



# Ethics Handbook

## - Guidelines for good behaviour at LINAK

# It has to be done in the right way

It means everything to me to have a company we can be proud of. At LINAK®, we want to earn money in the right way. We must be able to vouch for the demands we place on people who work for LINAK and the environment they work in. There must be a good tone in our company, but at the same time we must be efficient and quality-conscious.

We want to set an environmental example by creating as little CO<sub>2</sub> emissions as possible. We can cut down on the internal energy consumption, in processes and heating of buildings.

I would hate to earn money at the expense of our employees and their health. Neither are we interested in

subcontractors who create poor working environments. Our employees must be content and have safe working conditions which do not wear them down or stress them mentally. We want to be among the good workplaces in the countries where we are represented.

I feel a great responsibility to support the local community and we support it wherever we can. We could not have created LINAK without all the people who are a part of the company, and who have helped turn LINAK into what it is today.

*Himself*



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# Introduction

By Lars Uhd Nørgaard and Arne Iversen



CSR at LINAK is the way we behave in relationship with our customers, partners, colleagues and the local community. CSR affects us all – and is everyone’s responsibility. The Ethics Handbook includes our CSR policy and guidelines for good behaviour for both LINAK employees and suppliers. We call it “*Ethical Guidelines*” and “*Code of Conduct*”.

The handbook is intended as a reference book, which can help all employees get a quick overview of LINAK principles on the 3 topics which are included in the handbook. Most likely, there will be questions and dilemmas, to which the handbook does not give an answer. In these situations it is important that you involve your superior so that together you can determine what is the right thing to do.

All LINAK® employees must follow our ethical guidelines, and it is the superior’s responsibility to make sure that the employees understand the guidelines.

**Why are LINAK principles important?**  
At LINAK, we have always believed in basic decency towards each other and in the way we do business. Our core values among other things include “*loyalty, openness and honesty*” and “*job satisfaction and helpfulness*”. We are proud of these values and we believe they have contributed to making LINAK into the successful company it is today. As LINAK is present all over the world, we of course respect the cultural differences in the different countries. But, as a socially responsible company, LINAK wants to influence the world in a positive direction where we can.



Lars Uhd Nørgaard, lun@linak.com

Arne Iversen, ai@linak.com



### Customer interest

Our customers also have an interest in how we respond to our CSR questions. We receive many requests from customers regarding CSR related matters and documentation – and the interest is increasing. As our company is already based on sound values, we actually have an advantage compared to many of our competitors. Our values are worth highlighting when we meet customers or stakeholders.

When we for instance make a control box with 0.1 W standby power without additional cost for the customer, it is to differentiate LINAK from our competitors and to enhance our green profile. For LINAK® it is an investment in the future.

### What does LINAK actually do?

In fact, there is not very much new. At LINAK, we have always tried to behave decently, and this culture remains in the future. But, if we have to tell other parties how we work with our social responsibility, and what kind of company we are, it is important for us to do this with certainty and honesty.

Therefore, we want to do more to bring clarity to all LINAK employees about our expectations to proper behaviour. We will try to influence our business partners to do the same, where we can. Moreover, we will also work structured to follow up on CSR status for LINAK as a whole.

- the practicalities ...

- we have developed a self-evaluation template which all subsidiary managers will complete and discuss with their immediate managers. They will evaluate on the present CSR status for the subsidiary in question and suggested action plans are also outlined.

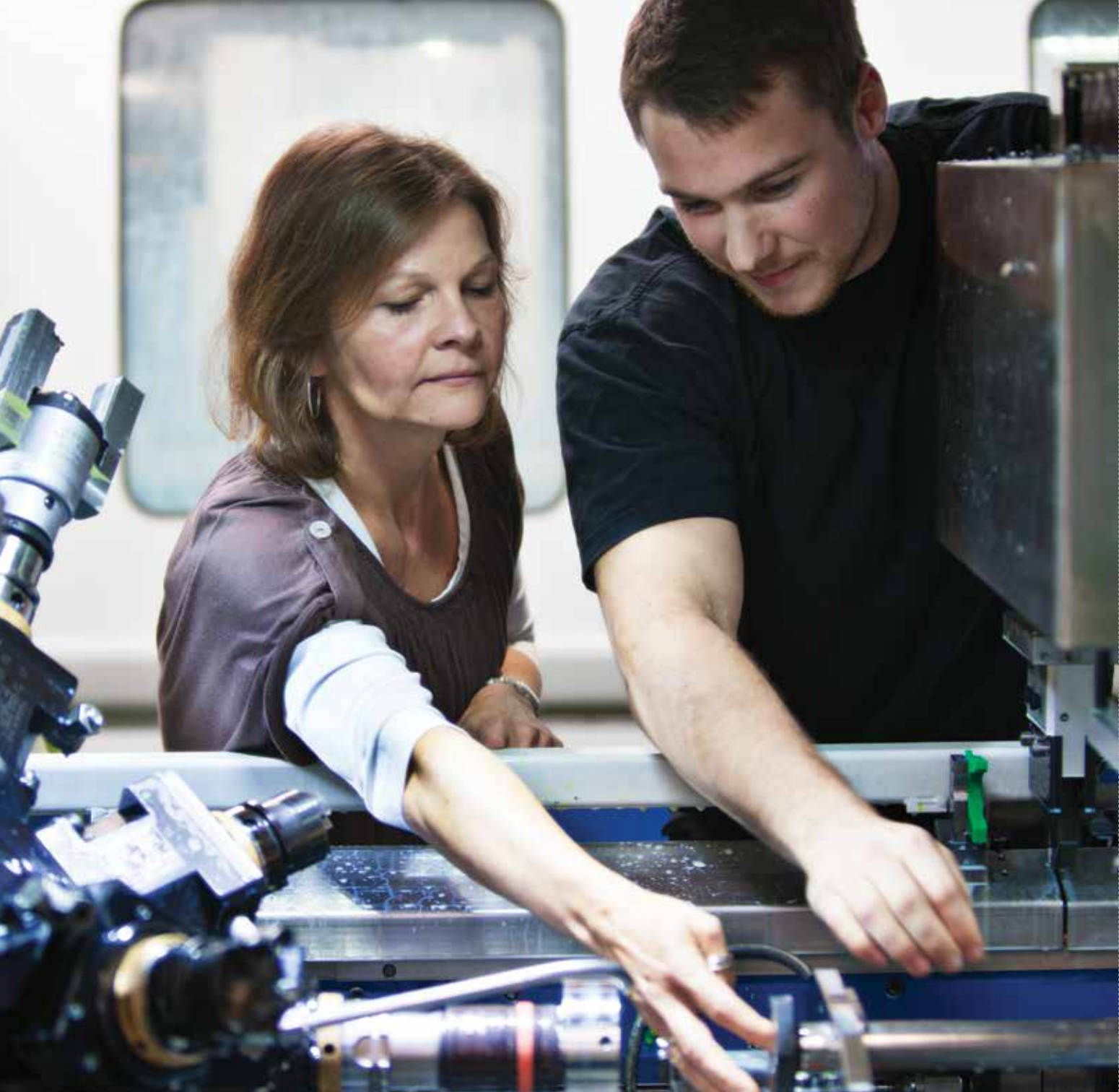
- we carry out an annual CSR review in the LINAK management group where the status of the entire company is discussed and major activities for the coming year are decided.

- we have added our code of conduct in the supplier quality agreement and our internal auditors have been trained so that they know what to do if for example poor working conditions are observed at a supplier.

- through this handbook, employee magazines and other media we are communicating the expectations we have to those working for LINAK and through an e-learning presentation we will give all employees an opportunity to refresh and challenge their knowledge.

- we will communicate through different employee media the positive stories that we achieve through our work with CSR.

- we recognise that working with CSR is not an easy task, and we will most certainly be caught in dilemmas with conflicting interests. We will, however, do our best and aim to improve over time.



## CSR policy

### LINAK – We improve your life

While working on a wheelchair for a disabled fellow student who had lost his mobility in an accident, Bent Jensen, CEO and owner of LINAK®, got the idea for the first actuator.

Innovative solutions that can improve people's quality of life and working environment have therefore been a part of the LINAK DNA right from the beginning.

We think of our slogan as more than just an advertisement for a linear actuator showing you what it can do for you and your products. Our slogan is a promise which is reflected in our values and in the way we run our business.

### CSR policy

To LINAK responsibility is about doing what we do best – and doing it in a proper way.

No company can work with CSR without making deliberate choices. We base our decisions on common sense and on step-by-step improvement. Therefore, it is important to us to prioritise our energy. The following five areas are especially important to us:

### We improve your life

LINAK products help millions of people daily to improve their quality of life and working environment – always in close cooperation with our customers. We willingly put our knowhow into play and cooperate with for example universities and organisations.

### We take care of each other

Job satisfaction and helpfulness are core values at LINAK. We only obtain these by creating good conditions for our employees. Therefore, LINAK has focus on health and safety and we do not accept discrimination or bullying. When it comes to ergonomics it is natural for us to be at the forefront in our own workplace.

### We take care of the environment

We believe that it is possible to run a successful company based on sustainable growth. At LINAK, we focus on reducing the energy consumption within our company as well as manufacturing solutions which strain the environment as little as possible.

### We are locally committed and with a global view

At LINAK, we are proud of being an active player in the local community. Both when it comes to Southern Jutland but also at our offices and factories around the world.

### We set expectations

At LINAK, we have high expectations to both ourselves and our business partners. We clearly convey our expectations to employees, suppliers and business partners in our Code of Conduct as well as in our Ethics Handbook. And, we follow up continuously.

# Ethical guidelines

These guidelines clarify some of the ethical expectations which we have to all the people who work for LINAK®.

Openness and honesty are core values at LINAK. Therefore, our business methods must be transparent and fair. This applies to our own employees as well as to our cooperation partners who act on our behalf.

In this paragraph we will specify the elements which LINAK has focus on when it comes to business ethics. In other words, the way you represent LINAK and the decisions you take on behalf of LINAK. Besides, there are some detailed examples, which we experience in everyday life at LINAK. These examples can serve as guides for similar situations.



## LINAK business ethics

1. We will not give or accept **bribery** - we will avoid:
  - illegal payments in order to obtain competitive advantages
2. We want to avoid conflicts between our **personal interests** and LINAK interests - we will avoid:
  - abuse of or non-return of LINAK property
  - copyright theft
3. We only receive **gifts** which reflect common hospitality and only donate money to charity - we will avoid:
  - receiving gifts that may raise doubts about the objectivity in business decisions
  - donating or sponsoring money with the intention to influence the recipient's business decisions
4. We will not use **misrepresentation, cheating** or breach of confidence in order to obtain unfair or dishonest advantage - we will avoid:
  - bookkeeping of false payments/vouchers, or
  - accounts fraud
5. We advocate **fair competition** and will not use illegal or unethical methods to obtain advantages - we will avoid:
  - making illegal or unethical agreements with for instance competitors or authorities to obtain competitive advantages

## Ethical questions and answers

### Bribery (1)

- 1) A potential public customer has asked for an unofficial 'fee' in order to handle our offer. What do I do?  
*Answer: You cannot do that! As a representative for LINAK® you must not bring yourself in situations where you can be subject to a claim of bribery.*
- 2) A public customer has made clear that we will win the contract if we donate money to a hospital. What do I do?  
*Answer: You cannot do that! LINAK only donates money and sponsors to charity - never with the purpose of gaining a competitive advantage.*
- 3) A person responsible for a tender has offered information about the other bids in exchange for a small amount. What do I say?  
*Answer: You say "no thanks" and point out to the person in question that he can be subject to a lawsuit.*

### Personal interests (2)

- 1) My uncle's firm has a competitive product which is relevant to LINAK. May I do business with him?  
*Answer: Of course, LINAK may do business with him, but you must stay out of the decision and potential negotiations.*
- 2) May I buy a LINAK product and give it to a friend?  
*Answer: No. We allow our employees to purchase actuators at a favourable price compared to LINAK production costs. Therefore, you are not allowed as an employee to pass on this benefit to your friends.*
- 3) If the customer accepts, can I then take used applications (bed, lifting column, etc.) with me home?  
*Answer: You can take a customer application with you home for private use if you do not intend to sell it. LINAK must have the customer's full consent that the application will not be used again and you must have a written acceptance from LINAK A/S. You are also allowed to take defective products or test products home for private use only. But, you must have your manager's written acceptance.*

# Ethical guidelines

## Gifts (3)

1) My supplier has given me an iPad. Can I accept it?

*Answer: No, you cannot accept a gift of that size. When you accept gifts you must estimate if they are of a reasonable value. If the gifts are of a value where others can question your objectivity with regard to future business you should not accept them.*

*As a rule of thumb a reasonable gift size is what corresponds to three bottles of red wine.*

*If you are in doubt, ask your superior.*

2) My supplier has invited me to participate in an event that is partially social. Can I participate?  
(For example a go-cart race or a dinner in town).

*Answer: Yes, we value good relations with our business partners. But, as with other gifts you should estimate from case to case whether it is within reason and whether your decision can be justified.*

*Example: A holiday trip for you and your wife would not seem appropriate, but a technically relevant seminar with a few social activities would be more acceptable.*

*Again, if you are in doubt, ask your superior.*

3) A university is asking for free LINAK products. Can I give them some products?

*Answer: LINAK wants to contribute wherever we can in order to support learning and development. Therefore, we willingly donate our products to institutions for training purposes. But, it naturally depends on the extent and you should always involve your superior in the decision.*

## Misrepresentation and cheating (4)

1) I discover that a product does not live up to the specifications we have stated. What do I do?

*Answer: You must always point out to your superior if you discover that our products do not live up to the specifications.*

2) I discover that there is an error in the accounts or stock. What do I do?

*Answer: You must always point out to your superior if you discover any deviations in order to straighten things out.*

## Fair competition (5)

1) A competitor has invited me to visit their stand at a trade fair. He wants to introduce me to their development manager. Can I go?

*Answer: You can go, but bring a colleague with you and keep the conversation at a harmless and formal level. Do not under any circumstances talk about strategies, product secrets and prices.*

2) I have been offered confidential documents from a previous employee in a competing company. What do I do?

*Answer: You tell him that LINAK does not do business like that and point out to him that he can be subject to a lawsuit.*

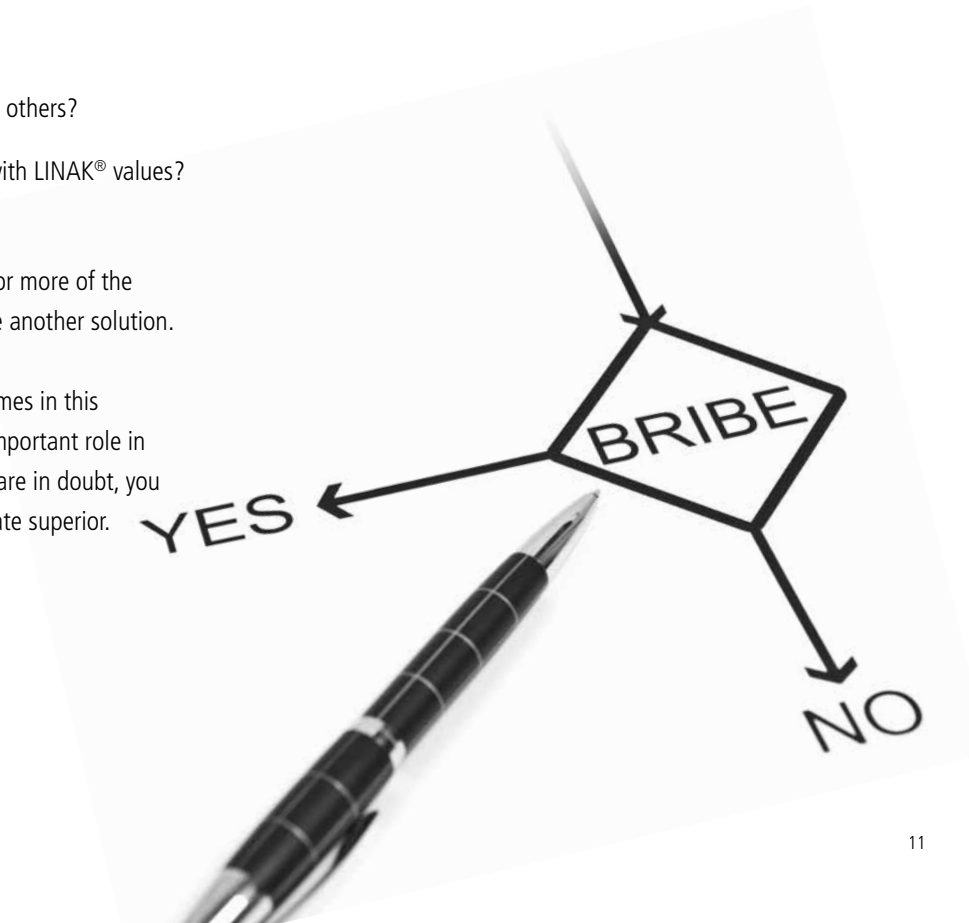
## “The Ethics Test”

It is not possible for us in this handbook to describe all given situations in which a LINAK employee can find himself/herself. Therefore, we have made a simple test. You can use the test if you are in doubt about how to act. As a rule, common sense is our best guide, but this test can support the common sense:

- Do my actions obey laws, rules and policies?
- Am I loyal to LINAK?
- Can I justify my decision to others?
- Is my decision consistent with LINAK® values?

If you cannot answer “yes” to one or more of the above questions, you should choose another solution.

As it has been underlined several times in this handbook, your superior plays an important role in many of these questions. So, if you are in doubt, you should always involve your immediate superior.



# Code of Conduct

This code of conduct describes the expectations LINAK® has to its suppliers. As a part of the job, all suppliers will be introduced to this text, so that there can be no doubt about the expectations to LINAK suppliers. LINAK continuously follows up as a part of supplier audits at selected suppliers and we expect that suppliers make the necessary improvements, if there are any discrepancies.

LINAK adheres to the principles of this Code and expects the same of its suppliers. LINAK prohibits the use of forced labor and human trafficking in our global supply chain.

## Guidelines

LINAK recognises the principles of the Universal Declaration of Human Rights (1948) and the core labor conventions of the International Labor Organisation and we expect our suppliers to share our commitment.

This means:

- All suppliers must provide a safe and healthy working environment for all employees.
- Employees must have freedom of association and the right to collective bargaining consistent with applicable local laws.

- Suppliers must refrain from all forms of forced labor and human trafficking.
- Working time shall not exceed the legal limit.
- Suppliers should refrain from using child workers as part of their normal workforce (below 15, or 14 years in countries with ILO exemption).
- Suppliers should refrain from discrimination.
- Suppliers should support a precautionary approach to environmental challenges and work actively to reduce environmental impact.
- LINAK does not accept corruption and expects its suppliers to refrain from corrupt practices.

If this Code conflicts with national law, the local law will always be followed. In this case LINAK should be notified.

## Compliance

- LINAK reserves the right to monitor suppliers to ensure compliance with the LINAK Code of Conduct.
- LINAK is willing to engage in dialogue with the supplier to develop a corrective action plan, with appropriate improvements and a timeline for implementation.
- If improvements do not progress, LINAK reserves the right to terminate the contract.

