

Code of Conduct

our common code of conduct



P-EN-127-004

This Code of Conduct was approved by the board in October 2023



CONTENTS

- Our responsibility as an industrial group 3**
- INTRODUCTION 4**
 - Why do we have a Code of Conduct
 - Your personal responsibility
 - Our common responsibility
 - Application and implementation
 - Follow up and reporting
- OUR VALUES 5**
 - Vision
 - Our values
 - Sustainable business
 - Core values
- OUR WORKPLACES 6**
 - A safe and healthy work environment, wages and benefits
 - Harassment and non-discrimination
 - Drugs and alcohol
 - Diversity and equal opportunity employment
 - Respect of human rights
 - Freedom of association and collective bargaining
 - Respect of privacy
 - Social media
- BUSINESS ETHICS, MORALS AND FINANCIAL RESPONSIBILITY 7**
 - Strong and Healthy relations with our business partners
 - Fair competition
 - Respecting law and regulations
 - Counterfeit Parts Policy
 - Anti-Corruption and anti-money laundering
 - Avoiding inappropriate representation
 - Conflict of interest
- PROTECTION OF CONFIDENTIAL INFORMATION 8**
 - We protect sensitive information
 - Non-disclosure agreement
 - Information system as a tool
 - Confidential information belonging to others
 - Respect for intellectual property rights
- OUR RESPONSIBILITY FOR THE ENVIRONMENT 9**
 - Sustainable development and environmental approach
 - The environmental perspective
 - Reduced impact of the environment

Our responsibility as an industrial group



Our national and global presence place great demands on us both as business partners and employees - that we take responsibility for ourselves and each other, that we work ethically in all areas of the business and act with high business ethics and moral with care for all employees and show consideration to the environment.

Within our **Code of Conduct**, we have documented our corporate principles as a guideline for how we act and make decisions every day. A documentation that outlines our core values and promises to clarify our responsibilities as an industrial group and help us to maintain our strength, competitive advantages, and reputation in the marketplace.

Our common **Code of Conduct** applies to everyone in the whole industrial group – in all subsidiaries and all our employees around the world.

At the same time, we expect our business partners to respect legislation and regulations wherever we operate. We set the same ethical standard for our suppliers, their subcontractors, and our customers as on ourselves, when we evaluate business partners. We therefore encourage our partners to introduce the equivalent social, environmental, and technical requirements within their own value chain.

A handwritten signature in blue ink, appearing to read 'Magnus Biesse'.

Magnus Biesse
President and CEO

Introduction

... we see trust as a prerequisite for success

We as an industrial group and all our subsidiaries support the work of our society to create sustainability and to conduct business in an ethical and correct manner. Our code gives our ethical guidelines in number of different areas and describes the rules that apply to all employees in the group. The code constitutes a framework for overall principles that within our business operations are supplemented by local regulations and policies within specific areas. Everyone who works within the group has an individual responsibility to maintain and establish our reputation as a responsible industrial group.

Why do we have a Code of Conduct

We as a group operates in a highly competitive market, primarily in Sweden, but also within other Nordic countries and other parts of the world. As an industrial group we can only achieve long-term success by valuing ethical, ecological, and socially considerations. Our vision and values can only be fulfilled by us as employees by living up to our high ethical standards. With this approach we gain trust in the market and build the foundation of a safe and healthy workplace.

Your personal responsibility

Our code of conduct is an overall guide for how we as an industrial group project a long-term ethical company culture. The code does not of itself guarantee an ethical behaviour, and neither does the code cover all the aspects of our business. There are bound to be situations where we as employees will be required to use our own judgement. We have a personal responsibility to follow the code of conduct, where managers are expected to lead by example and ensure that employees know and gives the opportunity to discuss the practical applications of the code.

Our common responsibility

All employees in the group are expected to follow our guidelines and principles. Behaviour that breaches our code of conduct can damage our reputation and lead to legal measures against both the group and our employees. At the same time, it can be a breach of conditions of employment based on confidentiality and loyalty, which in turn can lead to labour law measures.

Application and implementation

Our common code of conduct applies everyone within the whole group, within all subsidiaries and to all our employees around the world. The code describes the lowest level, which means that the code must be followed even if it exceeds local legislation.

Our management and other senior leaders within the Group carry the knowledge of the Code and are responsible for ensuring the Code and national laws and regulations are followed. The Code is an important document to be followed-up in annual performance appraisals, where its principles are to be reviewed by managers and their direct employees. All employees are required to provide confirmation in writing that the Code has been read, understood, and stating that they are committed to following the principles of this Code of Conduct.

As employees we are likely to be faced with complex situations where we feel that the code of conduct or the local management system do not give clear answers. In such cases, you as employee should consult and discuss the with your direct supervisor.

Follow up and reporting

All our employees should be encouraged to report situations that may conflict with the code of conduct. Each employee is expected to report all cases of fraud, criminal behaviour, or breaches of the code. If there is any uncertainty as to how an event or behaviour is in violation of the Code, employees are advised to speak to and seek advice from their supervising manager.

Stated breaches of the code of conduct could lead to disciplinary measures. If we as employees feel uncertainty whether behaviour conflicts with the code of conduct, we shall consult our immediate supervisor. In many cases early reporting can quickly correct and minimize the damage. Reporting a violation of our Code of Conduct could be addressed anonymously and confidentially in accordance with our whistle blower policy P-EN-199-001.

Reporting a breach means being loyal to our values. To report any violence of the code of conduct shall not in any way give negative consequences to whomever makes the report.



Our values

... our core values make the three cornerstones and a foundation of our approach

Vision

As the industrial group, we contribute to globally strengthening competitiveness within Sweden industry through reliable deliveries and high quality. We create customer value through strong entrepreneurship, long-term perspective, and efficient processes.

Our values

Our core values describe our approach – a target to always meet the highest experienced customer value – to exceed our customer’s expectations. Our core values describe how we are expected to act within the market regardless of the circumstance or situation. For us, customer satisfaction is about doing what we have promised.

Sustainable business

For us as an industrial group, sustainability is about how we conduct our business – it means taking responsibility and creating value in our relationships throughout the value chain. The bigger we become, the more important it becomes to start from an economic, social, and environmental perspective within the daily work. Within the Group, we always strive to do the right things in the right way and at the right time. Our values and leadership principles, together with the code of conduct, give us a clear framework for how we should conduct our business.

Core values

Entrepreneurship

We encourage entrepreneurial approach - it's about taking your own initiative and seeing opportunities for improvement and development. Through the genuine entrepreneurship, new innovative ideas are created, and continuous improvements ensures that our customer always gets the best solution.

Efficiency

We encourage efficient working processes – it's about challenging ourselves, always doing our best and asking ourselves every day what we can do better. By having the right person do the right things at the right time, we ensure that the customer receives the highest perceived customer value every day.

Long-term mindset

We encourage a long-term perspective where our customers and stakeholders should feel secure that we have the strength to act on the market for a long time to come – it's basically about utilizing our employees' knowledge and commitment, which in the long term stimulates organizational learning that develops and strengthens our competitiveness on the market.



Our workplaces

... it is our responsibility to ensure a safe and healthy workplace

Well-being in the workplace is of crucial importance for our employees to be able to perform efficient and qualitative work. Together we must work to promote well-being within all our workplaces so that those who work with us and together with us feel welcome and motivated to take part in our community and social interaction.

A safe and healthy work environment, wages and benefits

We offer our employees and those that work in our facilities a safe and healthy workplace. We provide a good working environment and minimise workplace related accidents and personal injury. No one should need to risk their safety or health by working for us or with us. We support and help each other to foster a good working environment. Relationships between employees should be based on mutual respect. We strive to give all our employees reasonable influence in areas that affect their work situation. Within all of our operations worldwide, we have clear guidelines in place regarding crisis preparedness, incident and accident management, Personal protective equipment, machine safety, how we shall handle chemical and/or biological substances and fire safety procedures.

In addition to our code, regardless of where we operate, we shall follow national environmental legislation and working legislations in accordance with local legislations and collective agreements, when it comes to wages, benefits and working hours. Wages and benefits shall be paid on time, regularly and in a transparent way. The level of the wages shall reflect the level of skills and qualifications and shall refer to regular working time. Overtime shall be compensated with a premium overtime rate. We shall not withhold payments, apply penalties or make any deductions from wages, unless prescribed by law or fixed by collective agreement.



Harassment and non-discrimination

All our employees must treat each other with dignity and respect. We do not tolerate any form of sexual harassment or unwelcome behaviours that creates an offensive or frightening environment within the workplace. Managers and supervisors at all levels must be aware of when harassment occur and must take the necessary measures to combat such cases of offensive behaviour.

Drugs and alcohol

We promote a safe workplace without the influence of alcohol or drug misuse. We do not allow persons possession of alcohol or drugs on our premises. The consumption of alcohol and drugs is not permitted at any of the Group's facilities. We do not accept any person to work under the influence of alcohol or drugs. Abuse of alcohol or drugs is a violation of the code.

Diversity and equal opportunity employment

We offer workplaces that stimulate all employees to be effective and creative – a workplace that is characterised by diversity has a better foundation for creativity and innovation. Therefore we work towards increasing diversity within the Group to remain a long-term successful industrial group.

We provide all our employees with equal opportunities for career, education and training, compensation, working content and work conditions regardless of gender. If case of a gender gap existing, we shall work to minimize the difference. All employees must be given the same treatment regardless of their age, marital status, religion, political opinion, ethnicity, nationality, transgender identity, sexual orientation, or disability.

Decisions concerning employment, promotion, development, and compensation shall always be based on the employee's individual merit, qualifications, and professional competence.

Respect for human rights

We do strongly support international conventions and respecting human rights. We do not tolerate any child labour, young workers forced labour or work under threats of violence. Such as modern slavery. We do not accept products from suppliers who use child labour and young workers either directly or indirectly through collaborations with other sub-contractors.

We apply the same ethical requirements of ourselves when we are evaluating and assessing suppliers on basic of their capacity to live up to these requirements. We expect all our suppliers to respect our code and do their utmost to achieve corresponding standards.

Freedom of association and collective bargaining

We respect trade union activities and the right for all employees to form or join welfare and labour organisations. We support and respect an employee's right to freedom of their association and their right to negotiate collectively.

Respect of privacy

We respect peoples' fundamental right to privacy. We collect and process personal information in a safe and legal manner and only relevant for the purpose we are collect the personal data for. We follow the guideline in accordance with the general data protecting regulation (GDPR).

Social media

We welcome our employees to take part in social media and other forums. However, there must always be mutual respect towards the company and our colleagues. Any employee who participates in communications related to their profession is a representative of the Group. We fully understand that social media may be used in parallel to traditional media, such as phone or mail, as a tool in the workplace. All communications on social media related to the workplace need to be in line with the Group's values and how the Group interacts via other channels. As employees we must draw a clear distinction on what is private and professional presence on the internet and social media.

Business ethics, morals and financial responsibility

... trust is the foundation of our business

We are committed to being a reliable and reputable industrial group that lives up to our promises. We believe in long-term relationships with our partners to generate strong economic performance. The sale of products and services will always be conducted in an honest, fair, and appropriate manner.

Strong and healthy relations to our business partners

All our activities are conducted in accordance with good business practices. We always work towards adding value to our customers with competitive products and services. We endeavour to mutual respect and honesty between our customers, suppliers, partners, and stakeholders by always providing accurate information within the framework of the conservation of business confidentiality and other confidentiality agreements. We follow our customers and OECD recommendations regarding export controls and economic sanctions. We follow IFRS 16 for accounting and financial reporting, and national and international tax laws.

We strive for healthy business relationships, where the purchase of products and services always are based on quality, price, and suitability. These factors also act as the basis for the long-term supplier relationships that we wish to build and maintain. In any case where kinships, friendship or close relationships between an employee and a supplier, the immediate manager should approve such transactions/purchase.

Fair competition

We have a tradition of long-term success based on fair business ethics. Our offers are made on what we can do for the customer, not what the competitors can do. We do not spread any negative information about our competitor. Our competitive advantage to be achieved on higher efficiencies and better performance than our competitors.

Our starting point is that business operations are best promoted by free trade and free competition within a market, where all are subject to same conditions. Agreements and other arrangements that restrict competitiveness is prohibited under anti-competition laws. We shall compete on equal terms. It is against our Code to become involved in discussions with competitors regarding price or other business conditions that can affect the market price.

Respecting laws and regulations

We follow national laws, rules, and regulations in all the countries in which we operate. We respect each nation's competition rules, environmental legislation, labour laws and any other regulations that affect our business.

Counterfeit Parts Policy

We only use reliable suppliers to protect the brands for our customers. The suppliers we use are approved for deliveries of the materials we purchase, and they are audited, contracted, and monitored by us.

If there should be any event that a suspicion of counterfeit parts in our plant or Supply Chain, the suspicious parts or material will be quarantined, and investigations will be made.

If there should be evidence for counterfeit parts it will be reported to the customer and to the appropriate government trading standard agency, if appropriate.

Anti-Corruption and anti-Money Laundering

We have an absolute zero-tolerance policy against corruption and money laundering, which means that under no circumstances will we engage in or tolerate any form of bribery.

We are aware of the risk for compensation being used for undue influence of our partners' business decisions. To prevent this, we have setup internal requirements and processes that comply with 'best practice' in the industry.

Avoiding inappropriate representation

Our work should be characterized by the highest level of business acumen and ethics. Reasonable gifts or usual representation will normally not be a problem if given under the correct circumstances, such as when we present our products, reinforcing our image or establishing relationships with partners. However, we should know usual gifts and normal representation can be unsuitable in conjunction in future ongoing negotiations. We must never offer gifts or other benefits of a value, or nature under any conditions that could be perceived as an attempt to unduly influence a business decision or gain other undue advantage. We must also take this into consideration when we invite customers to events or other activities. It is our obligation to show full transparency, on all accounts where gifts or other courtesies have been given or accepted, to show that compliance with these standards.

An employee can only accept gifts and other business courtesies within reasonable limits. That means that we can only accept gifts and representation that are offered that is reasonable in relation to the relevant business in the limit for how we ourselves interact to others. All gifts or representations that are of excessive value, unethical or of an abnormal nature should not be accepted under any circumstances. If there is an uncertainty as to whether we can accept a gift or attend an event, employees should always consult their immediate supervisor.



Conflicts of interest

As employees we must always differentiate between our personal interest and the company. Decisions regarding the company must not be affected by personal wishes or relationships. As employees we must never use our positions or influence for other purpose than promoting the company's interests. Personal relationships or other considerations must never affect decision making.

In cases where there is co-ownership with customers, suppliers or competitors must this be notified in writing and to be approved by the executive management. The notification will also apply to anyone who would hold other external employment or activities that could lead to conflicts of interest.

Protection of confidential information

... we regard information as an asset

Information regarding us as a group or our business operations shall be considered as internal or confidential information if it has not been published through annual accounts, press releases, product descriptions or similar public documents. We do not distribute any information to people or organisations outside the group unless there are business related reasons.

We protect sensitive information

Information from technical, commercial, and market perspective is particularly sensitive and subject to confidentiality. Information is to be assessed by its value to the Group, to ensure it is given the right level of protection. We should be aware that there could be risk of accidental spreading of information, for example when we discuss company business with our colleagues in public places or when speaking about ourselves in social media or other forums.

Non-disclosure agreements

If there is need to share any sensitive information in the business relation and such information could be disseminated to any third parties, a confidential agreement (NDA) must be established with the party we share information with. However, we should always exercise caution in sharing information with others.

In connection with the signing of such agreements, it is important to understand the risks and what laws and regulations apply.

Information system as a tool

We use our information system at work as a way of rationalising our processes. Our information system must never be utilized for illegal or unethical purposes. Limited private use of the systems is permitted, but only if it concerns to personal aspects that do not affect the work.

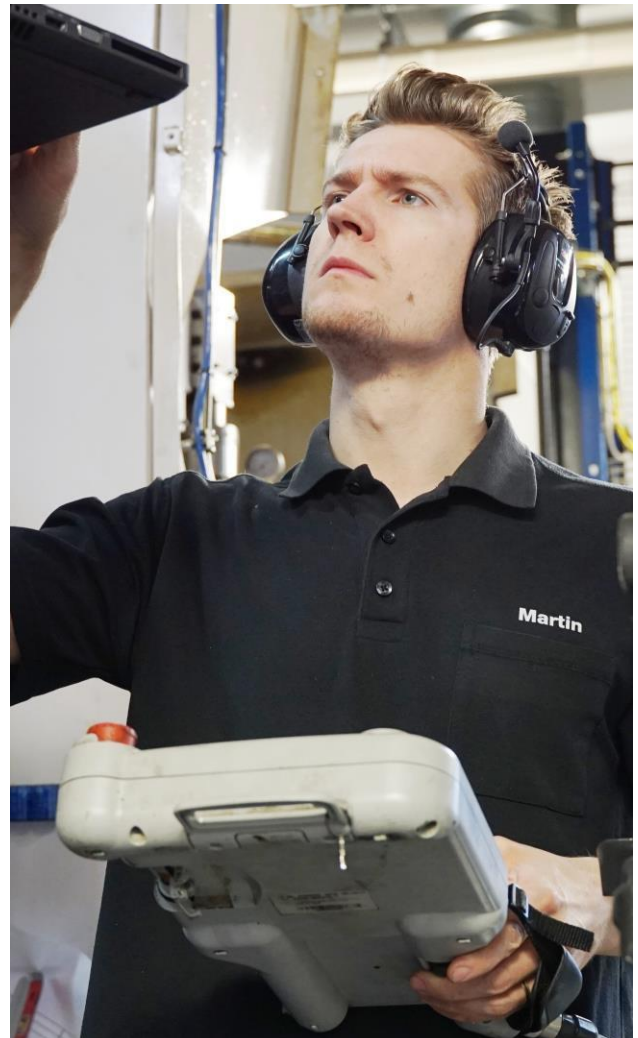
Confidential information belonging to others

We treat information received from others in the same way that we expect an outside party to use information as provided by us. We must never try to access or receive confidential information that belongs to others without an approval from the owner of the information. Confidential information received accidentally must not be distributed and must be returned to the sender and/or the owner immediately.

It is imperative that we understand the customers rules regarding protection of information of security reason and export. We often need information such as purchasing plans and other information to be able to meet customers' demands. However, we must never attempt to obtain information that would not be made available in a legitimate way or break those conditions that regulates how information should be used by us.

Respect for intellectual property rights

We shall never copy, distribute, or modify copyrighted protected software, documentation or material owned by others without a valid license or permission from the copyright holder. Only legal licenses and software may be installed on the group's computers. At the same time, we should be aware that copyright law can cover material that we find available on websites.



Our responsibility for the environment

... we care about the world around us

Agenda 2030 and its 17 global goals for a sustainable development is a detailed agenda adopted by all UN member states to achieve long term economic, social, and ecological sustainable development. We see ourselves as part of the global world where we are a small part of the whole through our production. We are aware that our decisions, our work, and our production affect our environment in different ways. Our ambition is to leave a better world behind us for future generations and therefore we see our responsibility for the environment as a natural part of our daily work. We must build sustainability as a natural part of our business.

Sustainable development and environmental approach

We want to promote sustainable, ecological, and healthy use of our resources. We must respect the precautionary principle and protect the environment, while reducing our total CO₂, measuring CO₂ in relation to reporting greenhouse gas emissions which contributes to achieving the UN's global climate goals, preventing pollution, promoting more efficient energy use, total use of renewable energy as well as increased recycling and waste reduction. We want to encourage improvement work and the spread of innovative technology to reach the agenda 2030 goals.

The environmental perspective

The recycling thinking and managing our natural resources is an important starting point within our business. The environmental perspective must be included in all important decisions to create long-term values for stakeholders and society. Our environmental work must be an integral part of the business and a part of our operational work where we consider the life cycle of the products or services that we provide. Through higher competence among our employees and a constant development of our knowledge of ecologic aspects, we gain a greater holistic view of environmental issues. We as a group must always consider the environmental aspects in all decisions.

Reduced impact of the environment

In our opinion, sustainability is an important factor for our long-term success within the market, which gives us opportunities for a competitive advantage and an improved profitability. Therefore, we always strive to minimize our impact on the environment and contribute with improvements to the products and services that we provide into the market. We want to contribute to a more sustainable development which mean that in our assignments we work to develop solutions to minimize the environmental impact as much as possible. We promote environmentally improvements as far it will be technically possible, economically justifiable, and environmentally motivated. We work for the planet, animal welfare, Biodiversity, land use and deforestation and low noise emissions. And we work to not affect Soil quality negatively.

