

# Code of Conduct Long version

**ASSA ABLOY**

The global leader in  
door opening solutions



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# 1. Introduction

## 1. Introduction

ASSA ABLOY'S REPUTATION FOR CONDUCTING business in the highest ethical manner is a valuable asset in the company's relation with its stakeholders. The reputation is built with the help of all employees through their commitment to do their best to enhance this reputation and to work in accordance with our vision, as stated below.

ASSA ABLOY is the world's leader in door opening solutions. The Group strives to transform and develop the industry by continually increasing end-user satisfaction in the areas of safety, security, convenience and design. ASSA ABLOY aims to introduce new solutions and concepts that are adapted to local needs and that will work effectively with the security investments that customers have already made.

Its leading position enables ASSA ABLOY to leverage technology investments and market development in the interests of end-customers and distributors all over the world. The local business operations are enhanced by the strength and resources of ASSA ABLOY.

ASSA ABLOY is being developed with long-term sustainability in mind. The environment, ethics and values and employee relations are important elements in this context.

Our policies and this Code of Conduct are further based on:

- UN Universal Declaration of Human Rights and connected UN Conventions
- ILO Tripartite Declaration of Principles concerning Multination Enterprises and Social Policy
- OECD Guidelines for Multinational Enterprises
- UN Global Compact
- ISO 14001

## 1.1 General

ASSA ABLOY, being the world's leader in door opening solutions, believes in responsible social and ethical behavior. ASSA ABLOY has a responsibility for the people serving the company worldwide. People whose work contributes to the company's success should not be deprived of their basic human rights, be forced to suffer physically or mentally from their work. Furthermore ASSA ABLOY and its employees have an obligation to all Stakeholders<sup>1</sup> to observe high standards of integrity and fair dealing. Unlawful and unethical business practices undermine employee and customer trust. Violations of the policy, or failure to detect and report violations through willful disregard, may result in disciplinary action, including suspension or termination of employment. Employees should be aware that – apart from any disciplinary measures that ASSA ABLOY may take – they may be subject to prosecution, imprisonment and fines, including reimbursement to ASSA ABLOY, the government or any other person or entity for any losses or damages resulting from the violation. Moreover, employees must be aware that ASSA ABLOY itself may be subject to prosecution, fines or other legal action due to the illegal or improper conduct of its employees.

Situations may occur where no specific guidelines exist. In such cases, conduct should be in the spirit of the "Code".

This document can never replace national legislation that in many cases is much more specific. All divisions and companies within ASSA ABLOY are responsible for producing and updating any relevant in-depth information about their specific legislative requirements. We ask that, in cases as described above, where specific in-depth documentation has been produced, the responsible manager sends a copy to Head-quarters, the nominated person for the Code of Conduct.

<sup>1</sup> *These include customers and end-users, owners and investors, employees, partners and suppliers, governments and authorities, neighbors and local communities.*

## **1.2 Implementation**

### **Organization and responsibilities**

The overall responsibility for this Code of Conduct and the implementation hereof lies with the President and CEO of ASSA ABLOY, who also chairs the Sustainability Steering Committee.

### **Managers' responsibility**

ASSA ABLOY's managers have additional responsibilities in conjunction with this Code. They are expected to lead according to ASSA ABLOY's standards of ethical conduct and to demonstrate their commitment to the Code. Managers should communicate and reinforce the Code to employees and foster a work environment that encourages employees to act ethically and in compliance with the Code. Managers should also be available to provide information and advice in ethics and compliance matters.

All managers have the responsibility to communicate and distribute relevant parts of the Code, as described below, to employees and to handle any concerns or complaints. Managers are responsible to ensure that employees are provided with relevant parts of the Code of Conduct. Further, refresher information and training sessions should be held as needed.

This document will be presented to all managers, employees working in Purchasing, HR, Finance/Accounting, union representatives and other categories as decided by the resp. division. The short version, "Our Code of Conduct", will be presented to all employees. "Our Code of Conduct" is available in the following languages: Bahasa, Chinese, Czech, Danish, Dutch, English, Finnish, French, German, Hebrew, Italian, Korean, Norwegian, Portuguese, Romanian, Spanish and Swedish. In case of a need for translation into other languages, ASSA ABLOY Head Office should be contacted.

**Raising concerns and asking for guidance**

Any concerns or complaints related to the Code of Conduct should wherever possible be communicated to the line manager, a representative of the local management or to the person nominated for the local mechanism for referral. If an employee finds it difficult to bring up an issue locally, ASSA ABLOY Headquarters, Code of Conduct function, shall be informed. The form provided in Appendix II can be used. All such communications will be held confidential and anybody communicating in such a way can be assured that there will be no adverse consequences. All communications will be duly handled, and the reporting person will be informed about the result of the investigations.

**Code of Conduct in relation with our partners and suppliers**

All employees are expected to comply business with our Code of Conduct and to make sure that our business partners, suppliers and consultants are informed of its content.

As an extension of our supplier evaluation program criteria related to our environmental, ethical and social responsibilities are included.

**Stakeholder communication, dialogue and engagement**

ASSA ABLOY is open to communication and input from its stakeholders and always makes an effort to answer questions and to participate in relevant surveys and studies.

**Monitoring, auditing and review**

ASSA ABLOY will follow up and monitor the implementation of the Code of Conduct.

## 2. Business Ethics

### 2.1 General

ASSA ABLOY RESPECTS THE LAWS and regulations in the countries in which it operates and requires that its suppliers and partners do the same. Should any requirement stated in the Code violate applicable law, the law takes precedence. It should be noted that ASSA ABLOY's requirements are not necessarily limited to the requirements of national laws and regulations.

### 2.2 Fair competition and antitrust legislation

ASSA ABLOY is committed to competition that is based on the added value of its products and services. ASSA ABLOY does not engage in unfair, misleading or inaccurate comparisons, anti-competitive agreements or arrangements and does not tolerate bribes, facilitation payments or extortion, either as a payer/initiator or as a receiver.

ASSA ABLOY is a global Group with companies around the world. The antitrust and competition laws are complicated and technical and vary from country to country. The Code identifies specific activities prohibited by the antitrust laws of many countries.

Prohibited activities include discussion or enacting of any of the following subjects with competitors, whether relating to ASSA ABLOY or the competitors:

- Pricing or pricing policies, lease rates, bids, discounts or promotions

- Profits, costs, terms of sales, royalties or warranties
- Allocation of customers, territorial markets, products or services
- Refraining from manufacturing or selling a certain product generally or in any geographic region or to any category of customer. In addition, the following practices are prohibited:
- Illegal kickbacks
- Illegal tying, refusal to deal, price discrimination or illegal competitive methods
- Use of theft or deceit to obtain, or attempt to obtain, information for any ASSA ABLOY company

In dealings with customers, contractors, vendors and other third parties the following could raise issues and should always be subject to consultation with legal counsel before engaging in such practices:

- Obtaining the agreement of any customer, supplier, vendor or other contractor not to deal with a competitor or other person or entity in a particular area or territory
- Forcing a customer to buy an item or service as a condition for buying another item or service
- Purchasing items or services from a vendor on the condition that the vendor will purchase other products or services
- Charging customers different prices for the same products and services without a business reason for the difference (e.g., standard volume discounts, differing levels of service)

## 2.3 Bribery

### Payment of bribes

The offer, gift, or acceptance of a bribe in any form or the arrangement of such, including kickbacks is prohibited.

### Political contributions

ASSA ABLOY does not pay political contributions to obtain a business advantage. Individual participation in politics must not involve the use of ASSA ABLOY's funds, time, equipment, supplies, facilities, brand or name.

### Lobbying

If ASSA ABLOY takes part in a lobbying process, it is done in a fair and transparent manner, respecting laws and regulations.

### Charitable contributions and sponsorships

ASSA ABLOY does not use charitable contributions and sponsorships as a subterfuge for bribery.

### Facilitation payments

ASSA ABLOY strives to identify, minimize and eliminate facilitation payments.

### Entertainment, gifts, gratuities and donations

When employees are involved in supply management activities, representing any ASSA ABLOY company, all decisions shall be made with utmost integrity, honesty, independence, transparency and objectivity. Without being biased, the most effective solution shall be chosen. Therefore, no one should give or accept any gifts, gratuities or entertainment offers that could influence the person's or customers' decision-making. Neither should this be offered in sales situations.

Small gifts, hospitalities and expenses are very common and natural in business relationships and are generally seen as a part of the culture of "doing business". With careful consideration and at a nominal value this could be acceptable, except whenever such arrangements could affect the outcome of business transactions. Further exceptions are when government officials are involved. In many countries providing gifts, gratuities and entertainment to government officials is illegal.

Donations to customers and those closely affiliated with our customers shall result in a benefit to society and shall be made to demonstrate good corporate citizenship. No donations shall be made with the explicit or implicit requirement to use or purchase any ASSA ABLOY product.

Because of the partnership status of distributors and dealers, they often receive incentive programs from suppliers in ASSA ABLOY's industry. The value of these programs is often much greater than the aforementioned "nominal" value and may include cash or merchandise/services such as free products or prizes awarded as the result of a sales contest. The principal restriction on such programs is compliance with anti-trust laws; however, a violation of ASSA ABLOY's policy on gifts can occur when the program is aimed at employees of the distributor/dealer rather than at the business. ASSA ABLOY avoids situations where distributors/dealers/employees are given an incentive to push sales of a particular ASSA ABLOY product without the awareness and support of the management or owners of the distributors/dealer. Accordingly any incentive program which renders benefits directly to employees of distributors/dealers must be approved by the concerned ASSA ABLOY division President and must be accepted in writing by the management of the distributor/dealer.

A similar situation occurs when an employee or employees of a distributor/dealer travels to a sales meeting or to visit an ASSA ABLOY factory. Such travel should normally be paid for by the distributor/dealer, although the concerned ASSA ABLOY unit may pay for some nominal expenses as described earlier. In the event that the ASSA ABLOY unit proposes to pay for more than nominal expenses (air fare, for example) or wishes to include the expenses of spouses or dependents of the distributor/dealer employee, this must be approved by the President of the ASSA ABLOY division concerned.

The above is valid also for payments through intermediaries.

#### **2.4 Fraud**

ASSA ABLOY does not accept fraud in any form.

#### **2.5 Records and reports**

The integrity of ASSA ABLOY's record keeping and reporting systems is of outmost importance. Employees must use special care to make sure that records are accurately and completely prepared and reviewed, whether they are for internal or external use.

Employees must apply accounting rules and controls, as described in the corporate manual and follow company procedures for retaining and disposing of records.

#### **2.6 Government investigations**

ASSA ABLOY cooperates with any appropriate government investigation. If a governmental demand in this respect is put forward, the immediate manager must be informed before any action is taken or commitment is made.

Documents must never be destroyed or altered in

anticipation of a government investigation, and misleading or untrue statements to government investigators must not be made. This is true even if a governmental investigation or proceeding has not yet begun or been threatened, and it is also true even if such an investigation or proceeding simply appears to be a possibility. No coercion or pressure must be put on employees to compromise this policy.

#### **2.7 Conflict of interest**

Conflict of interest between the employee and the company must be avoided. Should such conflict occur, or is there concern it might develop, the employee is required to notify the company in writing and to discuss the matter with the immediate manager.

*Some obvious situations of conflict include:*

##### **Outside business activities**

ASSA ABLOY expects its employees to devote their full working hours exclusively to their work. An employee is not allowed to engage in any external activity, which is in competition with ASSA ABLOY's business.

##### **Personal financial interest**

Personal financial involvement in activities that might conflict with ASSA ABLOY's interest must be avoided, e.g. ownership in companies where ASSA ABLOY's activities have a major impact. This may also apply for family members.

##### **Inside information**

Insider or otherwise confidential information must not be used for personal gain. It is prohibited to buy or sell shares in ASSA ABLOY until a reasonable time has passed since the information has been disclosed to the public or to give "tips" to other persons about such information.

### **Employment of and buying from and selling to closely related persons**

ASSA ABLOY strives to maintain a fair workplace free from special advantages due to family or other personal relationships. Therefore the employment of closely related persons shall be subject to prior approval. Further a closely related person must not be employed in any position where the other related person has an influence on the other person's job. The above applies also for buying from and selling to closely related persons.

### **Confidential information**

Any information that, if disclosed, risks placing ASSA ABLOY or any of its units at a competitive disadvantage shall be treated as confidential and must only be disclosed to anyone in need of the information to perform the work. This also applies after the termination of employment.

It is further advised not to discuss, directly or over the phone, confidential or other matters that could lead to a competitive disadvantage, in places or situations where such discussions could be overheard. The same applies to all e-mail or internet communication. E-mail communication should be dealt with the same way as other written business communication regarding content, formal language and handling of documents.

Employees may possess or have access to confidential information from former employers, vendors, customers or competitors. ASSA ABLOY respects the integrity of and confidentiality of such information. Employees must not use or disclose such confidential, proprietary information unless it has

been properly obtained and its disclosure authorized, or should employees accept or receive confidential information of another person or entity except pursuant to a written confidentiality agreement and appropriate authorization.

### **Patents, trademarks and copyrights**

ASSA ABLOY recognizes that its brands and trademarks possess a significant value. They should be nurtured and protected to maintain and further develop their value. The ASSA ABLOY corporate brand is to be used in addition to the local brands/trademarks to help create a strong and consistent global identity. Ownership of trademarks rests with the originating company.

Any new inventions, processes, works of authorship, technology advances or unique solutions to business problems developed or discovered during the scope and period of employment with ASSA ABLOY shall be the property of the company. It remains the right of the local company or ASSA ABLOY to decide whether to file patent or other protection for them.

ASSA ABLOY does not intentionally infringe upon the intellectual property of others.

### **Computer software**

ASSA ABLOY respects computer program copyrights and strictly conforms to all applicable laws and regulations concerning the use of computer software and expects all employees to follow laws and regulations and, for example, not copy any programs unless the license specifically permits it.

## 3. Workers' rights, human rights, consumer interests and community outreach

### 3.1 Child labor

ASSA ABLOY RECOGNIZES THE RIGHTS OF every child to be protected from economic exploitation and from doing work that is likely to be hazardous to the physical, mental or spiritual health, harmful to the moral or social development, or interfere with the child's education.

A child in this context is a person younger than 15 years of age, or 14 years of age in accordance with the exceptions for developing countries as set out in Article 2.4 in the ILO Convention No. 138 on Minimum Age. If relevant national legislation has set a higher age, this age will apply.

Some countries apply the definition of young workers to persons above the minimum age and below 18.

ASSA ABLOY does not accept child labor, however acknowledges that it exists and realizes that it cannot be eradicated by simply setting up rules or inspections, but by actively contributing to the improvement of children's social situations. If a child is found working with ASSA ABLOY products in any of its own or suppliers' factories, it is requested that the employer acts in accordance with the overall best interest of the child. ASSA ABLOY will not as a first action ask an employer to dismiss a child but will cooperate in seeking a satisfactory solution that takes into account the child's age, social situation and education. A satisfactory solution is whatever improves an individual child's overall situation. The employer should cover the costs for this.

### 3.2 Forced or bonded labor

ASSA ABLOY does not employ nor accept any form of forced or bonded labor, prisoners or illegal workers. ASSA ABLOY acknowledges that means to force people to work can include a deposit payment or demand to deposit identity documentation or other personal belongings, all of which is prohibited. If foreign workers are employed on a contract basis, they must not be required to remain in employment against their will. The employer will pay for commissions and recruitment agency fees in connection with the employment where applicable.

### 3.3 Freedom of association and collective bargaining

ASSA ABLOY employees have the freedom to join or establish an association of free choice, to organize and to bargain collectively and individually in accordance with local laws and regulations. No employee should risk being harassed or retaliated against for exercising these rights.

### 3.4 Worker's contracts, working hours and compensation

ASSA ABLOY complies with local laws and regulations regarding workers' contracts, working hours, including overtime and overtime compensation. Salaries should be paid regularly and comply with the applicable local legislation and the local market situation. Employees are entitled to a minimum of one day off in seven and to take time off for established national and local holidays. Employees should be granted the stipulated annual leave, sick leave and maternity/ paternity leave without any negative repercussions.

### **3.5 Diversity and gender balance**

ASSA ABLOY values and promotes diversity. This includes gender balance for managerial positions. ASSA ABLOY gives priority to the underrepresented gender given equal qualifications and promotes diversity in the recruitment process.

### **3.6 Discrimination, harassment, and equal opportunities**

ASSA ABLOY provides a work environment where everybody should be treated with respect and dignity and be given fair and equal opportunities for development. Therefore ASSA ABLOY does not tolerate any form of discrimination or harassment in the workplace due to race, ethnicity, sexual orientation, gender, religion, age, disability, political opinion, nationality or any other potentially discriminatory factor.

### **3.7 Employee privacy**

#### **E-mail correspondence**

Company e-mail and internet functions should be used only for company purposes and therefore all traffic is company property. In many countries ASSA ABLOY is legally responsible to protect itself and employees from inappropriate use of those tools. Therefore ASSA ABLOY reserves the right to monitor e-mail and internet use.

#### **Telephone conversations**

ASSA ABLOY does not monitor telephone calls,

unless for specific reasons, such as training. Any case of monitoring will be agreed upon between the employee and the immediate manager in advance. Any third party will be informed, in advance, about the monitoring.

### **Employment and medical records**

Employment records are kept confidential and are only disclosed for legitimate reasons. Employees' medical records are confidential and private, kept separately from all other employee records in locked cabinets or the equivalent. These records will not be released to any person unless required by law or with the signed, written consent of the employee concerned.

### **3.8 Alcohol and/or drug abuse**

ASSA ABLOY expects all employees to attend work with an unimpaired judgment and therefore to refrain from any alcohol and/or drug abuse that may affect their work.

### **3.9 Human rights under special circumstances**

In addition to the already mentioned human rights issues, there might be circumstances under which further human rights perspectives might arise. Examples could be in respect of new operations and impact on the local community, impact on indigenous peoples' rights or security measures. Even if such examples are not common, ASSA ABLOY

is aware of the potential impact on human rights and acts according to relevant international or local law. If no official guidelines are available, ASSA ABLOY will seek other sources so as to choose the best approach under the specific circumstances.

### **3.10 Consumer interests**

ASSA ABLOY ensures that all applicable health & safety requirements are met for its products and services and that necessary and relevant information about the products and services are published through appropriate channels.

Advertising should always be truthful. If specific claims are made about products, there must be evidence to substantiate those claims. Products should not be labeled or marketed in any way that might cause confusion between ASSA ABLOY's products and those of any of its competitors. Similarly, employees should be alert to any situation where a competitor may be attempting to mislead potential customers as to the origin of products and should inform the immediate manager of any such cases.

The products, services or employees of competitors should not be disparaged. Comparisons of ASSA ABLOY's products to those of the competitors should be fair. Comparative advertising is subject to some regulations and should in case of uncertainty be cleared in advance with the ASSA ABLOY's legal advisors.

### **3.11 Community outreach**

ASSA ABLOY acts as a good corporate citizen wherever it operates and supports local, regional and global communities in appropriate ways.

## 4. Environment and health & safety

### 4.1 Environment

- ASSA ABLOY will always meet legal requirements.
- ASSA ABLOY continuously seeks ways to reduce the consumption of resources, prevent pollution and improve the overall environmental impact from its operations and products along the value chain.
- ASSA ABLOY encourages the development and diffusion of environmentally friendly technologies.
- ASSA ABLOY requires all ASSA ABLOY production units with significant environmental impact to implement certifiable environmental management systems.

All employees are expected to support and take responsibility for ASSA ABLOY's environmental performance.

### 4.2 Health & Safety

#### Work environment

ASSA ABLOY is committed to provide a safe working environment and to reduce risks that can cause accidents or impair the health and wellbeing of its employees. This includes that chemicals are marked and handled in a safe way, work areas are kept clean and free from pollution and that instructions regarding the use of personal protection and work equipment are adhered to.

Manufacturing entities should provide adequate and clean changing rooms, washrooms and toilets separate for men and women.

#### Building and fire safety

Hazardous material and equipment should be stored according to applicable rules and policy. There should be clearly marked emergency exits. Exits must not be blocked and should be well lit. All employees should receive information about the safety arrangements such as emergency exits, fire extinguishers, first aid equipment, etc. An evacuation plan should be displayed on each floor of a building. The fire alarm should be tested and evacuation drills carried out on a regular basis.

#### First aid and medical care

First aid equipment must be available at appropriate locations, and at least one person in each location should be trained in basic first aid. A doctor or nurse should be contacted if necessary in the event of an accident on the premises. The company should cover the costs of medical care for injuries incurred on its premises if they are not covered by social security or insurance provided safety rules have not been violated.

Stockholm, December 15, 2008



President and CEO, Johan Molin

# Appendix 1

I have read the ASSA ABLOY Code of Conduct (“Code”) and understand my responsibility to comply with the Code. I am aware of a potential or actual situation that may not be in compliance with the Code, and request a decision as to whether the situation described below is permissible under the Code.

Applicable Code Section

.....  
.....

Description of potential or actual conflict

.....  
.....

The above described situation is  approved  not approved

Other relevant answers/decisions

.....  
.....

Name, function and date

.....

**Please send this report to:**

*code@assaabloy.com*

Or if this is not possible to:

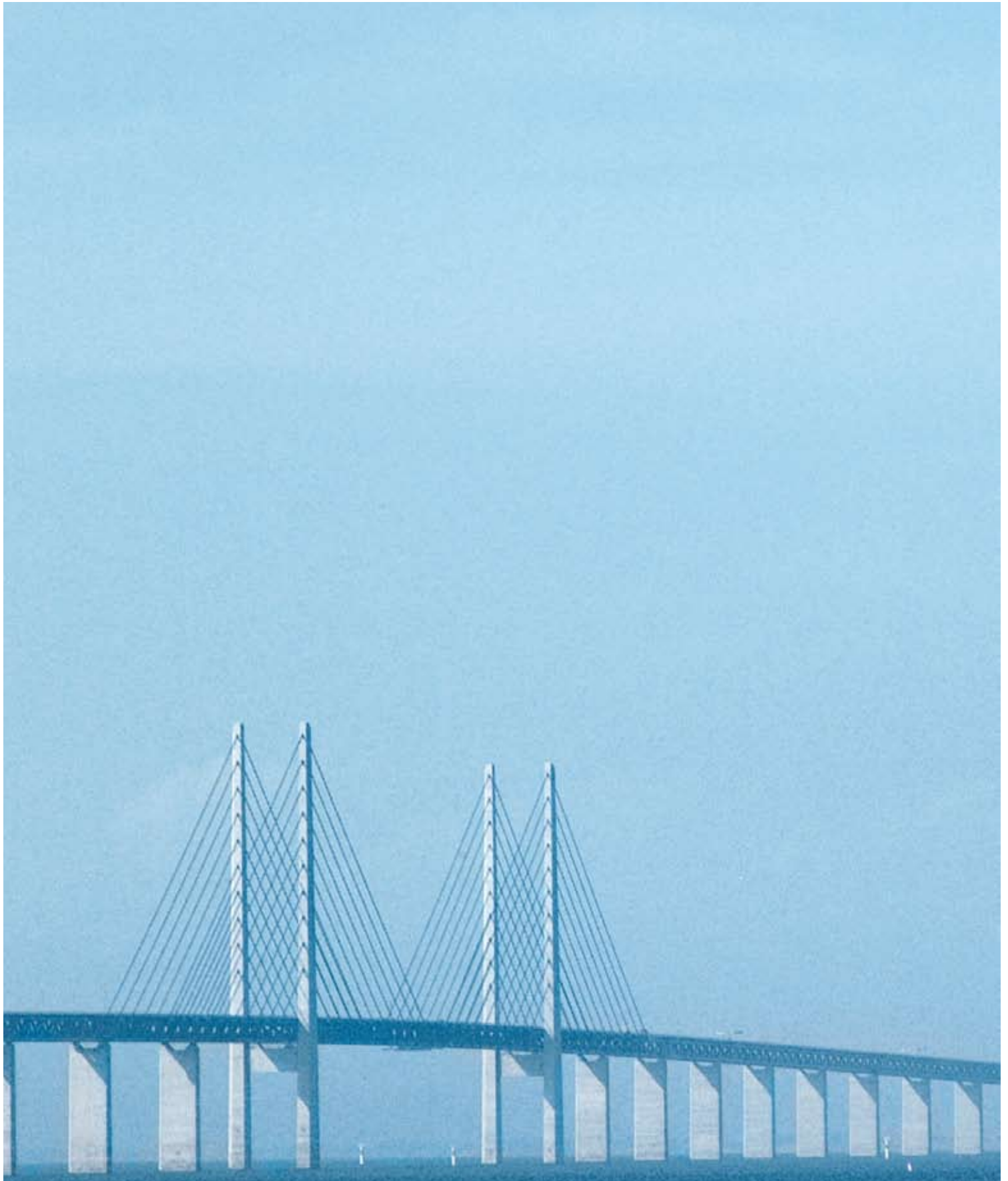
*Code of Conduct function*

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ASSA ABLOY is the global leader in door opening solutions, dedicated to satisfying end-users needs for security, safety and convenience.

[www.assaabloy.com](http://www.assaabloy.com)

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