

Document / Subject				
5.1 Code of Conduct				
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Code of Conduct

Short description:

The purpose of the Code of Conduct is to communicate the Company's legal, ethical and societal norms to employees so that they understand and apply them to business conduct. The overall objective is to achieve the highest standards of ethical conduct in every aspect of the Company's business.

The Code of Conduct shall be revised annually and approved by the Board of Directors.

Revision	Revision date	Author	Policy owner
1.1	2021-05-16	Maria Dillner	Group Head of HR
1.2			
1.3			
1.4			
1.5			
1.6			
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1. Background and purpose

At Cary Group AB (“Cary Group”) we are convinced that social, ethical and environmental responsibility are a prerequisite for a successful business.

This Code of Conduct comprises standards on how the different companies within Cary Group conduct socially, ethically and environmentally responsible business and provides guidance in how to act in accordance with Cary Group’s values. For further information on the Cary Group’s values please also see our Cultural Framework.

This Code of Conduct is approved by Cary Group’s Board of Directors and applies to all employees, consultants and temporary contract workers within Cary Group. We also want our employees to be aware that Cary Group’s Supplier Code of Conduct applies to our suppliers and sets out the expectations we have on them.

At Cary Group we adhere to national laws and regulations, Cary Group’s policies and this Code of Conduct. If any conflict between national laws and regulations and the principles in this Code of Conduct or Cary Group’s policies, national laws and regulations take precedence.

2. Anti-corruption and Ethics

2.1 Anti-bribery

We refuse to accept or retain business through bribery. Employees do not directly or indirectly offer, promise, grant, or authorize the giving of money or anything of value to someone in order to unduly influence the recipient in the performance of professional duties or in order to obtain or retain an improper business advantage.

We neither ask for, nor accept, improper benefits from others for performance of our duties to Cary Group. Applicable anti-bribery laws are strictly followed.

2.2 Competition

We follow applicable competition law. Employees do not engage in discussions with competitors regarding market allocation, information exchange, production and sales quotas, or bid rigging.

2.3 International trade compliance

We comply with relevant export controls and sanctions laws, including United Nations sanctions and applicable sanctions under the laws of the European Union and the United States. Employees never attempt to circumvent applicable trade sanctions. See further “*Sanctions*”, below.

2.4 Conflicts of interest

A Conflict of interest exists when your (or those of your family members) personal and or financial interests and or external activities, are inconsistent with those of Cary Group and create conflicting loyalties. As Cary Group employees we must avoid situations where our personal and or financial interests and or external activities conflict, or appear to conflict, with the interests of Cary Group.

Many actual or potential conflicts of interest can be resolved in an acceptable way for both the individual and the company. In case of a conflict of interest, the employee concerned should immediately inform his/her Line Manager in order to find an appropriate solution. Senior management has the responsibility of the final decision when a solution cannot be found.

2.5 Insider trading

Inside information is non-public information that, if made public, would likely have a significant effect on the price of a security, or the price of a related security. We never trade shares or other securities when in possession of inside information.

Never disclose inside information to anyone, except where the disclosure is made in the normal exercise of your employment in accordance with applicable internal procedures.

2.6 Communications and social media

Our external communications are accurate, transparent, and straightforward. When using social media, employees must avoid giving the impression that they are speaking on behalf of Cary Group, unless they are authorised to do so.

3. Sanctions

3.1 What are sanctions and how may they arise?

Sanctions, often also referred to as “financial sanctions”, are measures that have been imposed on certain countries, individuals, companies or groups. Sanctions are imposed by the United Nations, as well as the United States, the European Union and some countries, such as the United Kingdom.

Sanctions include lists of designated persons, who are individuals and entities with whom it is generally prohibited to do business (although some exceptions apply). These sanctioned persons are often referred to as “Designated Parties” or “Specially Designated National – SDN”.

Sanctions also include broader restrictions or bans on trade in certain goods or services intended for sanctioned countries, or certain investments in sanctioned countries. In addition, the United States has in place comprehensive sanctions against certain countries and territories (at present, Cuba, Crimea, Iran, North Korea, and Syria). It is therefore necessary to take particular care when carrying out business with high-risk countries. Geographically, most sanctioned countries are in the Middle East and in Africa.

While the scope of prohibitions imposed on Designated Parties or SDN may vary in the individual case, for practical purposes the prohibitions can be summarised as follows: It is prohibited to enter into any commercial activities

- (1) with Designated Parties or SDN directly and indirectly;
- (2) with companies which are majority-owned or controlled by Designated Parties or SDN; and
- (3) where there is a risk that items, services or funds supplied to a business partner would then be forwarded to a Designated Party or a SDN.

3.2 Who may be a sanctioned person?

Elites of aggressive countries or countries which ignore human rights

Generally, sanctions are imposed in order to induce a country to change its policies, e.g. stop aggressive behaviour to neighbours or stop grave violations of human rights of the own population. In these cases, sanctions are imposed on members of the political and economic elites of a country in order to exert pressure on them. Consequently, companies that are owned or controlled by persons who are members of the elites of the countries concerned will also be subject to sanctions. For the same reasons, state-owned companies or state-controlled conglomerates are also often included in the sanctions lists.

Terrorism or terrorism financing

In addition, individuals, entities and groups have been identified who are engaged in terrorism or in activities to finance terrorism; these persons have been included in the anti-terrorism sanctions. See further "*Anti-money laundering and terrorism financing*" below.

3.3 What does entering into a business relationship contrary to sanctions mean to the business?

In many countries, violations of sanctions are subject to significant penalties, including severe fines and even prison sentences. In addition, if an employee violates sanctions, penalties and fines will often also be imposed on the Company.

Some countries, in particular the United States, have even adopted rules that have consequences if sanctions are violated anywhere in the world: If a company violates United States sanctions anywhere in the world, that company can be excluded from the United States financial system and could even be listed as a SDN itself. As a consequence, most banks would freeze the accounts of such company, and United States companies would refrain from entering into transactions with the company.

3.4 Procedures to ensure compliance with sanctions

3.4.1 High-risk jurisdictions

For business related to high-risk jurisdictions, in addition to the screening procedures described below, it should be ensured that applicable sanctions are complied with, when necessary by seeking advice from external counsel.

3.4.2 Screening

A sanctions screening should follow the below steps:

Step 1: Identify

Before entering into any business relationship with a business partner, identify the name of the company. Where possible and depending on the business volume, identify the name(s) of the major shareholders of the company. Major shareholders are generally shareholders that hold directly/indirectly 50 or more percent of the shares or directly/indirectly control a company by other means. For high risk countries or higher risk transactions the threshold should be lowered to 25 percent. High risk countries include, in

particular, Russia and Iran and all other sanctioned countries. High risk transactions include in particular the sale of technical equipment, M&A-transactions and transactions which are not typical for the Company.

Step 2: Compare

Compare the name of the company and the name(s) of the major shareholders with the names of the parties on the sanctions list (this is the actual "screening" of the company). Use the following web-based screening tools:

- **EU:** https://ec.europa.eu/fpi/what-we-do/sanctions_en
- **US:** <https://sanctionssearch.ofac.treas.gov/>
- **UK:** <https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets/consolidated-list-of-targets>

Choose an accuracy level of 90 percent at most and search for locally registered sites as complimentary screening tools.

Step 3: In case of "hit": Obtain information

Where the screening reports a "hit", this means the following: There is a risk that the name of the company (and/or one or several of the major shareholders) is identical to a name of a Designated Party or SDN. However, many companies have names that are very similar to names of Designated Parties or SDN. Also, the screening tools will identify Designated Parties and SDN with names that are merely similar to the name the company or major shareholder(s), to allow for misspellings or incorrect translations.

Obtain as much additional information as possible on the company and the major shareholder(s). This includes, for example: Address, business activities, business registration number, name(s) of directors and managers, history of dealing with this company. Data sources could be e.g.: internal customer data, website of business partner, company registers.

Step 4: Compare information

Compare the information obtained in the previous step with the information that is provided on the Designated Party or SDN that has been identified by the screening tool. In most cases, it will be clear whether the company or the major shareholder(s) are identical to the Designated Party or SDN that the screening tool has identified. That is the case if e.g. the addresses are different or the business activities are different.

Step 5: What to do in case of a real hit or doubts?

In case of doubts the CFO must be notified and the transaction must be ceased until the CFO has given clearance to proceed.

Step 6: Document

Document all of the steps above (this also applies in case no "hit" is being reported) and maintain this documentation together with the other documents relating to the transaction.

4. Anti-money laundering and terrorism financing

4.1 What is money laundering and terrorism financing?

Laws against money laundering and terrorism financing are in place in almost all countries worldwide. Money laundering occurs when funds or other assets originating directly or indirectly from criminal offenses are put into circulation in the legal economy, making their source appear legal. Terrorism financing occurs when money or other resources is/are made available to commit criminal acts of terrorism or to support terrorist organizations. Liability for money laundering does not require the person involved to be aware that money is being laundered through the legal transaction concerned or the transfer concerned. Inadvertent involvement in money laundering may already be sufficient grounds for serious penalties for everyone involved.

4.2 Procedures to ensure compliance with anti-money laundering and terrorism financing rules

Carefully check the identity of customers, business partners and other third parties with whom you wish to do business. It is our declared aim to conduct business solely with reputable partners who operate in line with legal provisions and who use resources from legitimate sources.

Assign incoming payments to the corresponding services without delay and post them accordingly. Ensure transparent and open cash flows.

It is prohibited to take any action whatsoever that may violate money laundering provisions at home or abroad. You must be vigilant and investigate any suspicious conduct on the part of customers, business partners and other third parties. If there is information providing sufficient grounds for suspicion, you should immediately get in touch with the CHRO or CFO.

You must abide by all applicable provisions for recording and posting transactions and contracts within your area of responsibility in the accounting system.

5. Labour Standards and Human Rights

5.1 General

We comply with all relevant international covenants and conventions, as well as all applicable laws on worker safety, human rights and working conditions.

Cary Group are committed to ensuring that all employees are treated with respect and dignity, work under their own free will, in safe conditions, and are properly paid for their work.

5.2 Privacy and confidential information

Confidential personal and company information is safeguarded. We and our employees follow all applicable laws on the handling of personal data. Data is disclosed to third parties only when legitimate grounds to do so have been established and appropriate measures have been taken to protect the information to be transferred.

For information on compliance with data protection law, see our Data Protection Policy. For information on information security, see our Information Security Policy.

5.3 Equal opportunity and anti-discrimination

All employees are treated with dignity and respect. We provide equal opportunities to everyone. Discrimination or harassment based on age, race, ethnicity, gender, disability, sexual orientation, religion/belief, or any other characteristic protected by applicable law is not tolerated.

All employees with the same qualifications, training, and skill set receive equal pay for equal work.

5.4 Working conditions

We provide a healthy and safe work environment for our employees. Abuse (whether physical or verbal) and unlawful harassment are strictly prohibited.

For more information, please refer to Cary Group's HR Policy and to local H&S Policies.

5.5 Forced labour

We do not, directly or indirectly, make use of any work or service which is extracted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

5.6 Child labour

We recognise and honour the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous, to interfere with the child's education, or to be harmful to the child's health or physical, spiritual, moral, or social development.

5.7 Political involvement and labour unions

Employees are free to express their political views and engage in political activities outside of working hours without retribution or discrimination in the workplace. Employees may not, however, use the Cary Group name or property to further their personal political interests.

Employees are free to join labour associations of their own choosing and to be part of, or included in, collective bargaining

6. Environmental Sustainability

We comply with all applicable environmental laws and regulations. Environmental resources are used responsibly, and we constantly strive to conduct our business in a sustainable way and have precautionary approach to environmental challenges. This includes us seeking solutions to increase energy efficiency and to promote climate friendly techniques as well as to recycle materials to the greatest extent possible while limiting the use of hazardous substances as far as is practicable.

Our environmental impact of travel is always considered when deciding whether to attend a meeting or event in-person or remotely. Ideas from employees that reduce the environmental impact of our activities are supported and encouraged.

7. Compliance, Enforcement, and Reporting

7.1 Understanding and Complying with the Code of Conduct

It is the personal responsibility of every employee, manager, executive officer, and member of the board of directors to understand and comply with the Code of Conduct. Managers should ensure that their subordinates fully understand and comply with the standards and requirements stipulated in the Code of Conduct.

7.2 Violation of the Code of Conduct

We do not tolerate illegal or unethical behaviour. Anyone violating the Code of Conduct may be subject to disciplinary action, up to and including termination of employment.

7.3 Reporting Violations

Violations of the Code of Conduct should be escalated in line with standard reporting procedures, normally to the nearest manager as a first instance and if appropriate, to the CEO.

If you suspect a person in a key or leading position has violated the Code of Conduct, or engaged in other serious misconduct, and you would prefer to file an anonymous report, you may report a concern through the whistleblowing system. The whistleblowing system can be accessed through the Cary Group's intranet or through the following link <https://report.whistleb.com/carygroup>. For more information, please see Cary Group's Whistle blowing guideline.

8. References

- Cultural Framework
- Supplier Code of Conduct
- HR Policy
- Data Protection Policy
- Information Security Policy
- Whistle blowing guideline