

Code of Conduct

our common code of conduct



This Code of Conduct was approved by the board of INDUCORE in March 2019



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Our responsibility as an industrial group

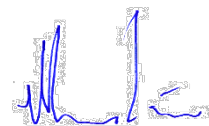


Our national and global presence places great demands on us as both business partners and employees – that we take responsibility for ourselves and each other, that we work ethically within all parts of the operations and act with high business ethics and moral behaviour, that we care for our employees and show consideration for the environment.

We have now documented our principles of business ethics in a common document, our **CODE OF CONDUCT**, a guideline for how we make everyday decisions – a documentation of values and promises that clarify our responsibilities as an industrial group and that helps us to maintain and strengthen our competitiveness and brand presence in the marketplace.

Our common code of conduct applies to everyone in the whole INDUCORE group – within all subsidiaries and to 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 standards for our suppliers, their subcontractors and our customers as on ourselves, when we evaluate business partners. We therefore encourage our business partners to introduce the equivalent social, environmental and technical requirements within their own value chains.



Magnus Biesse
CEO and Group President

Introduction

we see confidence as a condition

As an industrial group, we and all our business operations support the work of our society to create sustainability and to conduct business in an ethical and correct manner. Our common code of conduct gives our ethical guidelines within a number of different areas and describes the rules of play for every employee in the group. The code of conduct makes 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 INDUCORE group has a responsibility to maintain and establish our reputation as a responsible industrial group.

Why do we have a CODE OF CONDUCT?

The INDUCORE group and its businesses operate in a very competitive market, primarily in Sweden, but also in other Nordic countries and other parts of the world. As an industrial group we can only achieve long-term success by acting in an ethical, environmental and socially responsible way – our vision and values can only be fulfilled by us as employees representing the company in a way that corresponds to our high ethical standards. In that way we gain the confidence of the market at the same time as we create the basis for a safe and secure 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 ethical behaviour and neither does the code cover all 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 about and have the opportunity to discuss the practical applications of the code.

Our common responsibility

All employees within INDUCORE 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 that are based on confidentiality and loyalty – which in turn can lead to legal measures.

Application and implementation

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

Our managers and supervisors within our business operations must recognise and, within their relevant areas, be responsible for ensuring that the code of conduct and national laws and regulations are followed. The code of conduct is an important document that shall be gone through in conjunction with the annual development discussion that managers have with their employees. At the discussion, we as employees must confirm in writing that we have read, understood and commit to following the principles within the code of conduct.

As employees we are likely to be faced with complicated situations where we feel that the code of conduct or the local management system do not give clear responses. In such cases, the supervisor should be contacted to discuss and seek advice on the matter.

Follow up and reporting

We shall encourage our employees to report conditions that might conflict with the code of conduct. Each employee is expected to report cases of fraud, criminal behaviour or breaches of the code of conduct. If we suspect any laws are broken or breach of code of conduct we must report the breach to our supervisor.

Stated breaches of the code of conduct can lead to disciplinary measures. If we as employees feel uncertain whether behaviour conflicts with the code of conduct we should ask a supervisor for advice. Notification of breaches of our code of conduct can be made anonymously and confidentially by post to the main office in Västerås.

INDUCORE AB | Vasagatan 20a | SE-722 15 Västerås.

Reporting a breach means being loyal to the group's values. A report must not have any negative consequences to whomever makes the report.



Our values – approach

the values make up our three corner stones and the foundation of our approach

Vision

We shall strive to be Sweden's leading industrial group within our area of operations, through strong business activities with market leadership in strategically selected fields and niches.

Our basic values

Our basic values describe our approach – a common striving to always meet the highest experienced customer value – to exceed the customer's expectations. Our basic values describe how we are expected to react on the market regardless of the circumstance or situation. For us, customer satisfaction is about doing what we have promised.

Value terms

Entrepreneurship We encourage **entrepreneurship** and involvement in the work task – this is about taking own initiative and seeing opportunities to improve and develop – a entrepreneurial approach where new ideas and continuous development ensure that our customer always receives the best solution.

Efficiency We encourage **efficiency** and optimised work processes – it is about challenging ourselves to always do our best and each day ask ourselves what we can do better – to consistently search for the root cause of failures and deviations, so that each day we can deliver the best experience of customer value.

Long-term We encourage looking to the **long-term** where customers and interests have the confidence that we have the strength to act within the marketplace for a long time to come – it is based on using our employees' knowledge and commitments to stimulate organisational learning – and to see what opportunities there are for internal synergies and "best practice" that lead to long-term development and reinforce our overall competitiveness in the market.



Our workplaces

we must cherish a safe and secure workplace

Well-being in the workplace is of vital significance for our employees to be able to carry out effective and qualitative work. Together, we must work to create well-being in our workplaces so that all employees and those that work with us feel welcome and motivated to take part in the social interaction.

A healthy and safe working environment

We must offer our employees and those that work in our facilities a safe and healthy workplace. We must 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 shall cherish each other's health and safety, both physical and mental. We shall help each other to create a good working environment. Relationships between each employee must be based on mutual respect. We must strive to give our employees reasonable influence in areas that affect the work situation.

In addition to our code of conduct, regardless of where we operate, we shall follow national work environment legislation and environmental legislation in accordance with local legislation and collective agreements.



Harassment and bullying

All our employees must treat each other with dignity and respect. We do not tolerate any form of sexual harassment or other unwelcome behaviour that creates an offensive or frightening work environment. Managers and supervisors at all levels must be aware of any harassment that occurs in our workplaces and shall take necessary steps to counteract such cases of offensive behaviour.

Drugs and alcohol

We shall establish a safe and secure work place without the influence of alcohol or drug misuse. We do not tolerate possession, use of or work under the influence of alcohol or drugs within any of our facilities or in any work for the group. Misuse of alcohol or illegal drugs constitutes a breach of the code.

Diversity and equal opportunities

We shall offer work places that stimulate all employees to be effective and creative – a workplace that is characterised by diversity has a better foundation for creativity and innovation. We shall work to increase diversity because we believe that diversity is a condition of being a successful group.

We shall give our employees equal opportunities for career development, education, salary, work content and conditions regardless of gender. In those cases where there are differences in salary between men and women we shall work to level out the differences. All employees must be treated the same regardless of gender, marital status, race, religion, political opinion, ethnicity or nationality, transgender identity, age, sexual orientation or disability. Decisions that affect the employee's employment, promotion, development or salary shall always be based on the unique knowledge and competence in the work of the employee in question.

Respect for human rights

We support international conventions and respect human rights. We do not tolerate child labour, forced labour or work under threat of violence. We do not accept products from suppliers who use child labour directly or indirectly through collaborations with other sub-contractors.

We make the same ethical demands of ourselves when we evaluate and judge our suppliers on the basic selection of their capacity to live up to the requirements of our code of conduct. We expect our suppliers to respect our code of conduct and do their utmost to achieve corresponding standards.

The employees' right to freedom of association

We respect trade union activity – the right of all employees to create or join different work organisations. We support and respect the rights of the employees to the freedom to join a trade union and their right to collective bargaining.

We respect private life

We respect the basic right of a person to a private life. We shall retrieve necessary personal data in a safe and legal way that is relevant to the purpose for which we collect the personal data. We follow the guidelines in accordance with the General Data Protection Regulations (GDPR).

Social media

We are happy to see our employees participate in social media and other forums. However, there must be mutual respect towards the company and colleagues. Most of us have access to internet and social media in the workplace, which can be an aid to communication in different work situations in the same way as telephone and e-mail. Anyone who communicates professionally within social media always represents the company. Such communication in social media must be in line with the company's values and at the same time be in line with how we communicate within other channels. As employees we must draw a clear distinction between what is a private and professional presence on the internet and social media.

Business ethics and morals

we carry out business honestly, fairly and correctly

We must always act as a dependable and honourable industrial group and within our subsidiaries live up to our commitments. We believe in long-term business relationships with our partners where we can create a basis for strong economic results. Our sales of products and services must always occur in an honest, fair and correct way.

Good relationships with our business partners

We must run our businesses according to good business values and create customer value by offering competitive products and services. We shall strive for mutual openness towards customers, suppliers and other business partners by always providing correct information within the framework of maintenance of business confidentiality or other confidentiality agreements.

We shall react professionally towards customers and suppliers. We shall work for a sound business relationship. Purchase of goods and services must be based on quality, price and suitability. We shall strive for reciprocal, long-term relationships with our suppliers based on these factors. If a relation, friend or close relation is involved with a supplier, the line manager must approve the purchase. We must conduct business freely without suspicion of undue influence.

Competition on equal terms

We have traditionally had long-term success thanks to sound business competition. Our offer is based on what we can do for the customer, not what the competitors can do. We do not spread negative information about or speak badly of our competitors. We shall strive to create success and gain competitive advantage through greater efficiency 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 the same conditions. Contracts or other agreements that restrict competitiveness are forbidden under anti-competition law. We shall always strive to compete on level terms and it conflicts with our code of conduct to become involved in discussions with competitors regarding price or other business conditions that can affect the market's pricing levels.

We respect legislation and regulations

The national legislation and regulations must be followed in countries where we operate. We must respect each country's competition regulations, environmental legislation, labour laws and other regulations that affect our business.

Zero tolerance of bribery and corruption

We apply zero tolerance regarding corruption, which means that we must not under any circumstances become involved with or tolerate any form of bribery.

We are aware of the risk of compensation to business partners being used for undue influence on business decisions. To prevent this we have developed and apply standards and internal processes to ensure that our business operations comply with "best practice" within the industry.

We avoid inappropriate representation

Our work must be characterised by high standards of business ethics. Appropriate gifts or usual representation is normally not a problem if given in the correct circumstances, such as when presenting our products or services, reinforcing our image or establishing good relationships with business partners. We should be aware of the fact that even the usual gifts and normal representation can be unsuitable in conjunction with future or ongoing negotiations. We must never offer gifts or other benefits of a value, or nature and/or under conditions that could be regarded as an attempt to unduly influence a business decision or gain other undue advantage. The same applies when we invite our customers to customer events or other activities. It is our responsibility therefore to show full openness and transparency in all recording of gifts and representation, to show that we live up to these standards.

As employees we must be independent and act professionally in our business associations. That means that we can only accept gifts and representation that we are offered that is reasonable in relation to the relevant business and is within the limits for how we ourselves react to others. We must not accept gifts and representation of high value or of unethical or abnormal character under any circumstances. If we are unsure whether we can accept a gift or participate in an event we will always take advice from our line manager.



Conflict of interest

As employees we must always differentiate between our personal interest and the company's business. Decisions regarding the company must never be affected by personal wishes or relationships. As employees we must never use our positions or influence for any other purpose than always promoting the company's interests. Personal relationships or other considerations must never affect decision making.

Any part ownership of customers, suppliers or competitors must be notified in writing and if this is not considered inappropriate, it must be requested by the line manager. The notification also applies to any secondary occupations on the condition that the secondary occupation can lead to a conflict of interest.

Protection of confidential information

we regard information as a valuable asset

Information about the INDUCORE group and its business activities is internal or confidential information on the condition that it has not been made public through annual reports, press releases, product descriptions or similar public documents. We do not distribute information to persons outside the group if there are not business related reasons.

We protect sensitive information

Information of technical, commercial and marketing character is particularly sensitive and is covered by confidentiality. All information that is handled within the group must be evaluated to ensure that the information is given the right level of security. We should be aware that there is a risk of unintentional distribution when we discuss company business with our colleagues in public places or when speaking about ourselves in social media or other forums.

The information system – our tool

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

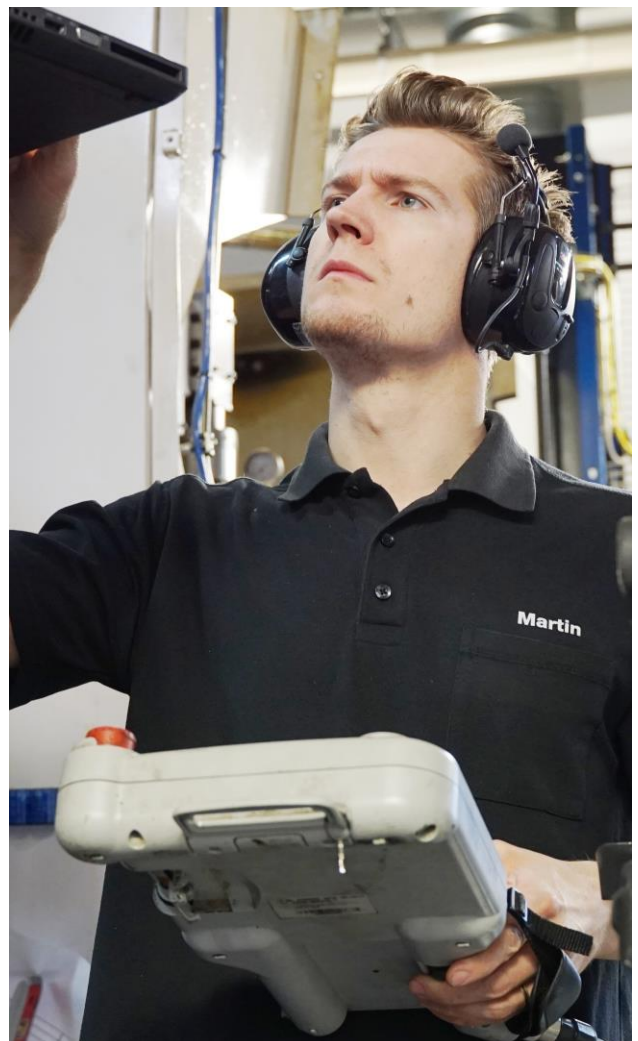
Confidential information belonging to others

We treat information that we receive from others in the same way that we would expect them to treat information that we have provided. We must never attempt to access or receive confidential information that belongs to others without the owner of the information approving its distribution. Confidential information that is received accidentally must not be distributed, but should be sent back to the sender/owner.

It is important to us that we know the customer's regulations regarding protection of information for reasons of security and export checking. We often need information such as purchasing plans and other information to be able to meet customers' demands. However, we must never try to obtain information that would not be made available in a legitimate way or break those conditions that regulate how information should be used by us.

Respect for intellectual property rights

We shall never copy, distribute or change copyright protected software, documentation or material owned by others without a valid license or permission from the copyright owner. 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 is available on websites.



Our responsibility for the environment

we care about the world around us

We shall promote sustainable and ecologically aware use of resources. We shall respect the principle of precaution and protect the environment, prevent pollution, promote more efficient use of energy and minimise waste and emissions of greenhouse gases. We shall encourage development and spreading of environmentally adapted technology.

The environmental perspective

Consideration of the eco-cycle and conservation of our natural resources are an important starting point for our business operations. The environmental perspective must be part of important decisions to create long-term value for our interests and society at large. Our environmental work must be an integrated part of the business operations and a part of our operational work, where we consider the life cycle of the products and services that we provide. We get a better overall view of environmental issues through the greater competence of our employees and the constant development of our expertise regarding the environment.

Sustainable development

Our understanding is that sustainability is a determining factor for our success in the marketplace. Therefore, we strive to minimise our load on the environment and contribute to improvements with those goods and services that we deliver. This strengthens our credibility and our brand. We must contribute to sustainable social development, which means that in our assignments we must work to develop solutions that avoid negative environmental impact. We shall make environmental friendly improvements as far as is technically possible, economically justifiable for the business and environmentally motivated.

