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	SUBJECT: Code of Conduct			

Cavotec Group Code of Conduct



Letter from the Board of Directors and the Executive Committee

Cavotec Group is a global engineering group that enables industries worldwide to improve productivity, safety and sustainability. The Group is united and aligned through a shared commitment, a common identity and adherence to this Code of Conduct.

At Cavotec, we believe a responsible approach to business is a decisive factor determining the long-term success of our company. Our vision is powering a sustainable world. To realize this vision, we conduct our business taking into consideration long-term environmental and social sustainability.

Cavotec's business concept is to design, engineer and supply innovative products and systems that enable a wide variety of industry sectors to improve safety, efficiency and environmental sustainability. We build long-term relationships with customers that drive operational efficiency and improve return on investment.

The Board of Directors and the Executive Committee fully support the Code and its implementation throughout the Group. The Code is indicative of the importance Management attaches to the Group conducting business responsibly and with integrity.

INTRODUCTION

The purpose of the Code

This Code of Conduct has the purpose of ensuring the protection of human rights, promotion of fair employment conditions, safe working conditions, responsible management of environmental issues, and high ethical standards. This Code of Conduct sets out the standards that all Cavotec Group employees and directors are required to follow and uphold. The Code summarizes the internal policy documents related to business ethics, quality as well as social and environmental performance.

In order to ensure high standards, Cavotec Group and all companies within its group of companies, including but not limited to minority-owned companies and joint ventures (hereinafter jointly referred to as “**Cavotec**”) shall respect all internationally recognized human rights, including the International Bill of Human Rights¹ and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, which address freedom of association and collective bargaining, forced labour, child labour, and non-discrimination.

We are committed to implementing the UN Guiding Principles on Business and Human Rights throughout our business operations. We strive to avoid infringing on the human rights of others and address adverse human rights impacts with which Cavotec is involved. In all contexts, we seek ways to honour the principles of internationally recognized human rights.

In order to make the commitments in this Code of Conduct clear to employees, Business Partners, customers, and other stakeholders, our Code of Conduct shall be publicly available.

Compliance with the Code is compulsory. All Cavotec employees are required to read and fully understand the Code and its implications. Poor knowledge of, or ignorance of the Code will be considered inadequate defense in the event of violation. All employees will be informed of any changes to the Code.

Breaching this Code of Conduct could have serious implications for Cavotec and for individuals involved. Where illegal conduct is found, the consequences could include significant fines for Cavotec, imprisonment for individuals and significant damage to our brand name, and therefore financial damage.

Application

This Code of Conduct shall be applied throughout Cavotec’s operations globally.

Cavotec personnel create the Cavotec culture, its identity and its reputation. By respecting the Code, Cavotec personnel demonstrate their commitment to transparency and mutual respect that we believe must be inherent in our operations and across interactions with all our stakeholders.

All Cavotec units, companies, executives, board members, and employees² strive to comply with this Code of Conduct even if it requires higher standards than what is demanded by national laws and regulations.

Cavotec also requires that all its Business Partners³ comply with this Code of Conduct, or similar standards. Business Partners shall verify their compliance by providing information, and allowing access for Cavotec to their premises. We are committed to engaging with our Business Partners to ensure constant and measurable improvements over time.

This Code of Conduct cannot provide a solution for every situation, particularly as laws differ between countries. If specific eventualities are not expressly covered, the spirit of this Code of Conduct and other group policies must be upheld by exercising common sense and good judgment, always in compliance with applicable laws. In essence, this requires that all Cavotec employees act in the interests of the Group, our customers and our shareholders before personal interest.

¹ The International Bill of Human Rights consists of the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

² References in this Code of Conduct to “employees” include: 1) employees, whether full-time, part-time, fixed-term, permanent or trainees, 2) contractors, temporary staff, secondees, work-experience placements, 3) persons with statutory director roles or equivalent responsibilities, 4) employees of joint-ventures and approved third-party labour providers where Cavotec has direct management control, and 5) employees of new acquisitions.

³ References in this Code of Conduct to “Business Partners” include partners, consultants, agents, distributors, suppliers and other business partners.

Compliance with laws and regulations

All Cavotec units, companies, executives, board members, and employees aim at all times comply with all relevant laws, and regulations in the countries where Cavotec operates.

Implementation and monitoring

This Code of conduct summarizes policies common to all companies in the Group. These policies, along with guidelines and instructions, are gathered in our policy portal, an internal database accessible to all employees through Cavotec's intranet.

It is the responsibility of each employee to be familiar with and adhere to Code of Conduct and Cavotec's policies. All employees are provided access to the Code of Conduct and all relevant Policies. We will inform our key stakeholders on our commitments, policies and Code of Conduct.

Based on Cavotec's policies, operational units prepare strategies and implementation plans. Each manager is responsible for the day-to-day reinforcement and compliance follow-up. Social and environmental performance indicators are reported and followed up on a Group level.

Any breaches of this Code of Conduct must be reported. The board of Cavotec will not criticize management for any loss of business that is a result from observance of this Code of Conduct and other Group Policies.

OUR DIRECTIVES

Quality

Cavotec is built on a culture of innovative engineering and customer focus. Our success has been and will continue to be built on developing close relationships with our customers. Cavotec is committed to treating our customers fairly and with respect.

Our objective is to develop, manufacture and market products and solutions that have the best possible quality, safety and environmental performance for its stakeholders. Working closely with our customers and industry bodies, we look to develop long-term relationships that drive projects forward and help improve safety, efficiency and sustainability at a vast diversity of applications worldwide.

Environment

We are committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business. As part of Cavotec's commitment to powering a sustainable world, we recognize our responsibility and obligation to ensure that Cavotec's operation and products do not place the environment or the local community at risk and are designed to protect and enhance the environment. Our customers should feel confidence in Cavotec from an environmental and health perspective.

We endeavor to avoid or reduce any waste or emissions that are caused as a result of our business activities. We will use efficient technologies which aim to reduce the environmental impact as much as possible. Due to the nature of our business, we are focusing our efforts on environmental protection to the following areas:

- We limit the environmental impact of transportation through production planning and Logistics;
- Materials are as far as possible recyclable;
- Chemical substances used are controlled and hazardous substances are replaced;
- The full lifecycle perspective is taken into consideration when designing our products in to minimize the negative impact of our products; and
- The aim of our products is to enable the systems of our customers to work as energy efficient as possible.

Cavotec adopts a precautionary approach and will where applicable respect the polluter pays principles. We set out to manage hazardous substances responsibly and where possible, hazardous substances will be substituted for less hazardous.

We strive to have a structured and systematic approach to take environmental aspects into account, which includes establishing suitable management systems to improve environmental performance, setting targets and performing follow-ups.

Human rights

Respecting human rights, including the International Bill of Human Rights, is a fundamental part of Cavotec's responsibility as a company and is vital to operate our business in a sustainable manner. Cavotec is committed to respecting fundamental human rights in our operations, our value chain, and in the communities where we operate.

We are committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our business operations. We recognize that business has the responsibility to respect human rights, as well as the ability to contribute to positive human rights impacts. Cavotec focuses our efforts based on the severity of actual and potential impacts. Severity of impacts will be judged by their scale, scope and irremediable character, in accordance with the UN Guiding Principles on Business and Human Rights. Due to the nature of our business, we are focusing our efforts on human rights related to labor conditions. With respect hereto and for further information, see our Human Rights Policy.

Equal opportunities and diversity

The Cavotec culture builds on all human beings' equal value and a working environment ensuring that all employees are treated with dignity and respect. The Group is committed to developing and sustaining a diverse workplace. Cavotec's staff is drawn from more than 40 countries and from a wide variety of backgrounds.

All employees at Cavotec should have the same opportunities regardless of their age, ethical and cultural background, gender, religion, sexual identity or disability, race, color, political opinion, social origin, social status, indigenous status, union membership or employee representation and any other characteristic protected by local law, as applicable. Cavotec has a zero tolerance on all forms of direct and indirect discrimination and harassment in the workplace.

Employees with the same qualifications, experience and performance shall receive equal pay for equal work with respect to those performing the same jobs under similar working conditions.

Different backgrounds, experiences and opinions broaden the Group's expertise and increases innovation. Cavotec's open, non-hierarchical working environment encourages the free exchange of ideas and mutual respect between individuals that underpin the Group's unique capabilities as a leading engineering group. We are convinced that a diverse workforce increases our competence base, brings new opportunities and enriches our business.

Labour standards

Cavotec respects all internationally recognized human rights, including the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Freedom of association

All employees shall be free to form and to join, or not to join, trade unions or similar external representative organizations and to bargain collectively. Information and consultation with employees can be done through formal arrangements or, if such do not exist, other mechanisms may be used.

Prohibition of forced labor

Modern day slavery, including forced, bonded or compulsory labor and human trafficking are strictly prohibited. Employees shall be free to leave their employment after reasonable notice as required by applicable law or contract. Employees shall not be required to lodge deposits of money or identity papers with their employer.

Prohibition of child labor

No person shall be employed who is below the minimum legal age for employment. Minimum age is the age of completion of compulsory schooling, or not less than 15 years or not less than 14 years, in countries where educational facilities are insufficiently developed.

Children shall not be employed for any hazardous work, or work that is inconsistent with the child's personal development. A child means a person below the age of 18 years. Personal development includes a child's health or physical, mental, spiritual, moral, or social development. For authorized minors, management is responsible for providing age-appropriate working conditions, hours of work and wage, in compliance with applicable local law.

Fair employment conditions

Employees shall understand their employment conditions. All employees must be provided with a written document that outlines the basic terms and conditions of employment in a language understandable to them.

Pay and terms shall be fair and reasonable, and comply at a minimum with applicable laws or industry standards, whichever is higher.

Working hours shall comply with applicable laws. The normal workweek shall not exceed 48 hours. Hours worked beyond the normal workweek shall be voluntary, unless a collective bargaining agreement allows for required time under certain conditions and/or, if legal, in exceptional circumstances. Other than in such circumstances, a workweek shall not exceed 60 hours. Exceptional circumstances include short-term business demands and natural disasters.

Absent exceptional circumstances, personnel shall be provided with at least one day off in every seven-day period. One day off shall be interpreted as at least twenty-four consecutive hours.

Deduction from wages as a disciplinary measure shall not be permitted. Corporal punishment, physical or verbal abuse, bullying or other unlawful harassment and any threats or other forms of intimidation shall be prohibited.

Health and safety standards

Cavotec is committed to provide a safe and healthy working environment for all employees. The Group integrates safety and health in the management of its business in order to prevent accidents and to protect people at work. The vision is zero work-related accidents.

Cavotec complies with all applicable legislation and regulation concerning fair, safe and healthy working conditions, and aims to continuously improve health and safety performance.

Our aim is to prioritize the health and safety of our employees. A healthy and safe working environment, including psychosocial considerations and, if applicable, housing facilities shall be provided for employees, in accordance with international standards and national laws.

We strive to provide appropriate health and safety information and training to employees including, but not limited to: risks they are exposed to, arrangements for safe evacuations of buildings and correct handling and marking of chemicals and machinery.

All employees shall be provided with necessary and relevant personal protective equipment.

We support employees to maintain a balance between work and personal life.

With respect hereto and for further information, see our Operational Health and Safety Policy.

Anti-Corruption and business integrity

Cavotec is determined to conduct all business in an honest and ethical manner. We have a zero-tolerance to any form of corruption and financial irregularity, for example bribery, kickbacks, facilitation payments, fraud, embezzlement, and money laundering. We are committed to acting professionally, fairly and with integrity wherever we operate.

Cavotec is aware of the potential for conflicts of interest, and the Group takes all reasonable measures to identify and address such situations as they arise.

Cavotec undertakes appropriate due diligence and monitoring to assist in the identification of illegal or unfair practice. If such activities are discovered, any demand for, or offer of, a bribe or similar must be rejected immediately and reported to Management. With respect hereto and for further information, see our Anti-Bribery Policy and Gifts and Entertainment Policy.

Conflicts of interest and competition

All employees and others working for Cavotec are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company. Employees must not seek gain for themselves or others through the misuse of their positions.

Compliance with export control and sanctions

Cavotec and our employees aim to comply with applicable export control laws and regulations and ensure that goods are not exported in contradiction with the same, including but not limited to applicable national, European or U.S laws and regulations. Further, Cavotec shall comply with applicable sanctions laws and economic sanctions programs administered by the EU, U.S. or other applicable sanctions regime. Cavotec and employees may not undertake any activity, or cause or require Cavotec to undertake any activity that could result in Cavotec violating any of the above-mentioned export control and/or sanctions laws and regulations.

In the society

Cavotec strives to exert a positive influence in the communities where it works and wider society. We set out to build enduring relationships with our stakeholders that are characterized by mutual respect, active partnership and long-term commitment.

Cavotec strives to respect the rights, interests, and development aspirations of affected communities, especially when significant changes of our normal operations occur. We attempt to carry out community engagement in an inclusive, equitable, culturally appropriate, gender-sensitive, and rights-compatible manner.

Protection and proper use of company assets

Cavotec has a wide variety of assets, including physical assets, proprietary information and intellectual property. Employees are responsible for protecting Cavotec property that has been entrusted to them, and for helping to protect our assets in general.

All employees must be aware of and understand Cavotec's security protocols. Employees must report any loss, or risk of loss, of Cavotec property to the immediate manager, or other responsible manager, as soon as it comes to their attention.

Intellectual property

Intellectual property includes a variety of properties, such as computer programs, technical documentation and inventions. Intellectual property is an asset of utmost value to Cavotec and must be treated with appropriate care. Employees must follow and, in case of doubt, seek instructions on how employees shall act to protect this valuable asset.

Protecting information

Information is a valuable business asset to Cavotec. As such, employees strive to protect Cavotec's confidential and proprietary information and that of our customers, partners and suppliers.

Persons working for Cavotec have access to information owned by Cavotec and sometimes also to information owned by third parties. Such information may be financial information, business plans, technical information, information about employees and customers, and other types of information. Non-authorized access, use and disclosure may damage Cavotec or the third party and, therefore, employees are not allowed to access, use or disclose the information unless properly authorized to do so.

Non-authorized access, use and disclosure may also be a violation of laws, including privacy regulations. Whenever an employee is in doubt of his/her authorization, the employee must seek instructions from an immediate manager.

Client information

Cavotec exercises due care when receiving, handling and storing sensitive information from customers and other sources, and adheres to the highest standards of data security to prevent unauthorized use, access, modification or destruction.

Cavotec guarantees the confidentiality of any information entrusted to us by our customers, with the exception of when disclosure of such information is authorized by the customer or required by applicable laws, rules and regulations.

Personal data and privacy

Cavotec respects the privacy of all individuals and the confidentiality of any personal data that Cavotec holds about them. Cavotec shall always follow applicable privacy regulations and legislation.

Use of information technology

Our employees must ensure the responsible and secure use of IT in Cavotec applying the same personal and professional standards as for any other business activity when using the internet, intranet, social media, messaging and email.

Anti-money laundering

To protect our reputation and avoid criminal liability, it is essential not to become associated – even if innocently – with the criminal activities. Cavotec employees and Cavotec itself must ensure that we do not receive the proceeds of criminal activities, since it may amount to money laundering, which is a criminal offence.

GOVERNANCE AND IMPLEMENTATION

Governance

The Board of Directors has ownership of the Code of Conduct, approves the Group's policies and performs content and compliance reviews. The Chief Operating Officers and the Executive Management team are responsible for developing and following up on Group strategies, objectives and policies, including financial, social and environmental performance, under the leadership of the Chief Executive Officer.

Transparency and accountability

In all communication both written and spoken, we are committed to being open, truthful and accurate within the limits of commercial confidentiality. Cavotec provides reliable and relevant information on our activities in a timely, regular manner to shareholders, our markets, the relevant authorities and the general public.

Cavotec aim to ensure that its employees have a good understanding of their units' operational and financial performance to increase involvement in improving operations. Comments about financial performance and prospects to external parties shall only be made by official company spokespersons.

Everyone involved in financial reporting shall always provide full, fair, accurate, timely, and understandable disclosures in report and documents that Cavotec files with or submits to government agencies or authorities or makes in other public communications.

Independent external auditors, who have direct access to the Chairman of the Audit Committee, audit Cavotec's financial statements ensuring compliance with applicable Generally Accepted Accounting Principles and International Financial Reporting Standards. Furthermore, the Audit Committee is committed to ensuring the independence of the Internal Audit function.

Reporting and compliance concerns

Our reputation and organizational integrity are key requirements to operate sustainably and successfully. Internal reporting of suspected criminal or unethical conduct by or within Cavotec is vital for maintaining sound business conduct. Cavotec considers violations of the Code or other internal and policies as entirely unacceptable. Violations of external rules are viewed in the same way. Employees, suppliers, customers, and other partners involved with Cavotec may report suspected violations of laws or this Code of Conduct to the local operations manager or in accordance with other established procedures.

Grievance channels and remediation mechanism

Employees are encouraged to report any of these behaviors through the normal reporting channels (i.e. through their immediate manager or relevant Director) in order to keep an open dialogue.

However, an employee may feel unable or uncomfortable raising a concern through the normal reporting channels. In this instance, if the alleged violation is (a) conducted by group or local management, and (b) relates to corruption, questionable accounting, or deficiencies in the internal control of accounting, or auditing matters or otherwise seriously affects vital interests of Cavotec or personal health and safety, the violation may be reported through Cavotec's anonymous reporting channel described in Cavotec's Whistleblower Policy.

Cavotec strictly forbids any mistreatment of those who come forward believing a colleague has violated the Code.

Consequences in case of violations

A fundamental principle within Cavotec is to conduct business in a manner compliant with this Code of Conduct. Actions will be taken against employees that persistently violate applicable laws or fail to comply with the Code of Conduct. Any failure to comply with this Code of Conduct is taken very seriously by Cavotec and may result in disciplinary action, including verbal or written reprimands or warnings, demotion dismissal and legal action. Where a violation of the Code represents criminal behavior, Cavotec will alert the relevant authorities.

Failure by Management to take action against those who violate the Code is equally unacceptable and offenders will be dealt with accordingly.

For further information

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