Business code of practice

pneumatech

Pure air . Pure gas

Automotive Textile Power Generation General Industry Oil & Gas Food & Beverage Electronics

Pneumatech: Business code of practice

Summarized in the Pneumatech Business code of practice are the following internal policy documents, related to business ethics and social and environmental performance. All companies within the Group are expected to adhere to these policies, which are published in the Group's intranet database, The Way We Do Things.

The main international ethical guidelines supported by Pneumatech are:

- **United Nations Universal Declaration of Human Rights: www.un.org**
- **International Labour Organization Declaration on Fundamental Principles and Rights at Work: www.ilo.org**
- **United Nations Global Compact: www.unglobalcompact.org**
- **OECD Guidelines for Multinational Enterprises: www.oecd.org**
- **Pneumatech sustainability reporting follows the GRI Global Reporting Initiative guidelines: www.globalreporting.org**

About us

Pneumatech is part of a global industrial group of companies developing, manufacturing, and marketing products and services to a wide range of customers and end-users. Pneumatech serves a wide range of industries, with a focus on construction, vehicle service and maintenance, and manufacturing.

Our business activities are conducted through separate operating entities that share global operations and management. Pneumatech is united and aligned through a shared vision, a common identity, and an adherence to this Pneumatech Business code of practice.

Customer Value

Pneumatech represents compressed air accessories that are engineered for high performance. In addition to pioneering design, high-impact technology, and durability, Pneumatech means customer value.

Core Values

Pneumatech's core values of interaction, commitment, and innovation formed our past, created our present, and will guide our future. Our core values represent a competitive advantage and help us to maintain our position, even in a changing environment. An important attribute of Pneumatech is the ability to listen to and understand the diverse needs of our customers and other stakeholders, coupled with our capacity to create new and better solutions based on what we learn from this interactive process. We are as fully committed to our people and to adding value to our customers' business as we are to our own targets and goals.

It is our belief that there is always a better way of doing things. That innovative spirit is a vital part of Pneumatech's identity, a vital part of our way of conducting business. It is also the driving force that has made us a predominant actor in our industry. Innovation is the ultimate driver for long-term profitability and growth.

Our core values –interaction, commitment, and innovation –are reflected in how we relate to our main stakeholders. In addition, all components of our organization are expected to adhere to the policies related to business ethics and social and environmental performance.

Relationships

Environment and society

We strive to be a good and reliable corporate citizen, observing the spirit as well as the letter of the laws of the countries in which we operate.

- We support fundamental human rights and respect those rights in conducting our Group's operations throughout the world.
- We recognize that our commitment to financial success must also take into account the broader economic, environmental, and social impact of our operations.
- We believe in conducting business in a manner that preserves the environment for future generations. We aim to have all our major units ISO 9001 certified. All products and processes are evaluated from an environmental perspective.
- Pneumatech encourages learning and development through cooperation with local communities.

Employees

We strive to be the preferred employer of both current and potential employees. Our aim is to attract, develop, and keep qualified and motivated people in a professional environment.

- We aim to offer a safe and healthy working environment in all our operations.
- We believe in equal opportunities, fairness, and diversity. We recruit and promote on the basis of qualifications for the work to be performed, regardless of race, religion, gender, age, nationality, disability, sexual orientation, union membership, and political opinion.
- We recognize that employees have the right to choose whether or not to be represented by trade unions for purposes of collective bargaining. No discrimination shall be directed against any employee exercising such rights.
- Under no circumstances will forced or compulsory labor be employed in our operations. We are strictly against child labor and other forms of exploitation of children. We do not employ any person under 15 years old, and adapt to local standards that specify a higher age minimum.
- Each of us is expected to contribute to the Group, and our performance is rewarded in a fair way. Appraisals are made on an annual basis.
- Our employees are continuously offered training and development possibilities to safeguard their chance to grow with the Group. The goal is an average of 40 training hours per year for each employee.
- We encourage a flow of information across divisional, functional, and geographical borders to make full use of the Group's available knowledge and experience.

Customer Center

We strive to be the preferred supplier to current and potential customers and end-users, which means that we should achieve the highest possible customer and market share.

- We aim to deliver consistently high-quality products and services that contribute to our customers' productivity and prosperity.
- Our products and services are developed with the aim of meeting the quality, functionality, safety, and environmental needs of our customers.
- We operate worldwide with a long-term commitment to the customers in each country and market served, and we strive to develop close relationships with our customers in order to be able to continuously meet and exceed their expectations.

Distributors

We strive to be the best associate for our distributors, and to be the one that they prioritize.

- We seek business partners whose policies regarding ethical, social, and environmental issues are consistent with our own, and we make them aware of our commitments and expectations.
- Distributors are selected and evaluated impartially on the basis of objective factors including quality, delivery, price, and reliability, as well as commitment to environmental and social performance, and development.

Accountability

Transparancy

In all our communications, both written and spoken, we are committed to being open, truthful, and accurate within the limits of commercial confidentiality. We provide reliable and relevant information on our activities in a timely, regular manner. We consider interaction important and therefore have a positive attitude toward constructive dialogue with all of our stakeholders.

Pneumatech has established high reporting standards, where each employee involved in the recording, processing, and reporting of information is expected to safeguard its validity and correctness.

Governance

Pneumatech management is responsible for approving the overall Pneumatech strategy and organization. Group executive management is responsible for developing and following up on Pneumatech strategies, objectives, and policies, including financial, social, and environmental performance, under the leadership of the Group CEO.

Business Integrity

Wherever we operate, our reputation is a most valuable asset, and it is determined by how we act. We shall avoid any action that would jeopardize respect for Pneumatech.

- We have high standards of business and personal ethics; we adhere to our internal policies, and follow all applicable laws and regulations in the countries where we operate.
- We are committed to honesty in every situation and we refrain from having interests which conflict with the interests of the Group.
- We support and strive for fair competition, and thus refuse to enter into discussions or agreements with competitors concerning pricing, market sharing, or other similar activities.
- We refrain from giving or receiving anything of more than token value to or from any stakeholder, to avoid the risk of creating an unhealthy loyalty.
- We respect company assets and safeguard all tangible and intangible assets of the Group from loss, theft, and misuse.
- Pneumatech does not take political stands. Therefore we do not use Pneumatech funds or assets to support political campaigns or candidates, or otherwise provide services to political endeavors.

Implementation

- This Business Code of Practice summarizes policies common to all entities in our organization. Our behavior is guided by these internal policies, helping us to increase the value of Pneumatech.
- These policies, along with other principles, guidelines, and instructions, are gathered in The Way We Do Things, an internal database accessible to all employees through the Group's intranet. It is the responsibility of each employee to be familiar with and adhere to the content of The Way We Do Things. Appropriate training is provided through our Circles program, which is mandatory for all new employees. We inform key stakeholders about our Business Code of Practice.
- Based on the policies described in The Way We Do Things, operational units prepare strategies and implementation plans.
- Follow-up procedures are established for each policy. Social and environmental performance indicators are reported and followed up on a Group level. Risk assessments in relation to our key stakeholders regarding legal, as well as social and environmental performance, are reported at board meetings.
- To safeguard the implementation of our policies, internal audits are conducted on site.

Resources

Information on Pneumatech

For information on Pneumatech, go to: www.pneumatech.com

Information on the Atlas Copco Group

Pneumatech is a part of the Atlas Copco Group. For information on Atlas Copco,

go to www.atlascopco.com

Globally present. Globally certified.

Pneumatech was founded in Kenosha, Wisconsin, USA in 1966 and has grown continually. At the start of this century Pneumatech expanded into the industrial nitrogen generation and nitrogen tire inflation markets. Pneumatech continuously invests in its manufacturing capabilities and adopts lean manufacturing techniques. It currently has production sites in the USA, Europe and China. In 2010 Pneumatech received ISO 9001 and ISO 14001 certification, and OHSAS 18001 certification in 2011.

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