaviors and principles are at the very heart of the company and connected to our purpose, Making Better Happen™. To realize this purpose, it is of vital importance that each representative of our organization is financially, socially, and ethically conscious and responsible.

This Code of Conduct for Agents and Distributors is an extract from the AAK Group Code of Conduct and includes elements that are relevant for our representatives. The Code is applicable to all AAK representatives in all business areas in all markets at all times. It is the responsibility of each AAK representative to follow our principles and rules. This responsibility cannot be delegated.

Yours faithfully,  
AAK AB (publ.)

Malmö, May 2022



Johan Westman, President and CEO



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# Deployment

## Implementation

AAK representatives have a personal responsibility to ensure that their activities comply with the Code. Should a situation occur where no specific guidelines exist, their conduct should be compliant with the spirit of the Code.

AAK representatives are expected to ensure that their business complies with the Code, and that relevant business partners are duly informed of its content.

AAK representatives have a responsibility to ensure that the Code is implemented in their area of responsibility, and that employees understand and know how to comply with the Code. Information and training sessions should be held as needed.

## Compliance

Should a representative fail to comply with AAK requirements, we will through dialogue and cooperation try to solve the situation, or, as a last resort, terminate the relationship, considering the potential social and economic adverse impacts by the decision.

AAK representatives must inform their AAK contact if they have reason to suspect that laws, legal requirements, or the Code are being materially violated. They can do so without fear of reprisal from anyone, and the necessary confidentiality and anonymity will be respected.

## Laws and regulations

AAK representatives respect the laws and regulations in the countries in which they operate and require that their partners do the same.

In situations when international standards or this Code impose stricter requirements than domestic laws, our representatives should follow the standards that award the highest outcomes for sustainability or business responsibility. In situations when international standards conflict with domestic legislation, AAK representatives commit to seek ways to honor the spirit of international standards.

Should any requirement in the Code violate applicable law, the law takes precedence.

## Trade compliance

Business partners must comply with local laws and international sanctions regulations and not engage in, or cause AAK to engage in, any form of sanction breaches.

## The AAK whistleblowing service

In case of breaches and when finding it difficult to bring up an issue with an AAK contact person, it is recommended to use the AAK whistleblowing service. The whistleblowing service is an external platform that can be utilized anonymously to report suspicions of misconduct. The reporting channel can be reached here:

<https://report.whistleb.com/aak>



# Information and communication

## Transparency and disclosure

AAK representatives are committed to transparency and to disclose timely and accurate information on all material matters relating to our activities, value chain, structure, financial situation, performance, ownership, and governance. AAK representatives are committed to making financial and non-financial disclosures, including environmental and social reporting where available and if needed.

## Confidential information

Any information that is not public property or public knowledge should be considered confidential information. Examples are trade and business agreements and personnel information.

AAK representatives are expected to keep confidential information protected and not disclosed unless required by law or authorized by Management. Necessary steps to avoid unintentional disclosure of confidential information are taken, which include filing and transmission of such information in a safe manner.

Confidential information received from third parties is handled with similar respect.

## Records

The integrity of AAK's record keeping and reporting systems is of utmost importance.

AAK representatives shall ensure that records are accurate, complete, and reviewed, whether they are for internal or external use.

AAK representatives must apply accounting rules and controls and follow company procedures for retaining and disposing of records.

## AAK representative privacy

AAK representatives' records are not released to any person unless required by law or with the written consent of the representative concerned.

## Government investigations

AAK representatives are committed to cooperate with any appropriate government investigation or other request for collaboration by government/state authority, as appropriate. If a governmental demand in this respect is put forward, whoever receives this demand must inform their AAK contact before any action is taken or commitment is made.



# Business ethics

## Fair business dealing

AAK representatives carry out their activities in accordance with all applicable competition laws and regulations.

## Anti-corruption

AAK representatives are committed to working against corruption in all its forms, including extortion and bribery, and apply zero tolerance for corruption.

AAK representatives do not, directly or indirectly, offer, promise, give, or demand a bribe or other undue advantage to obtain or retain business or other improper advantages. Furthermore, AAK representatives will resist the solicitation of bribes and extortion.

AAK representatives will not offer, promise, or give undue financial or other advantage to public officials or the employees of business partners – or request, agree to, or accept undue pecuniary or other advantage from public officials or the employees of business partners. AAK representatives will also not use third parties to channel the undue financial or other advantages to public officials, or to employees of their business partners or to their relatives or business associates. Gifts must never be offered or accepted, by AAK representatives or related third parties, if the giving or accepting entails a risk that such gift may be viewed as undue influence on business transactions or conducts by the giving or receiving party. All actions must at all times be consistent with applicable local laws and customary business practices.

All kinds of compensation to suppliers and partners are based on verifiable supply of products or services only.

AAK representatives strive to avoid facilitation payments. In cases where such facilitation payments are made, accurate records in books and financial records should be kept. Charitable contributions or sponsorships are not used as a subterfuge for bribery.

## Political contributions

AAK representatives do not pay political contributions to obtain business advantages.

## Conflict of interests

AAK representatives avoid private activities, financial interests, or relations that might lead to a conflict of interests with the interests of AAK.

If a conflict occurs or can be foreseen, the AAK representative is required to discuss and solve the matter with his/her AAK contact.

Examples of conflicts of interests could be:

- Personal engagement in activities in competition with AAK's business
- Personal financial interests in conflict with AAK interests
- Employment of, buying from, or selling to closely related persons



# Human and labor rights

## Human rights

AAK representatives respect and support human rights in line with United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO core conventions, and any other specific international legal human rights frameworks, as applicable.

AAK representatives should commit to conducting human rights due diligence on an ongoing basis to adequately address human rights impacts that they may cause, contribute to, or be directly linked to through their operations, products or services. Human rights due diligence entails identifying and assessing human rights impacts, responding to them and monitoring performance. They are furthermore encouraged to acknowledge a responsibility to communicate and engage with affected stakeholders about how the impacts are addressed as well as the human rights due diligence process.

## Fundamental labor rights

AAK representatives are committed to respecting and ensuring labor rights based on the ILO core conventions.

## Freedom of association and right to collective bargaining

AAK representatives are committed to respecting and upholding the freedom of association and the right to collective bargaining. The freedom of association means that all workers can freely establish, join, or run groups and unions to promote and defend their occupational interests. Freedom of expression and opinion are core rights in this context, too. Collective bargaining is an essential element in freedom of association. Collective bargaining entails a voluntary process where employers and workers discuss, negotiate, and work together regarding their relations and working conditions.

## Non-discrimination in employment and occupation

AAK representatives are committed to ensuring that employees are not subjected to discrimination in employment, benefit promotion, training, or occupation. AAK representatives do not tolerate discrimination or harassment in the workplace.

AAK representatives are committed to ensure that everyone should be treated equally, with respect and dignity, and be given fair and equal opportunities for personal development regardless of, for example, gender, age, education, position, race, religion, political opinion, disability, sexual orientation, national origin, marital status, trade union participation, HIV status, or pregnancy.

Recruitment and promotion of employees is based on a match between assessed job requirements and applicants' qualifications and experience.

Medical assessment or pregnancy testing is never used unless required by law or relevant to the safety and health of the employee.

## Working hours and compensation

AAK representatives comply with local laws and regulations regarding workers' contracts and working hours, including overtime and overtime compensation.

Employees are entitled to a minimum of one day off in seven, and to take time off for established national and local holidays.

Employees are granted the stipulated annual leave, sick leave, and maternity/paternity leave without any negative repercussions.

AAK representatives shall ensure the application of the principle of equal remuneration for work of equal value.

## Child labor and young workers

AAK representatives do not accept child labor and are committed to ensuring that children are not exploited in child labor.

AAK representatives shall adhere to the ILO conventions that provide the framework for national law to prescribe a minimum age for admission to employment or work that must not be less than the age for completing compulsory schooling, and in any case no less than 15 years.

## The elimination of all forms of forced or compulsory labor

AAK representatives are committed to ensuring that workers are not exploited in forced or compulsory labor. The work of any worker must always be conducted willingly. Forced or compulsory labor is any work or service that is expected from any person under the menace of any penalty, and for which that person has not offered himself or herself voluntarily. Physical punishments, mental or physical duress, or verbal abuse is not accepted.

# Safety and the environment

## Workplace health and safety

AAK representatives are committed to taking all the necessary steps to ensure occupational health and safety in their operations and activities. AAK representatives provide a safe and violence-free working environment and are committed to continuously reduce risks that may cause accidents or have a negative impact on the health of its employees.

AAK representatives will provide their employees with all necessary information, instructions, training, and equipment to reduce health and safety risks. AAK representatives further recognize that all workers must have the right to remove themselves from a work situation if they reasonably believe that it presents an imminent and serious risk for their health and safety.

## Environment

Sustainable development is fundamental to AAK's business. Our understanding of sustainable development implies not compromising the ability of future generations to meet their own needs. We are committed to contributing to global sustainable development and taking due account of the need to protect the environment.

AAK representatives are committed to contribute to global sustainable development and take due account of the need to protect the environment.

AAK representatives shall strive to continuously minimize the environmental impact of their activities and improve their environmental performance. AAK representatives continuously seek to reduce greenhouse gas emissions, optimize the use of resources, prevent pollution, and protect biodiversity.



# Agent's or Distributor's acknowledgement

We hereby confirm that we have received and taken due note of the contents of the AAK Code of Conduct for Agents and Distributors.

By signing this document, we confirm that we have read, understood, and will respect and comply with the Code:

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Date and place

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Signature

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Name and title

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Company name

**Please return the signed document to AAK.**