

Rules of Conduct

Introduction

By these Rules of Conduct, all employees of the Company commit to accountability for the performance and results of their work, to respecting the corporate culture and to behaving ethically. The Company ensures that the principles of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the eight core conventions of the International Labour Organization (ILO), as well as local laws and regulations, are promoted and upheld.

Application

The principles of these Rules of Conduct are binding for all Company employees, suppliers and business partners, where applicable.

Legal Performance

All employees must comply with all applicable local laws, regulations and industry standards.

Publication

Management shall ensure that the content of the Rules of Conduct is communicated to its employees and cooperating companies in an appropriate manner.

Employment Practices

Child labour must not be used.

In no case shall the minimum age limit for permanent employment be lower than the age limit set for the completion of compulsory schooling, i.e. employees must not be younger than 15 years of age. Employees under the age of 18 must not perform heavy or dangerous work or work at night, regardless of the number of hours worked. Such work must involve employees over the age of 18 and comply with local laws and regulations.

Forced Labour and Freedom of Movement

Working relationships are voluntary and based on mutual consent, without the threat of sanctions.

Forced or compulsory labour shall not be used or abused.

Forced or compulsory labour means work or service which is required of a worker under threat of punishment and which the person has not voluntarily agreed to perform.

There is no evidence of any practices indicative of forced or compulsory labour, including but not limited to the following:

- Physical and sexual violence

- Debt bondage
- Withholding wages, including payment of employment fees and/or payment of the advance on commencement of employment
- Mobility/movement restrictions
- Withholding passports and identity documents
- Threatening to inform the authorities

Employees must have freedom of movement in the course of their employment. Security and monitoring technical equipment or, in exceptional cases, an externally provided security guard service, is established only for the purpose of protecting the Company's employees and property.

Employees shall not be denied access to personal documents in order to terminate their employment at will.

Coercive and Disciplinary Procedures

Physical punishment, threats of violence or any other form of psychological or physical pressure or abuse must not be used.

The use of financial penalties or deductions from fixed pay as a means of disciplinary action is also prohibited.

Discrimination

Employment and work practices are non-discriminatory.

Discrimination, whether direct or indirect, during recruitment and in the course of employment, based on race, colour, sex, language, religion, political or other opinion, age, nationality, social or ethnic origin, property, sexual orientation, descent or status shall not be exercised.

Employed women must not be obliged to undergo pregnancy tests.

Furthermore, employees shall not be required to submit to mandatory HIV/AIDS testing.

The Company provides the same conditions to employees who are temporarily assigned to the Company under a contract with an employment agency.

Wages, Benefits and Leave

Employees shall be entitled to a proper wage, at least the minimum subsistence wage, in accordance with the provisions of local laws and regulations. In addition, they must be provided with all the allowances required by local laws and regulations.

Wages must be paid in accordance with the law and payment must be made at least once a month. In cases where the minimum wage is not sufficient to cover subsistence needs, employees shall be required to be compensated in a way that covers these needs.

Employees shall be entitled to sick pay, parental leave and maternity leave, according to local laws and regulations.

Working Hours

The maximum number of working hours per week shall not regularly exceed 48 hours, and at most 60 hours including overtime.

It is also accepted that employees may work more than 60 hours per week if they do so voluntarily and in accordance with local legal standards and regulations.

Overtime must be worked on a purely voluntary basis and scheduled in such a way as to ensure safe and humane working conditions. Compensation for working hours must be handled in accordance with local legal standards and regulations.

The sequence of working days must be in accordance with local laws and regulations and employees must have at least one day off per week.

Terms and Conditions of Employment

Employees must receive written confirmation of the terms and conditions of employment in a language they can understand. The confirmation must also include information on working hours, wage and payment conditions.

There shall be no excessive use of fixed-term contracts for employees.

Personal information is considered confidential and its confidentiality is guaranteed.

Freedom of Expression and Assembly

Any retaliation that prevents employees from expressing dissatisfaction with working conditions in an open and loyal manner is not permitted. Employees must be given the opportunity to notify management of the slightest violation of these Rules without threat of punishment or retaliation.

There must be clearly established grievance procedures that provide an effective means for employees to trigger disciplinary action. Decisions arising from the application of these procedures shall be binding.

All employees shall be entitled to form or not to form / join a workers' organisation (trade union) of their own choice and to elect their own representatives. Collective bargaining shall not be impaired or restricted.

The complete freedom of workers' organisations to make their own statutes and rules shall be recognised.

Workers' rights to engage in lawful activities related to forming or joining a workers' organisation, or even the right to refrain from doing so, shall be recognised, and workers shall not be discriminated against or penalised for exercising these rights.

The Company shall be committed to negotiate with legally constituted employee organisations and/or duly selected representatives in good faith and with best efforts to reach a collective bargaining agreement.

Collective agreements apply where they exist.

Occupational Health and Safety

A safe and healthy working environment must be provided in accordance with local legal standards and regulations. Employees shall be provided with all appropriate personal protective equipment. One or more members of management shall be responsible for establishing and maintaining written policies and procedures relating to health, safety, social security and general competence.

The Company's management shall oversee the correctness of the procedures and their implementation within the framework of occupational safety and follow-up measures.

All employees are encouraged to know and comply with laws, regulations and internal rules and guidelines governing

occupational safety that apply to them.

S&K LABEL explicitly encourages its employees to identify weaknesses in the area of occupational health and safety and to submit suggestions for improvements to the employee responsible for occupational safety.

Environment

We recognise the responsibility we have for our environment and are therefore committed to the responsible use of resources. The organisation is working towards sustainability.

We strive to reduce and prevent environmental damage through continuous improvement, achieved primarily by:

- Planning and implementing energy-saving processes;
- Selecting appropriate environmentally-friendly materials, reducing their consumption;
- Reducing waste, energy and emissions into the air, land and waterways;
- Handling chemicals in an environmentally and human health friendly way;
- Handling, storing and disposing of hazardous waste in an environmentally-sound manner;
- Contributing to the recycling and reuse of materials and products;
- Prioritising and implementing environmentally-friendly technologies;
- Elimination of waste.

It is necessary to comply with local environmental laws and regulations.

We strive for the proper functioning of control systems.

Corruption and Bribery

We reject all forms of corruption and bribery. We do not offer or accept bribes.

It is not permitted to offer, promise, give, accept, tolerate, demand or knowingly profit from bribes.

Gifts and invitations may only be offered and accepted in accordance with our approved internal policies.

Intellectual Property

The organisation respects intellectual property such as third party patents, trademarks and design patents and does not use such property without permission.

Data Protection and Confidential Information

The organisation requires that data be handled responsibly and in accordance with the law. Personal data may only be processed and used to the extent permitted by the applicable laws.

We ensure that no information, trade secrets or data that are confidential or require protection – belonging to business partners or S&K LABEL – are disclosed internally or externally in an unauthorised manner.

Communication

S&K LABEL places a high priority on fair, open, factual and honest communication, and impeccable conduct.

S&K LABEL expects all employees to behave in a friendly, objective, fair and respectful manner when dealing with colleagues and third parties.

Compliance with our Rules of Conduct.

It is important for S&K LABEL and its management that all the Company's internal Rules of Conduct as well as the relevant provisions of applicable legislation are observed in all activities (whether internal or external).

Warning of non-compliance must be seen as a tool for employees to contribute to the compliance and improvement of the Company culture and ethical behaviour.

Complaint procedure:

If you become aware of, or suspect, any violation of the internal Rules of Conduct or other regulations or any law, etc., you are obliged to inform

- S&K LABEL's **HR manager** personally without undue delay;

alternatively:

- Your immediate superior, according to the current Organisational Structure;
- By anonymous written submission via the "Employee Suggestions" box;
- By letter to S&K LABEL's HR manager.

For anonymous submissions, there is an "**Employee Suggestions**" box available in the plant cafeteria.

If you have any doubts about how to proceed in these cases, you should also contact the Company's HR manager.

S&K LABEL and its management shall treat communications with the utmost discretion and shall make every effort to protect the confidentiality of the information disclosed.

The Company's management will, subject to internal and legal rules, take measures proportionate to the violation of the rules. It shall cooperate with the relevant authorities in the event of breaches of the law.

Whistleblowers shall be protected from any retaliation.

It shall not be permissible to abuse this option by knowingly submitting a false, fictitious report with the intention of harming S&K LABEL or its employees or partners. In such cases, the Company's management shall take appropriate action against the person(s) who knowingly submitted such a knowingly false report.

More information/contacts: HR manager (HRM)

Ing. Karel Sehnal
Chief Executive Officer