



CODE OF CONDUCT

Baltronic Group

1. Introduction

Baltronic Group's (hereinafter referred as Baltronic) Code of Conduct sets out essential guidelines for Baltronic management and all employees in their working environment. It is based on the principles of integrity as well as fair and ethical behaviour. It is an important element for the sustained positive development of Baltronic in a constantly changing international environment.

Baltronic activities are global and the Baltronic has sales offices in all Baltic countries and production facility in Estonia. Wherever the company is active, the company faces demands which we must live up to. The goal is that Baltronic will be perceived as a trustworthy and reliable partner who conducts its business with integrity and in compliance with all laws and regulations applicable to its operations.

In order to ensure basic human rights, labour standards, safe working conditions, responsible management of environmental issues and high ethical standards and anti-corruption in the workplace, Baltronic's Code of Conduct was established in September 2014.

In addition to compliance with all relevant laws, regulations and standards in all of the countries in which they operate, all Baltronic companies and employees shall comply with the Code of Conduct even if it stipulates a higher standard than required by national laws or regulations.

The Baltronic Code of Conduct is based on the United Nation Global Compact's¹ ten principles derived from: The Universal Declaration of Human Rights, The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, The Rio Declaration on Environment and Development and The United Nations Convention Against Corruption.

2. Scope of application

Baltronic Code of Conduct has been adopted to underscore the principles by which the company conducts its relations with employees, business partners and shareholders. It applies to all Board members, managers and employees of Baltronic.

It is the responsibility of all managers to communicate and demonstrate the content as well as the spirit of this document within their organizations, and to encourage employees to reveal behaviour that may be non-compliant with these principles. Explicit or implicit approval of questionable actions will not be tolerated.

¹ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

Board members and Baltronic employees in affiliate companies shall work for code compliance and report non-compliance to Baltronic. Baltronic encourages suppliers, dealers, consultants and other business partners within its sphere of influence to adopt these principles. In the assessment of potential and current suppliers, the principles described in this document shall be applied.

Violations of this code should be reported to Baltronic. Reports of violations may also be done anonymously and confidentially to a dedicated and confidential mailbox, codeviolation@baltronic.com. It is possible to remain anonymous and the identity will not be revealed unless it is absolutely necessary in order to carry out a proper investigation. Persons reporting violations in good faith will not be subject to retaliation.

3. Our employees

Baltronic strives towards a non-discriminatory company culture based upon openness, trust and respect. We support and respect the protection of internationally proclaimed human rights. We make sure that we are not complicit in human rights abuses.

Baltronic is committed to eradicating any unfair or discriminatory practices should they occur. All current or potential employees shall be treated fairly and without prejudice. Corporal punishment, physical or verbal abuse or other unlawful harassment and any threats or other forms of intimidation are prohibited.

All employees will be given the opportunity to progress within Baltronic without regard to their gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age (subject to legal or contractual retirement age), or disability.

4. Respect for human rights

Baltronic supports and respects fundamental human rights and will be guided in its operations by the provisions ILO Declaration on Fundamental Principles and Rights at Work. Baltronic supports and respects the protection of human rights in particular with respect to the effective elimination of forced, bonded or compulsory labour and child labour, and will consider this in the choice and management of its relationships with suppliers and sub-contractors.

We recognize the fundamental right of employees to decide on whether to be represented by recognized unions of their choice, and we will provide the right for our employees and their trade unions to engage in collective bargaining. Our practices will be based upon internationally recognized labour standards and will take into account the customs and regulations of the various countries in which we operate.

5. Health and safety

Baltronic actively strives for the continuous improvement of health and safety in the workplace and aims to provide a safe working environment for its employees. The goal is to achieve zero accidents with absence. All Baltronic companies will, as a minimum, strictly abide by national laws.

Baltronic is committed to paying fair wages and benefits according to relevant standards wherever we operate. Baltronic will demonstrate good faith and respect in dealings with

employees and their representatives in the workplace. Working hours comply with national laws and are not excessive.

A healthy and safe working environment, and if applicable, housing facilities are provided for employees, in accordance with international standards and national laws.

Appropriate health and safety information and training is provided to employees. Safety includes e.g. clearly marked and unblocked exits, emergency exits and evacuation plans on each floor, regularly tested fire alarm and evacuation drills, first aid equipment, safe and correct handling, marking and labelling of chemicals, machinery and work processes.

The workplace, and if applicable, housing facilities, has tolerable temperature and noise level, adequate ventilation, sufficient lighting, clean toilet facilities, drinkable water and, if applicable, sanitary facilities for food storage.

6. Environment

Finite resources are used responsibly and carefully. Operational practices that reduce any environmental burden associated with our activities are promoted. Innovative developments in products and services that offer environmental and social benefits are supported.

7. Our relationship with business partners and competitors

The Code of Conduct is applicable to all Baltronic operations and to any party that contributes to Baltronic products, services and other business activities. It is the policy of Baltronic to treat all current or potential business partners fairly and without prejudice. Baltronic requires that all employees, irrespective of their function, grade or standing, observe the following standards of ethics when conducting their work:

- Baltronic employees must practice honesty and integrity in every aspect of dealing with other employees, customers, suppliers, other business partners, communities and government authorities.
- Neither Baltronic nor any of our employees may accept bribes, engage in bribery or participate in any form of corrupt business activity. No form of extortion, including improper offers for payments to or from employees, or organizations, is tolerated. Baltronic and our employees also do not give or accept gifts with more than a symbolic value or participate in activities that could affect our objectivity in business decisions.
- As a global business, Baltronic is subject to laws and regulations designed to promote fair competition and encourage ethical and legal behaviour. Antitrust and fair competition legislation generally prohibits activities that restrain free trade or limit competition. Baltronic shall conduct its business in full compliance with such legislation.
- Baltronic employees should avoid entering into situations where their personal, family or financial interests may be in conflict with that of Baltronic. Where any such potential conflict of interest arises, the employee should disclose this to the immediate supervisor.

8. Communications and privacy

Baltronic is committed to open and transparent communications within the bounds of commercial confidentiality. Baltronic will respect the privacy a data relating to individual (whether employees or third parties), which it may hold or handle as part of its information processing activities. No Baltronic employee shall without proper authority access, modify, disclose or make use of any confidential information concerning groups or individuals for any illegitimate purpose.

9. Protection of property and assets

All Baltronic property and assets are assigned to Baltronic business objectives and are treated with care and respect – any theft or misuse to be reported.

Baltronic maintains the physical security of its facilities and ensure all visitors are appropriately authorized. Baltronic also safeguards the company's confidential and proprietary information, and shares it with people outside the organization only when an approved confidentiality agreement is in place.

Further Baltronic will take all sensible steps to protect its computer systems, and ensure the passwords are secure and up-to-date.

Baltronic and its employees are at all times aware that the company's tangible and intangible assets belong to the company, not to individuals, regardless of their position.

This policy is subject to annual review and has first been approved by the Management Board of Baltronic Group OÜ on 18 September 2014.

FOR FURTHER INFORMATION:

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