

**AVK GROUP**  
**CODE OF CONDUCT**  
**FOR SUPPLIERS**



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# AVK GROUP

# CODE OF CONDUCT

# FOR SUPPLIERS

## 1. INTRODUCTION

AVK Group promotes integrity and ethics in all aspects of its activities, and we expect our suppliers to share our standards.

AVK Group supports the United Nations Universal Declaration of Human Rights, including the following set of core values and principles within the important areas of labour and human rights, health and safety, the environment, and business ethics (including anti-corruption). Furthermore, AVK Group supports the WTO's principles of fair competition and is committed to properly protect personal data of employees and third parties.

AVK Group aims to have full compliance from its current and future suppliers for the Code of Conduct.

Any potential Supplier will have to agree and sign the Supplier Code of Conduct prior to onboarding as a Supplier for AVK Group, together with other requirements to become a Supplier. As long as the Supplier does business with AVK Group, the Supplier will be subject to continuous review by the AVK Group and is required to undergo compliance audits on a regular basis.

Current suppliers for AVK Group must continue to comply with the Code of Conduct and work with AVK Group to stay up to date and stay active as a Supplier.

### 1.1. Scope

This Code of Conduct applies to all suppliers, including Supplier's employees and supply chain and is seen as an integral part of any agreement between AVK Group and the Supplier. It is the responsibility of the Supplier to ensure that its employees, sub-suppliers, sub-contractors and other third parties acting on its behalf, do not breach this Code of Conduct.

AVK may conduct announced audits to verify that the Supplier is in compliance with the Code of Conduct. Audits may be performed either by AVK employees or by a third-party auditor chosen by AVK. To verify the Supplier's compliance, the Supplier must be prepared to provide AVK with relevant and reasonably requested information and documentation during an audit.

If Supplier violates the requirements of this Code of Conduct and shows repeated negligence, or if Supplier refuses to improve in relation to problem areas, AVK reserves the right to terminate the cooperation.

## 2. WORKING CONDITIONS

Supplier must comply with the stricter of applicable laws and regulations or industry standards in the countries where it operates.

Furthermore, Supplier is responsible for ensuring the standards and requirements of this Code of Conduct are effectively communicated and fully understood by Supplier's employees working on or in support of AVK projects and orders.

Supplier must comply with the norms set out by the International Labour Organization concerning workers' rights, especially around social security, minimum wages, working hours, overtime and benefits, and exercising freedom of association and collective bargaining.

### 2.1. Abusive Behaviour and Harassment

Supplier must protect employees from any acts of physical, verbal, sexual or psychological harassment, bullying, abuse or threats in the workplace, for instance from their fellow employees or managers.

### 2.2. Discrimination

Supplier must ensure that its working practices are free of any form of discrimination against employees based on race, colour, gender, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, age, disability, or any other distinguishing characteristics. Any employment-related decisions, from hiring to termination and retirement, must be based solely on lawful, non-discriminatory criteria.

### 2.3 Respect the Right to Development

Supplier must contribute to a decent standard of living for all employees. Furthermore, we encourage Supplier to have adequate education and employability programs in place that promote the development of employee skills.

We encourage Supplier to engage and participate in local community development taking into account this Code of Conduct.

### 2.4. Forced Labour and Child Labour

Supplier must agree to not to participate in, or benefit from, any form of modern slavery, forced or compulsory labour, neither directly nor through its own subcontractors or suppliers, and to maintain its own policies and procedures to ensure such compliance. Any use of exploitative child labour, affecting the child's health and personal development or interfering with their schooling is not tolerated either, according to ILO's Minimum Age Convention (No. 138). Supplier must provide all employees with a written, understandable, and legally binding labour contract.

## 2.5. Health and Safety Hazard Prevention

Supplier must, in accordance with applicable laws, implement a policy aimed at identifying and preventing risks affecting the health and safety of its employees, its sites, and its surrounding communities, together with effective information systems informing and consulting employees on such health and safety matters.

Notwithstanding the above, Supplier must ensure that Supplier and its contractors' employees fully comply with all AVK health and safety rules and procedures, when visiting or performing work at AVK sites.

## 2.6. Reporting Systems and Accidents

Supplier must keep accurate records of occupational accidents, injuries, illnesses and known exposures to health and safety risks at work and understand the importance of preventive work and corrective actions and practice in its daily work.

Furthermore, Supplier must establish and maintain emergency procedures to effectively respond to all health and safety emergencies and industrial incidents affecting its employees, its sites, and its surrounding communities.

# 3. ENVIRONMENTAL SUSTAINABILITY

Supplier must comply with all current and future applicable laws and other requirements relevant to the environmental impacts of its activities, products, and services and implement policies on managing and improving its manufacturing processes, which are to limit environmental impact throughout the lifecycle of its products, including climate change and water conservation.

## 3.1. Management of environmental issues

All required environmental permits, approvals and registrations are to be obtained, maintained, and kept up to date and their operational and reporting requirements are to be followed.

Supplier must adhere to all applicable laws, regulations, and requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labelling for recycling and waste. Supplier must also familiarise themselves with and adapt to new and updated laws, regulations and requirements concerning environmental issues.

## 3.2. Climate change management

Supplier must proactively work to understand and reduce its direct and indirect greenhouse gas footprint throughout its supply chain and define focus areas to reduce the footprint.

All relevant greenhouse gas emissions are to be tracked and documented at the facility and/or corporate level. Supplier must look for cost-effective methods to minimise its greenhouse gas emissions.

Supplier must implement an energy management program and energy consumption must be tracked and documented at the facility and/or corporate level and to look for cost-effective methods to improve energy efficiency and to minimise its energy consumption.

## 3.3. AIR POLLUTION MANAGEMENT

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations are to be characterised, routinely monitored, controlled, and treated as required prior to discharge. Supplier must

conduct routine monitoring of the performance of its air emission control systems.

## 3.4. Water management

Supplier must implement a water management program that documents, characterises, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterised, monitored, controlled, and treated as required prior to discharge or disposal.

## 3.5. Waste management

Emissions and discharges of pollutants and generation of waste are to be minimised or eliminated at the source by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including fossil fuels, minerals, and virgin forest products is to be conserved or reduced by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

Chemicals and other materials posing a hazard to humans, or the environment are to be identified, labelled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

Supplier must implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous).

## 3.6. Ecosystems and biodiversity management

Supplier must implement policies on managing and improving their manufacturing processes, which are to limit environmental impact on ecosystems and biodiversity throughout the life cycle of the products they supply.

# 4. LEGAL COMPLIANCE AND BUSINESS ETHICS

Supplier must carry on its activities in strict compliance with applicable domestic and international laws and legal standards. Furthermore, Supplier must use best efforts to provide AVK with information required for reporting in accordance with applicable law.

Supplier must agree to sell only products that comply with national and international laws and regulations, as required by the country of distribution.

AVK encourage Supplier to promptly report concerns of misconduct, violations of the law, and other unethical behaviours directly or indirectly related to a supply to AVK by reaching out to their AVK contact person.

## 4.1. CORRUPTION AND BRIBERY

Supplier must discourage and not participate in or benefit from any form of corruption, which means the misuse of entrusted power and funds for personal gain e.g. extortion and bribery.

Supplier must comply with applicable anti-corruption laws, directives, and regulations applicable to activities in the countries in which the Supplier operates. Supplier is required to have written and enforced policies to prevent and combat corruption.

## 4.2. CONFLICT OF INTEREST

Supplier must conduct business in an open and transparent way avoiding conflicts of interest that could interfere with objective and professional

decision making, i.e. Supplier must not engage in any activity which may affect AVK employees' ability to act objectively and in the best interest of AVK.

#### 4.3. Conflict zones

Supplier must ensure that their business operations do not support war, conflict, extremism, money laundering, drug trade, or slave trade and taking necessary steps to avoid engaging with any entities or individuals involved in such activities, whether directly or indirectly. In addition, Supplier must comply with all applicable laws and resulting due diligence obligations with respect to the sourcing of minerals and materials from conflict affected regions and high-risk areas, which risk contributing to human rights abuses, corruption, the financing of armed groups or similar negative effects.

AVK requires its Supplier to maintain the highest standards of ethical conduct and to comply with all relevant laws, regulations, and international standards related to conflict zones.

Finally, AVK requires its Supplier to comply with the AVK Group Conflict Minerals Policy available at [Terms & Conditions](#).

#### 4.4. Intellectual Property and Confidentiality

Supplier must respect and protect intellectual property and confidential information created by and for AVK.

#### 4.5. Competition and Fair Trade

Supplier must not enter into any anti-competitive agreement, or engage in any activities, which have the purpose to affect the prevention or restriction of competition and/or which breaches applicable laws relating to competition, fair trade or abuse a dominant market position.

#### 4.6. International Trade Control

Supplier is committed to strict compliance with the applicable laws and regulations of the countries in which Supplier conducts business, including, but not limited to, U.S and European Union export control and trade sanction laws and regulations, and the Distributor understands and agrees that:

- The Products or technical information sold or otherwise provided (regardless of quantity or value) may be subject to export and other foreign trade controls restricting the sale, re-export and/or transfer of such products or technical information to certain countries or parties, including, but not limited to, licensing requirements under applicable laws and regulations of U.S. and European Union and other jurisdictions.
- Notwithstanding any other provision of other agreements to the contrary, the Supplier will not sell, reexport or transfer any products or technical information supplied under this Agreement except in full compliance with all applicable governmental requirements, including, but not limited to, applicable trade sanctions and constraints administered by the U.S. the European Union and applicable export control measures administered by the European Union.
- If Supplier in its sole discretion determines that the entry into or the performance of an order violate any applicable law or regulation of the U.S. or the European Union or any other special applicable law regarding Export Control or Trade restrictions, Supplier is allowed to cancel the affected agreements.

#### 4.7. Data Protection

Supplier must comply with all applicable and relevant laws and official guidelines relating to data protection, including personal data protection. Supplier must implement appropriate technical and organisational

measures taking into account the nature, scope, context and purpose of the data processed, including e.g., but not limited to, policies on cybersecurity risk management and information security, processes for security incident handling, business continuity and disaster recovery plans, vulnerability handling and disclosure, backup management, supply chain security, cybersecurity training, security measures and policies/screening process when hiring personnel and access controls.

As part of the supply chain security, Supplier must take reasonable steps to ensure resilience across its own sub-supply chain, including managing risks in partnerships and maintaining safe and secure IT systems.

The Supplier must allow for and contribute to appropriate audits of its compliance with applicable laws and guidelines, as well as the related technical and organisational measures, upon reasonable notice from AVK.

Supplier acknowledges that AVK, on AVK's sole assessment of the criticality of the Supplier, may require additional information, or the implementation of specific measures related to data protection or supply chain resilience. The criticality of the Supplier is based on, e.g., but not limited to, the nature of the Supplier's services, the sensitivity of the data processed or any applicable legal, regulatory or contractual obligations.

## 5. QUESTIONS/NEED OF CLARIFICATION

If you have any questions about the Code of Conduct, the relevant laws, and regulations, or if you are not sure in a concrete situation what to do, you are encouraged to contact your local AVK representative or AVK Group Purchase. In short, if you are unsure of what to do in a situation, follow the principle: Ask first, act later.

## 6. ADDITIONAL INFORMATION

#### 6.1. Revision history

Please note, the latest version of this Code of Conduct in accordance with the above version history available at [the AVK Group](#) website is considered the current and valid version. In addition, if this document is translated, the English version shall always prevail in the event of discrepancies between a translated version and this English version.

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