

Höganäs 

Höganäs Code of Conduct

The Högånäs Code

of Conduct

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Introducing the Höganäs Code of Conduct



1.1 Vision & values

At Höganäs, we believe in metal powder solutions and the positive contribution they can make to a society in need of more sustainable ways of living. Our vision – **inspire industry to make more with less** – reflects Höganäs' deep commitment to sustainability. We aim to be a role model in the steel industry.

At Höganäs, we also believe in the capacity of the individual. We believe 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.

More Höganäs, our management philosophy, describes all this in more detail: our vision, our values, our principles for how we lead and how we work, as well as our sustainability ambitions.

This **Code of Conduct** adds more perspectives to More Höganäs by outlining and clarifying how we look upon healthy workplaces, healthy eco-systems and business ethics. The code is an important step to becoming 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 work place 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.

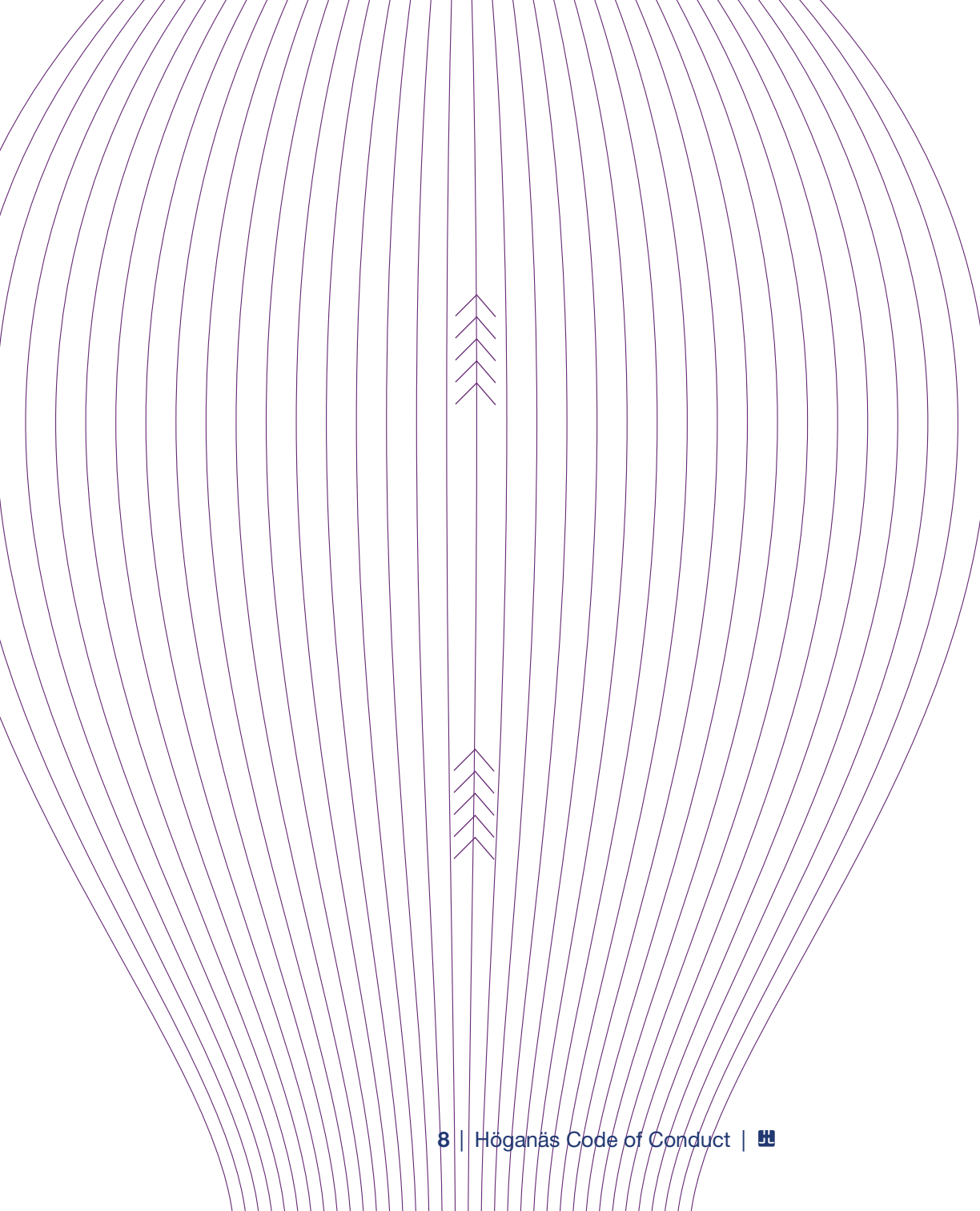
Managers set the tone and must lead by example. They are responsible for contributing to a culture where everyone understands that business results never justify sacrificing our commitment to the code. They must also support adherence to it.

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 are required





to sign and adhere to the 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 based on the extent to which they adhere to the Supplier Code.

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 also strives toward to meet the United Nations Agenda 2030 Sustainable Development Goals.

The United Nations Global Compact

Höganäs is a corporate participant in the UN Global Compact, the world's largest global corporate sustainability initiative. This means that we are committed to actively supporting the implementation of the United Nations' fundamental principles in the areas of human rights, labour rights, environmental sustainability and anti-corruption.

We strive to make those principles part of our strategy, culture and day-to-day operations. We report our progress to the Global Compact Office every year. You can learn more about the UN Global Compact here: <https://www.unglobalcompact.org/>.

1.6 Review & training

It is essential 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. The code must be reviewed regularly.

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 programme. The training process is driven and co-ordinated by the global HR function.

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

1.7 Violations

Violations of the Code of Conduct are not tolerated. They can damage and cause irreparable reputational harm to Höganäs, and ultimately lead to loss of our market position. Violations of the code may lead to termination of employment or, in the case of a supplier or contractor, termination of cooperation with Höganäs.

Höganäs is committed to providing a safe and healthy work environment. We promote honesty and openness in all of our business operations. All co-workers are expected to report any conduct we believe in good faith to be a violation of the code or the law. By reporting compliance concerns, we act in the spirit of our code and help to protect our business and reputation.

It is not easy to report a suspected breach and everyone must feel comfortable raising concerns, without any fear of retaliation.

If you believe there has been a violation of the Code of Conduct:

1 Talk to your manager, or your manager's manager.

OR If you don't feel comfortable doing this...

2 Talk to your Human Resources department or Corporate Legal.

OR If you don't feel comfortable doing this and you believe there has been a serious breach of our Code of Conduct...

3 Report your concerns and engage in virtual communication via the Höganäs SpeakUp line, available 24 hours a day. You find the SpeakUp line and guidelines on the intranet under "My systems" on the start page.

It is generally best to talk to your immediate manager about it face to face. Depending on the nature of the concern, you can also, at any time, report your concerns to a manager of higher rank or Human Resources. You may also turn to 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.

1.7.1 The Höganäs SpeakUp line

Höganäs acknowledges that there may be situations in which you are uncomfortable talking to your immediate manager, or indeed to anyone within the company. That is why Höganäs provides an option for speaking up where you can remain anonymous: a SpeakUp line.

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.

1.7.2 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@hoganäs.com.

Don't hesitate to seek guidance. If you are unsure about an action or a decision, ask yourself.

1. Is it legal?



2. Am I comfortable with it?



3. How would it look if reported in the media?



Healthy workplaces

Höganäs acknowledges its responsibility to offer safe and healthy working conditions for all co-workers, where respect for human rights, fair treatment and decent labour terms are fundamental.

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. Equality and diversity in the workplace and in recruitment are as important as they are desirable.



2.3 Safety & workplace health

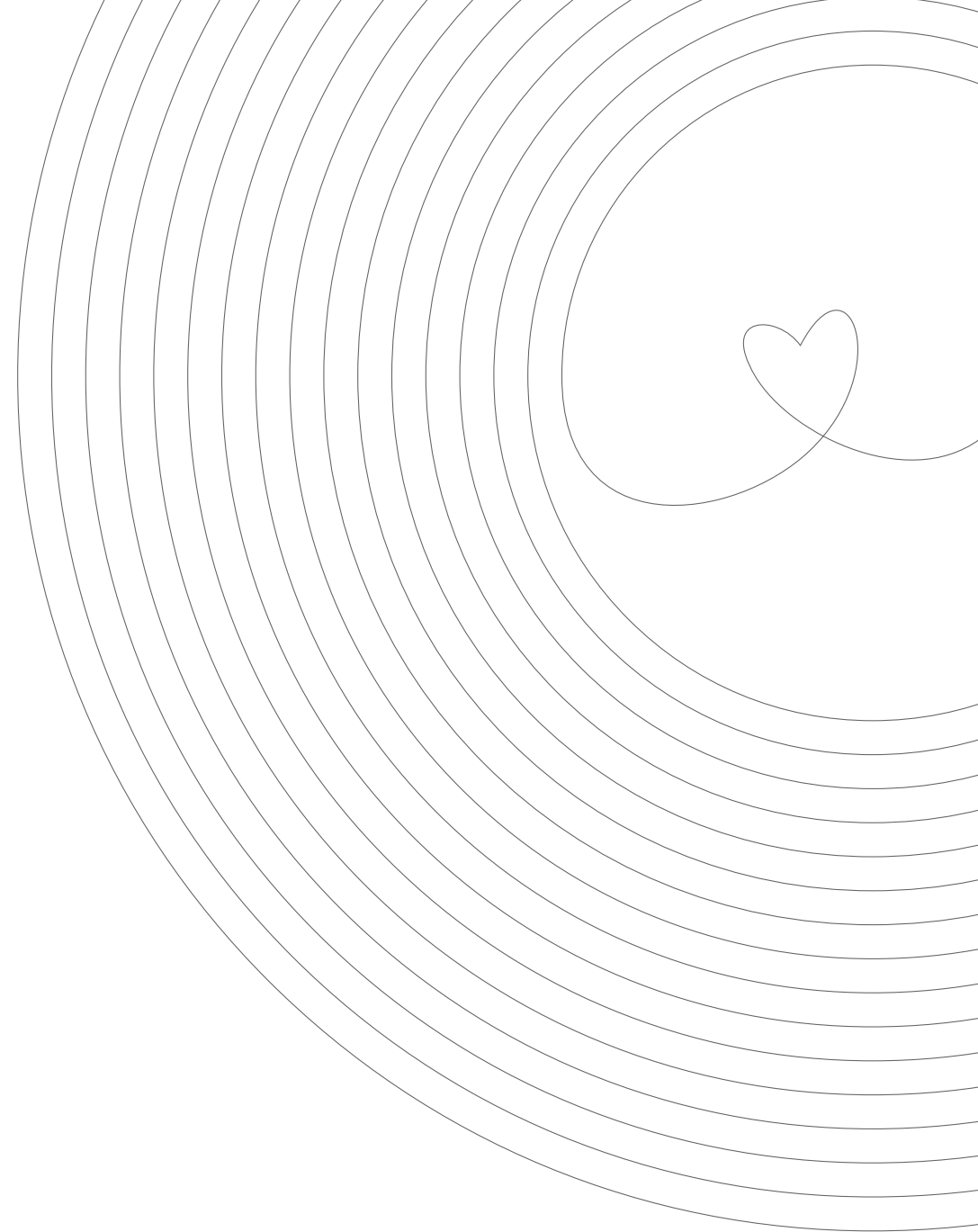
Höganäs offers occupational health services to all co-workers, provides health promotion activities and encourages a healthy balance between work and private life. Höganäs does not compromise on safety. We all take responsibility for our own and others' safety by following Höganäs' health and safety 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 should 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 should 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. 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' goal of contributing to long-term sustainable development includes working methodically to minimize our environmental impact and to protect the environment.

To be able to effectively promote sustainability, we must be aware of our possible impact on ecosystems. This means that we actively monitor the development of rules and regulations as well as new technology, and that we modify our routines and methods according to changing conditions. Consequently, we 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.

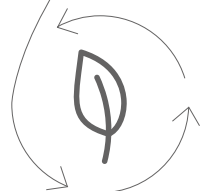
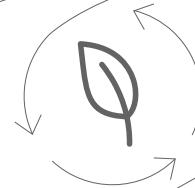
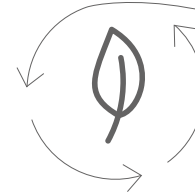
3.1 Accountability

Höganäs follows up and reports on its environmental 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 Höganäs operates. For further guidance within the areas of environment and energy, please consult the Höganäs Environmental and Energy Policy.

Consequently, we 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 emission and pollution.



Business ethics

At Höganäs, 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.

4.1 Anti-corruption

Höganäs has taken a position of zero-tolerance to any form of 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 Höganäs operates in a global market. This is why Höganäs provides clear and practical guidance on this topic in the Höganäs Anti-Corruption Policy, which is an integral part of the Code of Conduct.



All Höganäs co-workers, and any one person acting on behalf of Höganäs, are required to understand and comply with the principles outlined in the Anti-Corruption Policy. The same applies to all sub-contractors and suppliers, as outlined in the Supplier Code of Conduct. Co-workers in relevant positions are obliged to participate in the mandatory training programme on anti-corruption.

Allegations of corruption can have severe consequences, both criminal and civil, for Höganäs 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 Conflicts of interest

A conflict of interest occurs when someone's private interests, or those of a family member or friend, conflict with the interests of Höganäs. Such conflicts create a risk that one would not act in accordance with Höganäs' best interest, and could ultimately lead to acts that may be viewed as corrupt or unethical. Therefore, when acting on behalf of Höganäs, we must avoid situations where our personal considerations or relationships influence, or even appear to influence, the way we do business.

It is important to be proactive and not get involved in situations in which our personal interest conflict with those of Höganäs. If the possibility of such a conflict should arise, you need to report to your immediate manager at once to find an appropriate solution.

For further guidance on the related matters of anti-corruption and anti-bribery, please consult the Höganäs Anti-Corruption Policy.



There are several situations that could lead to conflicts of interest. Here are a few examples to be aware of:

- **Recruitment:** Recruiting relatives and close associates can cause a conflict of interest. We should therefore not take part in, appear to take part in or exert influence on any decision that may put our own interest in conflict with that of Höganäs.
- **Reporting:** Family members, close relatives or close friends should not work in the same direct or indirect reporting structure.
- **Business decisions:** We must not use our position at Höganäs to benefit relatives or close associates, or for personal benefit. All businesses, such as sales, investments and procurements must be transparent and free from family, relations or friendship ties.

*We strive to establish
clear guidelines and
processes to support our
daily business.*

4.3 Competition legislation

Höganäs believes in fair and free competition and free markets. To achieve this, all Höganäs co-workers, and any one 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.

In our Competition Law Compliance Manual, you find further guidance on this topic, including a dawn raid action plan. Co-workers in relevant positions are obliged to participate in the mandatory training programme.

We expect you to...

- understand how competition law applies to you and that you are able to recognize potential problems,
- be vigilant in business dealings with third parties, and
- choose your language carefully in all business communications.

There are strict competition law rules where meetings between competitors result in a breach of competition law. Hence, you know that:

- any agreement between competitors that affects the price or market share is illegal,
- sharing sensitive business information with competitors is unacceptable, and
- that Corporate Legal always should be consulted prior to interacting with a competitor.

4.4 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.

4.5 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.

4.6 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.

4.7 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
- **Competition Law Compliance Manual:** 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

This is your copy of our Code of Conduct