

Höganäs

Code of Conduct

This is your copy of our Code of Conduct



The Höganäs Code of Conduct

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Introducing the Höganäs Code of Conduct

1.1 Vision & values

In the world of metal powders, Höganäs is the market leader and always at the forefront of innovation. Metal powders are a part of our everyday life – and we continuously see new areas to develop. Our ambition is to lead the transformation to better meet the needs of tomorrow and become the preferred supplier of sustainable metal powder on a global scale.

We aim to be a role model in the steel industry and take the leader jersey on related to the subject of sustainability. We believe in the capacity of the individual and that every co-worker can and wants to improve our company as a workplace, as a supplier and as a business partner. Everyone working at Höganäs leads by example. The Code of Conduct adds perspectives to how we look upon healthy workplaces, healthy eco systems and business ethics. The code contains the guiding principles how to act as individuals and as organization to maintaining the transparent, trustworthy, and reliable company Höganäs aspires to be.

1.2 Scope & purpose

The Höganäs Code of Conduct has several aims. Internally, it clarifies where Höganäs stands in vital matters such as business ethics and employment conditions, and functions as a guideline in our day-to-day work. Externally, the code is a statement of our values and where Höganäs stands in relation to our customers and other business partners, future

as well as present. We comply with laws and regulations, and we strive to exceed those requirements when possible. We apply our code when our internal regulations are stricter than the legal requirements. The code does not intend to regulate every potential situation that may arise. Instead, it provides a framework for ethical business behaviour, both at our workplace and in the surrounding world, that helps us build relationships based on trust.

1.3 Who does the code apply to?

The code applies to everyone working at Höganäs – regardless of position or role, including people with conditions similar to employment at Höganäs. Co-workers, management and members of the Board of Directors must read and understand the code and comply with its principles. **Managers set the tone and must lead by example.** They are responsible for contributing to a culture where everyone understands that business results never justify sacrificing our commitment to the code. They must also support adherence to it. Co-workers or manager, you are always welcome to seek guidance or training if you have questions about the content, please read further in section 1.6.2.

1.4 Supplier requirements

Höganäs places high expectations on our suppliers regarding labour terms, environmental standards and business ethics. They shall commit to the adherence of the high standards of Höganäs Supplier Code of Conduct as part of our business agreement. Suppliers are in turn required to ensure their own business partners adhere to the same principles. Höganäs evaluates existing and potential suppliers and

contractors towards Höganäs' principles stated in the Supplier Code of Conduct.

1.5 Dedication to international standards

Besides reflecting Höganäs' core values, the Code of Conduct also expresses Höganäs' ambition to live up to internationally agreed standards. Some of the most significant principles that Höganäs is committed to can be found in:

- The United Nations' Universal Declaration of Human Rights
- The International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and
- The United Nations Guiding Principles for Business and Human Rights.

Höganäs is a signatory of UN Global Compact and strives to support the United Nations Agenda 2030 Sustainable Development Goals.

1.6 Review & training

The code is reviewed regularly to ensure that the Code of Conduct stays relevant. To achieve this, everyone working at Höganäs receives suitable training, and the opportunity to give feedback on the content. Every year, Höganäs makes risk assessments in accordance with the routines described in Höganäs' governance documents. Risks evaluated yearly include operative risks as well as internal and external risks. Following the risk assessments, a dedicated team assesses the code in the light of the findings. If it requires updating, the team suggests appropriate measures, including updating the contents of the Code and modifying the training program. The training process is driven and coordinated by the global



HR function. Managers are responsible for ensuring that their teams receive adequate training and understand the code.

1.7 Violations

1.7.1 Zero Tolerance

Violations of the Code are not tolerated. Violations can cause liability not only for management and board, but also for Höganäs. Such damage can cause irreparable harm to Höganäs' business and reputation, and ultimately lead to loss of our market position. Höganäs will take appropriate actions against any manager or co-worker violating the Code, and a violation may thus lead to termination of employment or, in the case of a supplier or contractor, termination of cooperation with Höganäs.

1.7.2 Speak up

Höganäs encourages all co-workers to speak up if they suspect something is wrong! By raising compliance concerns we will foster an open, honest, transparent and ethical workplace culture which also will help to protect our business and reputation.

Höganäs promotes an open culture, and therefore it is generally best to talk to the immediate manager about a suspected violation face to face. Depending on the nature of the concern, a co-worker can also, at any time, report concerns to a manager of higher rank or Human Resources or Corporate Legal.

All Höganäs managers are expected to emphasize the value of reporting potential compliance concerns promptly and foster an environment of open reporting. Höganäs does not tolerate any retaliation against any co-worker, who raises a compliance concern in good faith. Höganäs guarantees that all

reports and complaints are treated with the utmost discretion and respect for your integrity and safety.

1.7.3 The Höganäs SpeakUp line

Höganäs acknowledges that there may be situations in which a co-worker is uncomfortable talking to its immediate manager, or anyone else within the company. That is why Höganäs provides a channel for speaking up where co-workers can remain anonymous: a SpeakUp line. The SpeakUp line is intended to be used for those things that would otherwise not be reported.

The Höganäs SpeakUp line is a worldwide interactive voice response phone and web-based reporting system, available 24 hours a day. The line is operated by an external provider. Here, all co-workers can report suspected misconducts anonymously, in their own language, and engage in a virtual communication cycle that guarantees personal integrity and anonymity. The SpeakUp line, and guidelines, can be found on Höganäs' intranet, Pulse, under the top menu "My systems". All matters are handled according to procedures that fulfil the EU legislation and international standards regarding data security and individual protection.

1.7.4 Questions

At one point or another, you are likely to have questions about this Code of Conduct or its application. If ever in doubt, please ask. All questions are welcome. You are primarily encouraged to make such queries to your immediate manager. If your question remains unanswered, or if you wish to contact someone other than your immediate manager, you are welcome to send your questions to code@hoganas.com.

Healthy workplaces

2.1 No harassment

We do not tolerate any form of abusive behaviour, bullying, or harassment at work, be it physical, sexual, or psychological. It is the responsibility of every individual to behave in a respectful manner and to contribute to an inclusive work environment.

2.2 Diversity, equality & non-discrimination

Everyone working at Höganäs shall be treated equally, fairly and with respect. It is our obligation to provide equal employment opportunities without regard to ethnic or national origin, colour, sex, age, disability, religion, caste, sexual disposition, family status, political ideology or any other characteristics not related to work. Diversity and inclusion in the workplace and in recruitment are as important as they are desirable.

2.3 Safety & workplace health

Höganäs offers occupational health services to all co-workers, provides health promotion activities and encourages a healthy balance between work and private life. Höganäs does not compromise on safety. We all take responsibility for our own and others' safety by following Höganäs' health and safety policies and guidelines. We intervene if others are in danger or violate safety rules. As we strive to eliminate work related accidents, injuries and illnesses, we actively work with preventive measures and report all incidents. We enforce systems and best practices to detect, avoid, respond to and treat potential occupational threats to the well-being and safety of everyone working at Höganäs. Where workplace risks cannot



be completely mitigated, Höganäs provides suitable personal protection equipment (PPE) in addition to regular safety training. Health and safety requirements according to local regulations must be respected and abided by at all times.

2.4 Use of alcohol and other drugs

Höganäs is a sober workplace. No one working at Höganäs can be under the influence of alcohol or other drugs while working. If local customs or special occasions that make it appropriate to consume alcohol, it must never be in combination with any activities that are inconsistent with the use of alcohol, such as operation of machinery or taking business decisions. Höganäs does not encourage consuming alcohol at any company event, internal or external. It is up to each individual to decline alcohol.

2.5 Employment relationship & labour terms

All work performed must be on the basis of recognized employment relationships established according to national law and Höganäs' employment standards. Everyone working at Höganäs is entitled to a written employment contract, in a language that he or she is familiar with. Höganäs must comply with all legal and contractual requirements on wages and fringe benefits. Everyone working at Höganäs shall enjoy fair living wages and other labour terms. The number of working hours in a week must comply with national law, ILO conventions or a collective agreement, whichever affords the greater protection for co-workers. In countries where the social security system falls short, Höganäs shall provide alternative insurance for co-workers, including medical and retirement insurance.

2.6 Freedom of association & collective bargaining

All Höganäs co-workers, without exception or distinction and without fear of reprisal, have the right to join or form a trade union, or to refrain from joining, and to bargain collectively. Höganäs provides meaningful information and facilitates collective bargaining with trade unions. Where the right to freedom of association or collective bargaining is restricted under national law, Höganäs endeavours to ensure the development of alternative means for independent and free association and bargaining.

2.7 Child labour, forced labour & young co-workers

Höganäs never tolerates child labour or any kind of forced or otherwise illegal labour. The minimum employment age is the age of completion of compulsory schooling. All legal limitations regarding employment of persons under the age of 18 shall be adhered to, and such persons shall be protected from any kind of work that might hamper their development or impose any physical harm.

2.8 Privacy

Höganäs respects the privacy and integrity of its employees. In order to fulfil our obligations as an employer and to pursue our legitimate business interests, Höganäs is required to process its employees' personal data. Upon the processing of such personal data, Höganäs will comply with applicable data protection legislation. Höganäs only collects personal

data, which is necessary and relevant for legitimate purposes, and never keeps personal data longer than what is allowed according to applicable law, regulation, practices or authority decision.

Healthy ecosystems

Höganäs' objective of contributing to long-term sustainable development includes working methodically to minimize our climate impact and to protect the environment. To be able to effectively promote sustainability, we must be aware of our actual and potential impact on ecosystems. This means that we actively monitor our performance and the development of new technology, and that we modify our routines and methods according to changing conditions. Consequently, we aim to reach net-zero carbon dioxide emissions and strive for high efficiency in the use of energy and natural resources, we promote systems for the recovery and recycling of materials, and we work to prevent and minimize emissions and pollution. We always comply with environmental requirements set by applicable regulations as a minimum, and we require everyone associated with Höganäs to do the same.

3.1 Accountability

Höganäs follows up and reports on its environmental and climate performance to ensure that we live up to the goals we have set. Höganäs takes a precautionary approach towards environmental challenges. Technical improvements, investments, training and ways of working, are continually evaluated and improved in order to reduce energy consumption;



to replace fossil fuels and coal with alternative sources; and to avoid adverse waste and emissions in all operations. We welcome co-worker initiatives that help us to fulfil our goal of maintaining healthy ecosystems wherever Högånäs operates. For further guidance within the areas of environment, climate and energy, please consult the Högånäs Environmental and Climate Policy.

Business ethics

4.1 Anti-corruption

Högånäs has taken a position of zero-tolerance to any form of bribery or corruption. We will in no way use illegal, unfair or unethical measures to obtain or retain a business advantage. What this means for us in daily work can be difficult to know. The matter is also complicated by the fact that our actions can be subject to several different laws, since Högånäs operates in a global market. This is why Högånäs provides clear and practical guidance on this topic in the Högånäs Anti-Corruption Policy, which is an integral part of the Code of Conduct.

At Högånäs, we pride ourselves on conducting business as a responsible member of the communities in which we are active. Honesty and integrity in all of our business dealings are central to our commitment to sustainable development. We will grow using nothing but fair business methods. We strive to establish clear guidelines and processes to support our daily business. Every one of us has a responsibility to follow all applicable laws and regulations, and to take an active role in the prevention of unethical business behaviour – this includes asking for guidance when in doubt.

All Högånäs co-workers, and any one person acting on behalf of Högånäs, are required to understand and comply with the principles outlined in the Anti-Corruption Policy, take an active part in the identification of corruption risks and on the implementation of preventive actions.

The same applies to all subcontractors and suppliers, as outlined in the Supplier Code of Conduct. Intermediaries, i.e. agents, consultants, advisers, distributors or any other commercial partner may never be used to circumvent neither laws and regulations nor any principle outlined in the Högånäs Anti-Corruption Policy.

Co-workers in relevant positions are obliged to participate in the mandatory training programme on anti-corruption as well as report in good faith any and all actual or potential violations of laws, regulations, policies, procedures, including and especially concerns as to accounting or auditing irregularities or fraud and corruption.

Allegations of corruption can have severe consequences, both criminal and civil, for Högånäs as a corporation and for its co-workers on an individual level.

If you do not find the guidance you seek in the Anti-Corruption Policy, turn to your immediate manager for advice. If you need additional support, you are always welcome to contact Corporate Legal at code@hoganas.com. No question is too big or too small.

4.2 Trade compliance

As a global company, the business of the Högånäs relies on the movement of products, technology and information around the world. Such activities are regulated by international trade laws.

These laws place certain restrictions on our activities, depending on factors such as the products and their components place of origin, the intended destination, the intended end use, and the parties involved. Högånäs Trade Compliance Policy has been adopted in order to abide by applicable national and international sanction programs and export control laws and regulations. The rules and restrictions surrounding trade are complex and rapidly changing. In order to fulfil the regulative obligations, Högånäs provides clear guidelines and processes and defined responsibilities to support facilitating compliance within our daily business.

Failure to comply with applicable trade laws could result in administrative fines, criminal penalties, reputational damage and other negative repercussions. Penalties may exceed several million US dollars, and may also entail imprisonment for individual employees. In addition, Högånäs would be at risk of suffering severe consequences like the loss of access to bank financing and breach of contractual obligations in customer contracts.

If you have questions concerning the legitimacy of a transaction, concern, or become aware of any potential or actual violation of the Trade Compliance Policy, raise the issue with the Trade Compliance department. Also, employees must notify the Trade Compliance department or the General Counsel immediately if they believe that one of our suppliers, customers or other business partner breaches a law or regulation. If you do not find the guidance you seek in the Trade Compliance Policy, you are always welcome to contact Trade Compliance department at tradecompliance@hoganas.com.



4.3 Conflicts of interest

Employees' private interests and the interests of Höganäs must be strictly segregated and balanced carefully. You are expected to act in the best interests of Höganäs and to safeguard our reputation by avoiding conflicts of interest. Personal relationships or interests must not affect the business activities of Höganäs at any time. This means that every employee must not create or maintain personal interests, which may cause a conflict with the interests of Höganäs or which might influence, or appear to influence, the judgment of an employee in the performance of her or his duties. At Höganäs we rely on that our employees take their decisions solely on the basis of objective instead of personal criteria.

Every Höganäs employee should, for example, avoid any investment, interest, association, or activity that may cause others to doubt her or his fairness, integrity or ability to perform your duties objectively. Any possibility of conflict of interest should immediately be brought to your manager's attention.

4.4 Antitrust compliance – Fair competition

Anti-trust violations are inherently bad for business. They undermine markets and harm consumers.

Höganäs believes in fair and free competition and free markets. To support fair competition and remain compliant, all Höganäs co-workers, and anyone acting on behalf of Höganäs, must stay informed about, and adhere strictly to, regulations that concern competition. Höganäs never participates in cartels or other unlawful collaborations with competitors, such as agreeing on pricing with competitors, or sharing and dividing markets or customers with competitors.

4.5 Political contributions

Höganäs observes neutrality with regard to political parties. Companies in the Höganäs Group may not give financial support to political parties or politicians, or engage in political activities. This is not intended to discourage Höganäs co-workers from voluntarily making personal political contributions or from otherwise personally engaging in political activities. Höganäs wishes to play an active role in the communities where we operate. Therefore, co-workers and regional management are encouraged to propose community involvement projects that Höganäs can support.

4.6 Financial integrity

All financial transactions by companies in the Höganäs Group are reported in accordance with generally accepted accounting practices, whereas a true and fair view of the financial statements rests upon the applied IFRS accounting principles. Business transactions of a Höganäs company shall be clearly reported in the accounts. Cross-border transactions within the Höganäs Group rest upon arm's length distance as defined under the generally adopted OECD transfer pricing regulations. Höganäs' financial integrity rests upon the Höganäs internal control structure over the Financial Statements ("HICS") and is based upon the COSO framework. The Audit Committee regularly monitors the risk assessment as well as conclusions drawn from the yearly self-assessment of control effectiveness. This is how Höganäs assures and maintains the financial integrity and mitigates the inherent risk of fraud.

4.7 Confidential information

Confidential information, such as the intellectual property of Höganäs, the know-how of Höganäs' co-workers regarding our production processes, patents, designs, copyrights and trademarks, must be protected and used in a safe and appropriate manner. To safeguard Höganäs' confidential and proprietary information, we share it with people outside the organization only when an approved confidentiality agreement is in place. All information obtained at work should be considered confidential, as long as it is not publicly available. Examples of confidential information include Höganäs' financial and commercial relationships, innovations, strategies, customer and supplier information, our production processes, IT solutions, data (including co-worker data), or any other information concerning the business within Höganäs. In the Communication Policy you find all parts of Höganäs' business that are considered sensitive and confidential. Here you also find further guidance about how to handle sensitive information.

4.8 IT security

We are provided with a wide range of valuable assets to help us perform our work. These assets include computer equipment, mobile devices, communication platforms and software. We take all sensible steps to treat these assets with care and to protect our computer systems, and to ensure our passwords are secure and up-to-date. This is of crucial importance in the safeguarding of Höganäs' confidential information. We make sure to follow the existing IT-security procedures at all times as found in the Group Directive – Acceptable IT use and the Group Directive – Mobile phone and Data on the move.



Reference list

- **Anti-Corruption Policy:** www.hoganas.com/policies
- **Code of Conduct for Suppliers and Contractors:** www.hoganas.com/policies
- **Communication Policy:** Höganäs Management System
- **Declaration of human rights:** www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf
- **Environmental and Climate Policy:** www.hoganas.com/policies
- **Group Directive – Acceptable IT use:** Höganäs Management System
- **Group Directive – Managing Occupational Health and Safety:** Höganäs Management System
- **Group Directive – Mobile phone and Data on the move:** Höganäs Management System
- **Guiding Principles on Business and Human Rights:**
www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
- **ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up:**
www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm
- **Internal Control Standards (HICS):** Pulse
- **More Höganäs:** Höganäs Management System
- **Occupational Health Policy:** Höganäs Management System
- **Trade Compliance Policy:** www.hoganas.com/policies

