

Code of Conduct for Business Partners

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1. Introduction

This Code of Conduct for Business Partners is designed to ensure that the principles set out in the Fagerhult Group's Code of Conduct, Fagerhult Group's ESG policies and Due Diligence principles are applied throughout the value chain. The Code of Conduct for Business Partners is an integral part of all contractual relationships between the Fagerhult Group (with its individual group companies and business units) and its business partners.

For the avoidance of doubt, all group companies and business units within the Fagerhult Group (including all board members, management and all employees) are to act in compliance with the abovementioned principles and policies.

The Fagerhult Group expects its business partners (including board members, management and all employees) to comply with all applicable laws and regulations, the contractual obligations towards the Fagerhult Group's group companies and business units as well as this Code of Conduct for Business Partners. The Fagerhult Group further expects its business partners to inform their individual upstream partners of the existence of this Code of Conduct for Business Partners and its individual principles and policies and to confirm compliance also by the upstream partners.

2. Principles and Policies

2.1 Human rights, Working Conditions and Integrity

As an international group of companies with direct operations in a large number of countries, we recognize that our business may impact a variety of stakeholders, including shareholders, employees, suppliers, customers, and the society at large. We therefore make it clear that we respect, and expect our business partners to respect, internationally recognized human rights principles. Activities conducted by our business partners shall ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

We expect our business partners to constantly work to identify risks and areas of improvement. The risk identification process and the implementation of improvement actions shall be based on the OECD Due Diligence Guidance for Responsible Business Conduct.

The following potential human rights risks have been identified as relevant areas:

- Child labour;
- Conditions of employment, including work hours, wages and benefits, and the right to organize;
- Diversity and inclusion;

- Forced labor;
- Harassment and discrimination;
- Health and safety; and
- Human trafficking and modern slavery.

In order to comply with this Code of Conduct for Business Partners, the Fagerhult Group has set minimum standards on the individual business partner's business operations:

Laws and regulations

The business partners' production units must operate in full compliance of the laws and regulations governing the activities they conduct in the countries they are located in.

Employment terms and conditions

Employees of business partners cannot be requested to work beyond the limits established by the legislation in force in the local area. The salaries paid and the services supplied in compliance with the standards stipulated for the category in question, including overtime and other compensation, must be equal to or above the minimum level guaranteed by the law and collective labor agreements for the category.

The business partner shall reject any use of forced or obligatory labor, including slave labor, child labor, forced labor for prison inmates or labor based on human trafficking, and any form of harassment or physical, sexual, psychological or verbal maltreatment, intimidation or abuse.

Work safety

A business partner of the Fagerhult Group shall commit to offer high safety standards in the workplace for both its own employees and the people who work with the business partner on a daily basis (e.g. consultants, contractors, suppliers, customers). Every production unit must adopt the provisions required for the prevention and management of potential occupational accidents and illnesses. In accordance with the relevant national regulations, the business partner shall identify, assess and reduce all occupational health and safety risks.

The business partner is responsible for ensuring that the mandatory training legally required by the country it is operating in, is provided.

Human value and integrity

The business partner shall recognise and respect diversity and cultural differences, regardless of gender, family status, ethnicity, nationality, sexual orientation, religion, political opinions, age or disability. In every sphere of professional life (recruitment, promotion, remuneration, provision of benefits, training, dismissal and termination of employment) every employee will be considered and treated in a fair and non-discriminatory way.

All employees of the business partner are free to exercise their legal right to constitute organisations representing their interests and to become members of them or not. No employee must be subject to intimidation or harassment when exercising these rights.

The business partner shall comply with the European Regulation 679/2016 (GDPR) and the regulations in force in each of the countries the business partner operates in, to protect the integrity, confidentiality and availability of the personal data of each employee, consultant, supplier, customer and/or third party that works with the business partner.

2.2 Environment and sustainability

The Fagerhult Group's sustainability agenda 'Positive change for better living' is an integrated part of our business strategy and our daily operations. It also defines our four focus areas with long-term ambitions and defined activities. The four focus areas are:

1. Responsible relations
2. Responsible operations
3. Circular solutions
4. Knowledge leader

Fagerhult Group works comprehensively to ensure ethical, sustainable business in all areas of its operations and expects its business partner to do the same. The Fagerhult Group, in close collaboration with its business partners shall adopt and will continuously adopt and execute activities and techniques that support the transition to a circular economy. In this respect, the Fagerhult Group together with its business partners shall work together to promote and record the proportion of recycled material in source materials.

The EU Taxonomy

In order to meet the EU's climate and energy targets for 2030 and reach the objectives of the European Green Deal, it is vital that the community as such, in which Fagerhult Group and its business partners form part, to direct investments towards sustainable projects and activities. For the community as a whole to commit and use its resources in line with the aforementioned objectives, a common language and a clear definition of what is 'sustainable' called for the creation of a common classification system for sustainable economic activities - the "EU taxonomy".

Within the EU Taxonomy, there are set technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation and for determining whether that economic activity causes no significant harm ("DNSH") to any of the other environmental objectives.

The business partner shall apply the objectives and technical screening criteria in the EU Taxonomy for the assessment of DNSH:

- To identify the material physical climate risks by conducting a robust climate risk and vulnerability assessment;
- To assess the materiality of any identified (potential or actual) physical climate risk on the economic activity of the business partner;
- To make an assessment of adaptation solutions that can reduce the potential or actual identified physical climate risk; and
- To use best practice and available guidance and taken into account the state-of-the-art science for vulnerability and risk analysis and related methodologies available.

Regarding pollution prevention and control regarding use and presence of chemicals, the business partner shall commit to the relevant applicable legislation in force from time-to-time and to the DNSH technical screening criteria in this respect.

For business partner's sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and key biodiversity areas, as well as other protected areas), as appropriate, the business partner shall conduct appropriate assessments and, based on the outcome of the assessments, shall identify and implement the necessary mitigation measures.

For the objective for sustainable use and protection of water and marine resources, the business partner's assessment shall include the identification of environmental degradation risks related to preserving water quality and avoiding water stress.

Conflict Minerals

The Fagerhult Group is heavily committed to sustainable development and we therefore address issues in the extractives sector. Fagerhult Group does not directly source minerals from mines or smelters and our direct suppliers are multiple tiers from the extractive operations.

In accordance with the requirements of the Dodd-Frank Act and EU regulation EU2017/821, the business partner shall adopt measures guaranteeing that the tantalum, tin, tungsten and gold contained in their manufactured components and/or products are not connected - either directly or indirectly - to any conflict region (also known as '3TG minerals' or 'Conflict Minerals').

The business partner undertakes to deliver materials, components and/or products to any group company within the Fagerhult Group that are free of Conflict Minerals and, in particular, to not intentionally deliver materials, components and/or products containing 3TG originating from mines and foundries in any conflict region. The business partner's supply of materials, components and/or products shall be 'Conflict Minerals Free'.

More specifically, the business partner shall:

- analyse and confirm whether the materials, components and/or products supplied contain one or more of the 3TG;
- raise awareness with any who do not have a conflict minerals policy in place in order to apply and promote within its sphere of influence a policy aimed at guaranteeing that the 3TG metals present in the business partner's materials, components and/or products do not finance or encourage, directly or indirectly, armed groups in a conflict region;
- share or adopt due diligence measures and a management system designed to guarantee that the products supplied are Conflict Minerals Free;
- promptly indicating to Fagerhult Group whenever any of the business partner's materials, components and/or products supplied to the Fagerhult Group is not Conflict Minerals Free; and
- react without delay upon suspicion or knowledge that any raw materials, materials, components and/or products sourced by the business partner contain Conflict Minerals.

2.3 Business ethics

The Fagerhult Group acts as a reliable and honest party, honouring long-term business relationships with high ethical standards, transparency and integrity.

Laws and Regulations

The business partner shall act in compliance with all applicable laws, regulations and provisions that affect its operations.

Fair competition and anti-trust law

Fair competition is respected by the Fagerhult Group and all applicable laws and regulations on fair competition and anti-trust are observed and adhered to at all times. The business partner shall act in accordance with such aforementioned laws and regulations.

The Fagerhult Group's actions and purchasing decisions are made independently of personal interests or considerations that have no connection with the business operations. The business partner is expected to act and make decisions accordingly and with no other connection than carrying out of its business operations with transparency towards the Fagerhult Group.

Corruption and money laundering

Fagerhult Group has zero tolerance for corrupt behaviour and money laundering. We, as well as our business partners must not engage in or tolerate any form of corruption, bribery, extortion or embezzlement. The business partner must not request, accept or arrange any gifts or benefits or other means to obtain any undue or improper advantage. Such improper gifts or benefits may comprise cash, non-monetary gifts, activities or services or amenities of whatever nature.

Accountability, transparency and integrity form part of the Fagerhult Group's entrepreneurial and responsible business operations and management. The Fagerhult Group has implemented structural and operational preventive measures to avoid all forms of corruption and to promote anti-money laundering. The business partner is expected and shall have such aforementioned measures in force at all times.

No conflict of interest

No conflicts of interest shall arise or exist between the business partner and the Fagerhult Group. If such conflict of interest should be discovered, this shall be reported by the business partner and/or the Fagerhult Group to the other party, as the case may be, without delay.

Intellectual Property Rights and Confidential Information

The business partner shall respect the Fagerhult Group's intellectual property rights and protect the Fagerhult Group's business and trade secrets (as if it was its own) from any misuse, theft, fraud or improper disclosure. Any use of the Fagerhult Group's intellectual property rights (for instance but not limited to, trade marks, design rights, patents and domain names) and business/trade secrets may only be allowed upon the prior and explicit approval.

3. Governance, Due Diligence, Monitoring and Reporting

Governance

As this Code of Conduct for Business Partners forms an integral part of the relationship between the business partner and Fagerhult Group, the Fagerhult Group expects a sincere commitment to the principles defined herein and a full cooperation in those cases where remedial actions are needed.

Fagerhult Group will without notice and in its own discretion execute the action deemed appropriate and necessary, if it should come to the attention of Fagerhult Group that any form of breach of this Code of Conduct for Business Partners has occurred.

Unwillingness to accept this Code of Conduct for Business Partners or the unwillingness to cooperate, repeated violations of this document or applicable law will be seen as a breach of the

business partner's obligations towards the Fagerhult Group and may lead to reduced or terminated business activities between the Fagerhult Group and the business partner.

Due Diligence and Monitoring

Fagerhult Group reserves the right to continuously monitor the business operations of the business partner and its compliance with this Code of Conduct for Business Partners. Such continuous monitoring can be executed through request of relevant information, site and documentation audit and reviews. Fagerhult Group may use IT tools to collect such relevant information and to – on a periodical level – monitor the business partner's compliance.

The business partner shall cooperate with Fagerhult Group in submitting its information to such requests and in the form and format requested.

Reporting

Fagerhult Group's Code of Conduct and this Code of Conduct for Business Partners are safeguarded by the Fagerhult Group's whistleblower policy and procedure. All employees within the Fagerhult Group, as well as its business partners and other stakeholders can report any misconduct or unacceptable behaviours can be reported (if not appropriate to report through standard internal and external procedures) through our whistleblower channels. The reporting through our whistleblower channels can be anonymous.

A reported incident or situation through any of the Fagerhult Group's whistleblower channels will be treated confidential and handled only by the appropriate functions. In order to be able to conduct a thorough investigation of the reported incident or situation, the reporting party may be asked to give more information on the relevant case.

4. Modification and Acceptance

Fagerhult Group is committed to continuously review and improve its ethical standards. Therefore, this Code of Conduct for Business Partners may be updated in Fagerhult Group's own discretion. The business partner will be informed in a timely manner of any updates of this Code of Conduct for Business Partners.

The business partner hereby accepts the contractual status of this Code of Conduct for Business Partners and commit to comply, in addition to all relevant contractual obligations with Fagerhult Group, with all aspects of this document and the rules and policies herein. The business partner further commits to effectively communicate the rules and principles in this Code of Conduct for Business Partners with its employees, stakeholders and business partners (including but not limited to its suppliers).

The business partner shall confirm this Code of Conduct for Business Partners and its commitment to fully comply with the rules and principles herein and such confirmation shall be made in the manner requested by Fagerhult Group.
