

This is our Code of Conduct

Best employee and business partner

For more than 100 years, Ernströmgruppen has created value for people and society by building strong and sustainable businesses, in a responsible entrepreneurial spirit. We should all be proud that we have strengthened our trust and reputation, which has enabled us to be met with respect from stakeholder groups. The brand of Ernströmgruppen is the sum of our collective efforts and our most important asset, which we all have a responsibility to protect and develop.



Ernströmgruppen's operation is based on the following values **Transparency, Responsibility, Impact,** and **Professionalism**, which form the basis of our collective action. Read more about our values in Ernströmgruppen's handbook [link]. Ernströmgruppen's Code of Conduct aims to guide and remind us of how to continue building long-term sustainable value. The Code of Conduct shall in a clear manner summarise what is expected of you as an employee of any of the Group's companies and brands. I expect all of us to follow and understand what the Code of Conduct means, in order to contribute to further strengthening the reputation and brand of Ernströmgruppen.

Alexander Wennergren Helm, CEO Ernströmgruppen

The Code of Conduct is divided into five chapters

1. Why do we have a Code of Conduct?
2. Social responsibility
3. Environmental responsibility
4. Financial responsibility
5. Whistleblower responsibility



1. Why do we have a Code of Conduct?

The Code of Conduct – what is it?

The Code of Conduct applies to everyone working within Ernströmgruppen or with our brands and provides a platform for all policies and guidelines. The Code of Conduct aims to facilitate the work by creating clarity and setting guidelines to ensure that our operations are conducted in an ethically correct manner that we can stand for.

The Code of Conduct provides clear guidelines on how you and others should behave and relate to employees, customers, business partners and other stakeholders. In short, it concretises how our core values and principles should permeate our work and what this means in practice for our daily work.



For convenience, we have integrated a number of policies in the Code of Conduct.

- ◆ Policy on equality, diversity and inclusion
- ◆ Health and safety policy
- ◆ Environmental policy
- ◆ HR policy

In addition to the above, we have further relevant and separate policy and governance documents.

- ◆ Anti-corruption policy
- ◆ Sanctions policy
- ◆ Communication policy
- ◆ IT/Information security policy
- ◆ GDPR policy
- ◆ Financial handbook
- ◆ Internal control policy

You find these policy and governance documents on Ernströmgruppen's intranet.

There may be times when laws and regulations in other countries go further and are stricter than Ernströmgruppen's Code of Conduct. In these cases, the laws and regulations of each country always apply.

A brief background

The origin of the Code of Conduct is the Brundtland commission's definition of sustainable development: *"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."*

The Code of Conduct is based on internationally agreed rules, more specifically, the ten principles of the UN Global Compact. These stipulate that all companies must uphold a number of basic guidelines on human rights, working conditions, the external environment and corruption – within their power of influence.

The Code of Conduct applies to everyone within Ernströmgruppen

The Code of Conduct applies to *all* employees in *all* companies and countries in which we are connected to some form of operation.



Managers have a particular responsibility to *always* act as a role model and ensure the compliance of the code. Hence, *all* managers within Ernströmgruppen has a responsibility to present the content within their respective organisation and ensure that all employees understand the content and how it affects the employee's own area of responsibility.

The manager is responsible for the compliance with the Code of Conduct and for reporting any behavior or instances of non-compliance. *All* individual employees also have a responsibility to report, primarily to their manager, but in those cases where the manager is involved in any non-compliance, the reporting can be done through our Whistleblower function, see chapter 5. Not complying with the Code of Conduct may result in disciplinary actions.

The Code of Conduct shall be applied every day. It is also regularly reviewed in order to always be up to date. The Code of Conduct has been adopted by the board of directors of Ernströmgruppen and it can only be repealed or amended by the board of directors.

2. Social responsibility

Human rights and conditions of work

Regardless of the employee's form of employment, fundamental human rights must be known, respected and applied equally to all.



All employees have the right to join associations and organisations of their choice. All employees also have the right to negotiate collectively through the union organisations Ernströmgruppen has agreements with.

Ernströmgruppen does not accept any form of slavery in the form of forced labour, debt slavery and human trafficking. We respect and support children's rights to personal development and education. Child labour must never occur in any form.

We distance ourselves completely from purchases of sexual services and other activities that may support human trafficking. This includes any involvement regarding trade of sexual services, whether digital or physical, such as payment of sexual services or visits to porn or strip clubs. This applies regardless of geographic location within or beyond Sweden's borders. Please note that this applies even if it is permitted or not prohibited in a specific country and/or region.

Should there be a violation of human rights within Ernströmgruppen's operation, we will always address the problem and ensure that it will not be repeated.

What does this mean for you?

- ◆ You have every right to seek support and guidance from known unions and employee representation entities.
- ◆ As a manager, you may never involve yourself in an employee's decision regarding representation of or membership in unions.
- ◆ You have the right to receive a written confirmation of your terms of employment.
- ◆ Your salary must meet or exceed the statutory or agreed national minimum standards in the industry.
- ◆ You shall participate in ensuring that we do not, and that our suppliers and business partners do not, use or support slavery.
- ◆ You may not buy sexual services or visit porn or strip clubs, while in service or outside of service in connection with a business trip.

We work for diversity, equality and inclusion

We know that people's differences are important building blocks for making workplaces more attractive and dynamic. This view forms our approach to diversity and equality. In our workplaces, differences must be both respected and appreciated. This applies equally to employees and customers – everyone should be able to feel included. That is why it is also important that our workplaces reflect the diversity, both of the society as a whole and of the client companies we work with.



All employees (current and future) must be treated fairly and without prejudice regardless of gender, sexual orientation, disability, age, transgender identity or expression, religion, ethnicity or religious belief.

We do not discriminate anyone when recruiting, determining salaries, making decision on competence development, promotion or dismissal nor in connection with our contacts in the day-to-day work. In the same way, we treat our customers and stakeholders fairly and without prejudice.

An employee should never be at risk of being exposed to discriminatory treatment such as bullying, psychological violence, social rejection and social exclusion, sexual harassments, threats or harassment in any form.

The basis for all recruitment, development efforts and promotion is competence, qualification, merits and performance, nothing else. We strive for equal gender balance and diversity in all operations. We hire based on competence and merits in which we actively seek diversity in all recruitment and employee development processes. When assessing competence and qualifications, it is essential to consider the diversity and equality needs, as well as pure factual knowledges and experiences, in the group/team/company.

What does this mean for you?

- ◆ You always show good judgement towards colleagues, our customers and external stakeholders. You never behave with an attitude, or with use of language or with a behavior which may be perceived as offensive, exclusionary, sexist or in any other way harassing.
- ◆ Should it come to your attention that an employee is abusing, harassing or discriminating a colleague or external contact, you have a duty to act. You should inform your immediate supervisor if needed. You can always use the whistleblower function. You are then completely anonymous. If you are uncertain on how to act, you can seek support from HR.
- ◆ If you as a manager receive a report of discriminatory treatment, you are responsible for ensuring that the matter is investigated impartially and confidentially.
- ◆ As a manager, you should set an example and actively work with diversity, equality and inclusion.
- ◆ We help and make it easier for each other to combine work, leisure and family. We also respect each other's rights to time off at the end of the working day.
- ◆ As far as possible, we adapt the working conditions to religion and ethics.

How we look at health, work environment and safety

A safe and good work environment is a strategically important part of Ernströmgruppen's all operations. It is the employer that has the primary responsibility for work the environment and we systematically work with work environment and fire safety. Our aim is to create physically, mentally and socially healthy and developing workplaces, where risks of occupational injuries and work-related ill health have been prevented as far as possible.

All managers are responsible for conducting an active work environment management. As a manager, you are responsible for the safety of the employees. In addition to giving instructions and ensuring that these are followed, it is also your task to motivate and create an understanding of necessary safety measures.



All employees are responsible for their own safety, when carrying out their work and are obliged to follow the safety regulations, take appropriate precautions to prevent accidents and point out risks and deficiencies in the working environment to their immediate supervisor.

The psychological and social work environment is equally important as the physical one. We want to create a working environment in all our workplaces where we strive to take care of each other in a family-like way. A healthy workplace has balance between what is required and the resources available for work. High requirements do not have to be harmful but they have to be balanced with resources. Ernströmgruppen and you as a manager should create the best conditions needed in order for our employees to carry out their work without risks of ill-health. If imbalance and abnormal high work load persist over a long time period, it can become unhealthy.

Ernströmgruppen has an uncompromising approach to drugs. Our operations must be kept free from any kind of abuse. All workplaces are drug free. For us, this is a necessity to guarantee our employees safety, work environment, health and safety.

What does this mean for you?

- ◆ You and all employees are part of the work of the work environment, by pointing out risks and deficiencies in the work environment to your immediate supervisor. You also report incidents and accidents.
- ◆ You follow all safety regulations and use relevant safety equipment.
- ◆ If you have an ongoing rehabilitation and work adaptation, you should actively participate in it.
- ◆ You may not be influenced by alcohol or drugs during workhours or on business trips.
- ◆ If you observe that anyone is influenced by alcohol or other drugs, you should immediately notify this to your supervisor, which is then responsible for taking measures.
- ◆ When we have customer or employment representation, there may be moderate consumption of alcohol, but it is important that alcohol free alternatives are always offered. Saying no to alcohol may never be experienced as difficult, sensitive or as a problem.
- ◆ Be observant of signals or early signs of stress and sadness, with respect to yourself or your colleagues. It is important that you, in good time, notify your manager of this in order to plan for precautionary measures.

Questions about co-operations, community involvement and sponsorships

Ernströmgruppen actively contributes to the development of society and the group by cooperating with other companies, foundations, organisations and other activities.

The co-operations initiated by the group must be aimed at creating business or customer value in some form. We require that the operations we co-operate with also complies with laws, regulations and our Code of Conduct. Managers or employees with a direct or indirect connection to a partner, may not certify a financial transaction or participate in (or influence) a decision on a cooperation or financial transaction.

What does it mean to you?

- ◆ You should first examine the extent to which a co-operation could benefit the group in terms of customer or business value.
- ◆ You should always assess the potentiation risk of working with an operation. For example, ensuring that the co-operation partner's business acts in accordance with laws, regulations, standards and our Code of Conduct.
- ◆ You are obliged to not put yourself in a situation entailing conflicts of interest when deciding on a co-operation or a transaction.

Relevant governance documents

Anti-corruption policy

3. Environmental responsibility

We have a strong commitment to environmental issues. It is a natural and integrated part of our business. The environment is an area that helps us build sustainable value. That is why we have a clear focus on reducing energy use and the amount of pollution our operations emit. Our overall environmental objective is to contribute to a reduced environmental impact in accordance with the Paris agreement. This means that we shall have zero net emissions by 2050. As an interim target, by 2030 we shall have reduced CO₂ emissions associated with our operations by 50%.

We always comply with applicable laws, regulations and the requirements of our customers. All procedures must be available and communicated with the operation. As far as possible, we will cooperate to use common standards and methods within the group.

We conduct training and provide information to increase knowledge and awareness of environmental and energy issues among our employees.

We think and act with a life cycle perspective in mind and we set clear requirements for products and services to promote a circular economy. In this respect, we work systematically to measure, monitor, review and improve our operations from an environmental and energy perspective. All environmental activities are reported.

What does this mean for you?

- ◆ You should do what you can to reduce the environmental impact of your work.
- ◆ You must be familiar with the applicable legislation and our internal rules.
- ◆ When you purchase a product or a service, you should always carry out an environmental assessment in order to choose the most environmentally friendly option.



- ◆ As a manager, you must ensure that you and your employees receive relevant environmental training.
- ◆ You think environmentally when travelling on business trips and use the most environmentally friendly option.

4. Financial responsibility

Our business and accounting principles

Ernströmgruppen has existed for more than 100 years. We are a fourth-generation family business. Over the years, we have built a great deal of trust among our customers and partners. Our delegated responsibility is based on our employees managing the company's resources as if they were their own. We have taken pride in always keeping our word, honoring agreements, acting wisely, soundly and prioritizing the long-term perspective over short-term, quick wins. Through our actions, our creditability and trust have accumulated, year by year. But creditability is fragile. What has taken generations to build can be destroyed in a day and be impossible to repair.

The trust capital is one of our greatest assets. We therefore behave accordingly. We only engage in business operations that comply with laws, international conventions, agreements entered into and our Code of Conduct. For us, it goes without saying that we respect and comply with competition rules, environmental legislation, labour laws, contracts, safety requirements and other rules and regulations that provide the framework for our operations.

We believe in long-term business relationships. It is by cooperating with our business partners that we can create the basis for good financial results.

Every financial transaction carried out must be recorded in accordance with the group's accounting principles and, of course, comply with laws, regulations and standards. The accounting must be presented in a correct and non-misleading manner. External financial reporting must be reliable and complete.



What does this mean for you?

- ◆ We do business in a way that cannot be questioned.
- ◆ All employees are responsible for contributing to the accounting and documentation is carried out in a meticulous manner.
- ◆ The group's managers have the responsibility to ensure that they and their employees have knowledge and information about the contents of Ernströmgruppen's **Financial handbook**.

Relevant governance documents

Sanction policy

Financial handbook

Internal control policy

Customers and quality – Two terms that belong together

We have a long list of expectations from our customers, business partners and society as a whole. They have the confidence in us, which we will not betray. The ability to deliver quality is a success factor for the group's continued, positive development. Hence, it is crucial to maintain a high level of quality of products and provide good service to our customers. We keep what we promise and act as an exemplary partner. We want to develop together with our customers and partners and strive to become their first choice.

It goes without saying for us to comply with relevant laws, agreements and internal rules and processes. We deliver our products and services on time, in the right place and with the rights quality. That's how we maximize the value and benefit for our customers.

We are regularly in contact with our customers about their need and problems. We listen to their views. We are accessible, flexible and responsive to what they require and want from us.

The handling of complaints is often a sensitive issue. We should have effective procedures for complaints, in order to ensure that the customer is always treated well and correctly and in order to be able to give the information as feedback to the supplier.

We regularly measure the customer satisfaction. This enables us to work systematically to identify and address deficiencies in our operations.

What does this mean for you?

- ◆ You should view quality and customer satisfaction as two interacting factors.
- ◆ You should always contribute to fulfilling promises to customers.
- ◆ You have a responsibility to react to errors and deficiencies.
- ◆ As a manager, you should set goals, follow up on them and set a good example.

We must have reliable and secure information management

Information security is a business-critical issue within Ernströmgruppen. We protect information from third parties in an appropriate way and comply with all relevant laws and regulations within integrity and data protection (for example GDPR).



Information security means:

- ◆ That information is only accessible for those who are authorised.
- ◆ That the information is accessible when needed.
- ◆ That information is up-to-date, accurate and complete.
- ◆ That the information management is traceable. That we can see who has accessed the information, what changes have been made and who made them.

People have a right to their privacy. Therefore, we collect personal data in a correct and lawful way. Personal data must be relevant for the purpose of which it was collected and treated with care.

For convenience, we will use the same terminology, standards and methods across the group. Information security in processes, services and systems shall be designed based on a risk assessment.

Our IT system should be prepared to handle unplanned events and have plans in place to quickly return to normal. Information security is an ongoing work. The work on updates and improvements is continuous.

What does this mean for you?

- ◆ All employees should know and comply with our internal rules.
- ◆ As a manager, you are responsible for ensuring that you and your employees receive necessary training.
- ◆ A risk assessment shall be performed on all decisions affecting the information management

Relevant governance documents

GDPR policy

IT- and information security policy



How we manage our purchases

All purchases made within Ernströmgruppen shall be carried out responsibly. This is how we can create reliable and long-term business relationships.

We demand that our suppliers comply with national laws and regulations as well as respects international conventions. We also set sustainability-related requirements for all the services and products we purchase.

Our purchasing process shall be communicated in a clear manner and we will work actively with our suppliers to achieve improvements.

Written agreements are a requirement. We follow up on the requirements in our agreements to ensure that they are complied with, and act when we detect non-compliance.

Quality and safety of products is a prerequisite to be considered as a supplier. This is why we demand that our suppliers take full products responsibility.

What does this mean for you?

- You shall inform your manager if you discover deficiencies in suppliers, products or product information.
- All orders should be placed in accordance with our internal rules and be approved by an authorised decision-maker.
- You should contact your manager if you are uncertain about how to make a particular purchase.
- You are obliged to not put yourself in a conflict of interest position when making decisions about purchases or transactions.
- You should always have sustainability as an important selection criterion in procurement and direct purchases.

Relevant governance document

Anti-corruption policy

Sanction policy



We shall counteract corruption, bribery and gifts

All markets, industries and niches work best when there is a free competition. Corruption is unethical, disrupts the balance of the market and is also illegal. The damages are often irreparable. Individuals and brands involved in corruption have an impossible task to fully regain the trust of the outside world.

What we define as corruption is behavior that affects decisions and actions through embezzlement, bribes, bribery, extortion, fraud, nepotism or favouritism.

Ernstströmgruppen has zero-tolerance of any form of corruption. Corruption can involve money laundering, the offer or receipt of "kickbacks", bribes, gifts or hospitality which are considered to be lavish or so-called "facilitation payments".

We also have zero-tolerance of employees that, through their position or role in the business, demands, accepts or receives personal advantages in the form of gifts, offers or goods from suppliers.

When we represent, it should be done with moderation and judgement so that the parties maintain full credibility and independence. This also applies to various types of gifts.

Payments and transactions shall be accounted in a correct manner.

Ernstströmgruppen continuously carries out risk analyses on corruption.

What does this mean for you?

- ◆ You should not give or receive anything that may be interpreted as a bribe (cash, gift cards, vouchers or similar).
- ◆ Bribes include services, travel and promises of debt payment, gifts and entertainment that are against the law or our anti-corruption guidelines.



- ◆ You may never request or ask for any benefits or gifts from cooperation partners or suppliers.
- ◆ You may never receive anything from suppliers, business partners or anyone if that can affect, or is likely to affect, your ability to be objective when making a business decision.
- ◆ Gifts and participating in events that have more than a symbolic value may not be received or given without the approval of your manager.
- ◆ You may attend lunches and dinners if there is a relevant and clear business purpose. It is important that this is done on a reasonable scale in terms of value and frequency.
- ◆ You can always contact your closest manager if you are unsure or in doubt.

Relevant governance documents

Anti-corruption policy

Sanction policy



How we handle information and communication

The purpose of the information and communication of Ernströmgruppen is to support the company's visions, business concept and strategies. It should create trust, strengthen our brand and contribute with business and customer value.



We shall always comply with marketing laws, industry recommendations and regulations in the countries and markets in which we are active. Communication must always be clear, honest and sincere.

What does this mean for you?

- ◆ You should be updated on the content in the communication policy and the Code of Conduct.

- ◆ As a manager, you are responsible for ensuring that your employees are aware of our communication policy, operation, vision, goal, strategies and core values.
- ◆ As an employee within Ernströmgruppen, you are an ambassador for the group's brands. We act with respect towards our colleagues, stakeholders and the world around us in all contexts. This applies when we express ourselves on social media, in mass media and in face-to-face meetings with other stakeholders.
- ◆ Not everyone is a spokesperson for Ernströmgruppen. Do not speak in an external context on behalf of Ernströmgruppen without first reading the communication policy and having spoken with your manager.
- ◆ You must not disclose any inside information or information not intended to be communicated to the market, external part or internally within the group.
- ◆ Always have a communication strategy before you design the communication. Always define the purpose, the targeted group and the message of the communication,

Relevant governance documents

Communication policy



5. Whistleblower responsibility

Within Ernströmgruppen, we have a system for our whistleblower function (whistleblowing) for a quick and easy reporting of behavior that does not comply with our Code of Conduct.

Ernströmgruppen undertakes to maintain the highest possible standard of transparency, honesty and accountability. We strive to maintaining a transparent business climate and high business ethics. We value the safety and respect of all those involved in our business. You play a vital role in our success.

The whistleblower functions give all employees the possibility to report suspicions of misconduct, suspected irregularities, violation of the law and anything which is not in line with our values and policies.

Our whistleblower functions are a system designed to alert us of any wrongfulness at the earliest possible stage, in order to reduce the risks. It is an important tool in order to maintain a high ethical standard and maintain the trust in Ernströmgruppen.

Primarily, we encourage you to contact your manager in our organisation. If you feel that you cannot be open with your information, we offer you the possibility to report your worry anonymously.

You access the whistleblower functions on Ernströmgruppen's webpage and the intranet. When reporting, you have a integrity protection, which means that all information is treated with confidentiality.

