



# Cembrit Code of Conduct



Dear colleagues


It is with great pleasure that I can present the Cembrit Code of Conduct.

Our customers emphasise repeatedly that one of Cembrit's characteristics is a high level of integrity and trustworthiness of the employees. We need to ensure that this perception is not compromised and introducing a Code of Conduct is a way of maintaining our good reputation.

In addition, it is the first visible sign of the ongoing effort to set certain standards for general ethical behaviour and social responsibility across Cembrit Business Units.

I urge all colleagues to read the Cembrit Code of Conduct and to think twice when faced with moral or ethical dilemmas. Before taking action on these dilemmas, you should consult the Code of Conduct and perhaps even seek advice and guidance from Management or Legal Department. We would much rather guide you beforehand than risk our reputation – or breaking the law.

Complying with the Code of Conduct should not be difficult. I will even allow myself to claim that if we all take personal responsibility and use common sense, we will most likely not have any trouble complying with the given standards.

Thank you,  
  
Martin Jermiin, President & CEO

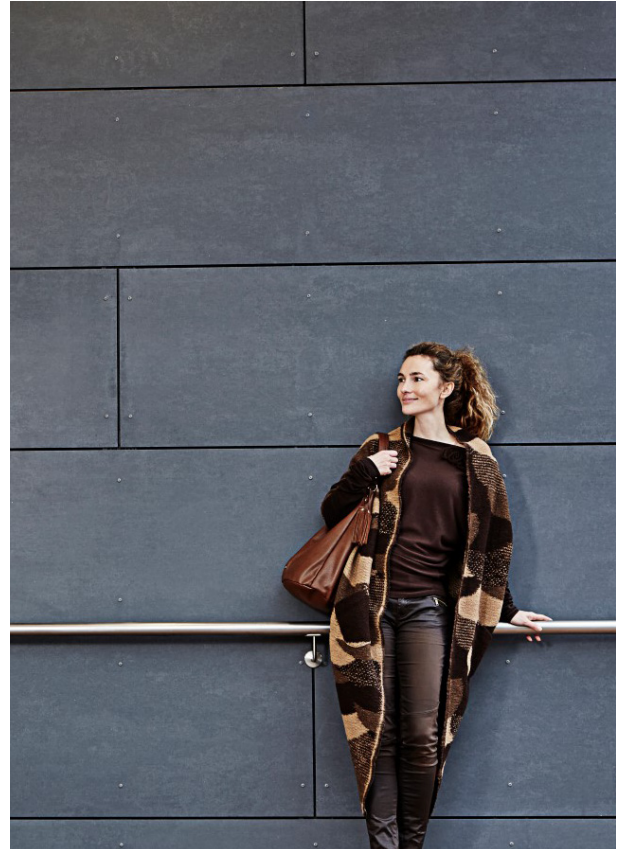


# Cembrit Code of Conduct

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Annex 1 - Decision Tree





# Cembrit Code of Conduct

## 1. Introduction

### 1.1. What Is the Cembrit Code of Conduct?

The Cembrit Code of Conduct is a set of principles outlining the expected ethical behaviour of employees and stakeholders doing business with or on behalf of Cembrit.

The Code of Conduct sets the standards in various areas in order to uphold Cembrit's reputation as a company with a high level of integrity and trustworthiness.

### 1.2. Why Does Cembrit Need a Code of Conduct?

As a pan-European company, Cembrit has employees of many different nationalities, cultures, religious beliefs and political views. This calls for commonly agreed ethical practices and standards.

The Code of Conduct describes how Cembrit employees should behave in uncomfortable situations or moral dilemmas, which call for support and clarification. It also sets out the framework for discretionary decisions.

### 1.3. Different Countries, Different Laws

This Code of Conduct proposes a set of minimum standards. Cembrit business units may set stricter standards, as long as these do not conflict with the Code of Conduct.

If in doubt, employees should consult the management, and/or Cembrit's legal advisors, about the conduct to adopt.

As Cembrit conducts business internationally, Cembrit employees are subject to various local laws and regulations. Although the Code of Conduct is applicable and enforceable in any country where Cembrit performs its activities, employees are also subject to national laws and regulations in their respective countries of activity, and to any laws that apply specifically to their own nationalities.

Cembrit will comply with the laws of every jurisdiction in which it operates. Where a local law sets higher standards than those set out in this Code of Conduct, the local law takes precedence.

### 1.4. To Whom Does the Code of Conduct Apply?

All Cembrit employees, including board members, must adhere to the principles and requirements in this Code of Conduct. Cembrit will support employees in the implementation of the Code of Conduct by providing training and information.

The Code of Conduct also applies to anyone acting on behalf of Cembrit, such as agents, consultants, suppliers and other business partners.

Employees who engage third parties are responsible for advising them that they are expected to conform to the Cembrit Code of Conduct.



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## **1.5. Responsibility of Managers' and Supervisors**

All Cembrit managers and supervisors must act as role models for staff by adhering to the principles set out in this Code of Conduct.

Managers and supervisors have a duty to inform, encourage and monitor the people who report to them in relation to the Code of Conduct. All managers must support employees who raise questions or concerns in the conduct of their professional activities.

## **1.6. The Code of Conduct Does Not Replace Personal Responsibility or Common Sense**

This Code of Conduct sets standards and serves as a tool to help employees understand Cembrit's policies. However, situations that are not covered by this Code of Conduct do not exempt Cembrit employees from responsibility for their behaviour.

An employee facing a dilemma not specifically addressed in the Code of Conduct should take the following steps in order to decide the course of action.

## **1.7. Decision tree – See Annex 1 below**

## **1.8. Whom to Contact**

If Cembrit employees have any doubts about the proper action to take, they must seek advice from their manager. Employees may also get advice from the Legal Department of Cembrit.

## **1.9. How to Report a Breach of the Code of Conduct**

Cembrit employees are strongly encouraged to take action straight away when faced with non-compliance of the Code of Conduct. Employees should bring non-compliance to the attention of an employee who has the authority to deal with the matter. Generally, non-compliance should be reported to an appropriate immediate manager.

If an employee feels uncomfortable about approaching his or her own manager, a valid alternative is to contact the Legal Department.

It is in the best interests of Cembrit that employees report breaches of the Code of Conduct. For this reason, Cembrit will not tolerate retaliation against anyone who reports non-compliance with the Code of Conduct, regardless of whether or not the claim can be substantiated.

## **1.10. Violations and sanctions**

Violation of the Code of Conduct may result in disciplinary action up to and including dismissal. In cases where a breach of the Code of Conduct implies a violation of the law, a criminal prosecution may result.

The safety of employees is a non-negotiable issue for Cembrit. Since no Cembrit employee should endanger him or herself under any circumstances, violations of the Code of Conduct are acceptable in cases of emergency, when personal security is at risk.



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## 2. Internal Issues

### 2.1. Employees

A company's success depends on its employees. Cembrit therefore strives to create a work environment characterised by mutual trust, teamwork and respect for the individual.

Cembrit considers its employees to be important resources in achieving its goals and gives safety the highest priority; all employees are entitled to a safe and secure workplace where no one is exposed to unnecessary risk. As such Cembrit is committed to giving employees the training and information they need to manage risks in their own work areas.

Cembrit furthermore gives the highest priorities to ensure the following for all Cembrit employees:

- respect and fairness
- basic employee rights
- equality and non-discrimination
- harassment-free working environment
- respect for data privacy

### 2.2. Conflict of Interests

A conflict of interest occurs when an individual's obligations and interests as a trusted employee conflict with private interests. Even the mere appearance of a conflict of interest can seriously damage Cembrit's reputation and ultimately the business.



It is crucial that Cembrit conducts business activities in the best interests of the company. Cembrit's business partners need to know that Cembrit's employees' conduct is oriented toward the company's interests and not their own private interests. Cembrit therefore strives to avoid even the appearance of conflicts of interest. If a Cembrit employee faces a potential conflict of interest, he or she should always discuss it with his or her manager before taking any further action.

Conflicts of interest can take many forms, so it is the employee's responsibility to exercise sound judgment over situations in which conflicts of interest could arise.

If you think a conflict of interest has arisen, or is about to arise, you should discuss the matter with your manager promptly.

### 2.3. Company Assets

Company assets are the tools used by employees to achieve the company's goals. They may be the product of the employees' own work, and they may be either physical or intangible. All assets must be used in accordance with the company's best interests. Cembrit's assets must be protected and safeguarded.



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## **2.4. Documentation and Reporting**

Any business decision regarding a company's future is based on that company's data, documentation and reports. It is therefore crucial that the reporting and documentation is honest, accurate and complete. Besides being a legal requirement, adequate and truthful reporting is also of crucial importance for the company's owners and stakeholders in general.

One of Cembrit's values is to be accountable; all the company's data must therefore accurately and completely reflect real transactions and events. This applies to all Cembrit's data, not just financial matters.

If an employee has any concerns or complaints regarding questionable accounting, internal accounting controls, auditing matters, or financial reporting, he or she should consult his or her manager.

## **3. External Partners**

### **3.1. Bribery**

Bribery is the giving or receiving of an undue reward to influence the behaviour of a public official or other business partner with the intention of obtaining an improper advantage in a business transaction. Cembrit employees must not engage in bribery of any kind.

Any Cembrit employee who has been asked for or is offered a bribe must immediately inform their manager. The incident must then be reported to the Legal Department.

Facilitation payments are small payments made to officials to secure or expedite the performance of a routine or necessary action to which you are entitled (e.g. entry of persons or customs clearance of goods). Facilitation payments are bribes. It is Cembrit's policy to discourage and disallow the use of illegal facilitation payments and we strive towards eliminating them from all business practises. Guidelines on facilitation payments are updated on a continuous basis. If an unavoidable demand for facilitation payment is made (for example, under conditions of "duress" where life or limb are at risk), the facilitation payment must be accurately recorded and actively reported.

### **3.2. Gifts and Entertainment**

Cembrit is aware that in building long-term business relationships, gifts and business entertainment can play a part. However, these must always stay within reasonable limits. This is to ensure that Cembrit bases its decisions on sound and objective business reasoning. Not only the value, but also the character of the gift and business entertainment can compromise Cembrit's reputation.

### **3.3. Intellectual Property and Confidential Information**

Cembrit employees commit both to protecting the company's own intellectual property and confidential business information and to respecting the intellectual property and confidential information of others. Cembrit must refrain from using protected intellectual property and confidential information that belongs to others.





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## **3.4. Business Partners**

Cembrit recognises that its success depends on good and sound relationships with its business partners, as well as on the business performance of these partners. Cembrit therefore strives to build relationships with its business partners that are characterised by mutual trust and concern for the benefit of all parties. Business partners include customers, suppliers, agents, contractors and consultants.

Cembrit strives to find and work with business partners who operate in ways that match Cembrit's own values and standards. However, Cembrit recognises that its business partners operate in different legal and cultural environments throughout the world. For this reason, Cembrit's ability to impose its own values and standards on its business partners varies significantly.

Cembrit commits to:

- engaging with business partners in respectful relationships characterised by dialogue and openness;
- selecting business partners who are committed to respecting legal requirements;
- choosing business partners on merit and demonstrable results.

Cembrit seeks to increase awareness of the values and standards demonstrated in this Code of Conduct through collaboration with its business partners as set out in Cembrit's Supplier Code of Conduct.

## **3.5. Competition**

The only way for Cembrit to be a leader in its industry is by conducting business legally, fairly and competitively. Besides damaging Cembrit's business and reputation, unlawful and anti-competitive arrangements would result in severe penalties for Cembrit, and also in some cases for the employees responsible as well as imprisonment for individuals.

Cembrit commits to not engaging in any anti-competitive practices that would hinder the mechanisms of the market economy.

Therefore Cembrit and Cembrit employees must:

- not discuss or fix prices with competitors;
- not agree to share or divide markets with competitors;
- always treat customers in a manner that ensures and respects their independence.

## **3.6. Money Laundering**

Money laundering is the process by which individuals or entities conceal illicit funds or make them look legitimate. Money laundering is a serious crime.

Cembrit will not condone, facilitate or support money laundering.

Employees should look out for irregularities in the way payments are made and be cautious when working with business partners.



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## 4. Environment and External Community

### 4.1. Cembrit's Role in Society

Both intentionally and unintentionally, every company's actions affect the surroundings in which it operates. A company is held responsible – in law and public opinion – for the effects its business activities have on nature and on local, national and global communities. As such Cembrit strives to be a socially responsible company.

### 4.2. Environment

Cembrit commits to comply fully with legal requirements for environmental protection, consider the environmental consequences of all new products, improve the utilization of resources and reduce waste and emissions in all its activities.

### 4.3. External Communities

Cembrit seeks to be as transparent as possible in its operations and will openly engage in a dialogue with anybody that has reasonable interest in our operations such as non-governmental organisations and local communities. Therefore Cembrit will as a minimum comply with national law. When the Cembrit's standard is stricter, this should be followed.

### 4.4. Political Interaction

Cembrit's employees have the right, as private citizens, to take part in political and public activities. However, these activities must not be carried out in the workplace or during work hours. An employee planning to seek or accept a public office must notify his or her manager in advance in order to discuss whether the official duties and obligations would interfere with the employee's work for Cembrit.

### 4.5. Sponsorships and Donations

Local sponsorships are integral parts of Cembrit's corporate activities. Sites and offices are encouraged to sponsor local activities – often related to children, sport, or culture that promotes the interests of Cembrit and its employees. Sponsorships at national or international level must always be discussed and approved by a Group Management Team member or by the Legal Department.







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## 5. Human Rights and Labour

At Cembrit we are strong advocates of the rights of our employees both under the International Bill of Human Rights and the International Labour Organization 8 fundamental conventions. The following highlights specific examples of minimum expectations of business partner performance.

### **Respect and Fairness**

Cembrit recognises every human being as free and equal in dignity and rights at work.

### **Illegal Labour**

Cembrit does not use compulsory or forced labour nor does it make use of child labour in any of its operations.

### **Basic Employee Rights**

Cembrit ensures it does not use compulsory or forced labour in any of its operations. We maintain a framework of fair and just remuneration, fair working hours, sick leave and parental leave and respect freedom of association including the right to collective bargaining for Cembrit employees.

### **Equality and Non-Discrimination**

As Cembrit aims for a working environment based on inclusion and mutual trust, it is imperative every employee is treated equally with dignity and respect regardless of race, colour, religion, political conviction, gender, age, national origin, sexual orientation, marital status or disability, or any other characteristic protected by national or local laws. Cembrit will not tolerate discriminatory treatment of any kind.

### **Harassment-Free Working Environment**

As the workplace should be characterised by mutual trust and respect, Cembrit does not tolerate sexual harassment, nor is any other kind of harassment, be it direct or indirect, physical or psychological, verbal or non-verbal.

### **Respect for Privacy**

Cembrit is committed to respecting the individuality of its employees, including their privacy.

### **Information Security**

In order to ensure information security and proper safeguarding of all personal data, both internal and external, all employees shall adhere to our IT policies.

# Decision Tree

If in doubt, ask yourself:

