

Anti-corruption policy

Enhancing the Nefab Code of Conduct

Purpose

This Anti-corruption policy ("Policy") is an integral part of the Nefab Code of Conduct.

It is designed to enhance and to give further guidance to the standards of conduct regarding corruption.

1. Scope

This Policy is applicable to all Nefab Group companies and employees.

It will also be communicated to and implemented in all contractual relationships with stakeholders to the extent that this is reasonably possible and relevant.

2. Responsibility

It is the responsibility of each Nefab employee to know and understand the Policy as well as to obey law and regulation in the respective country of service.

The president and managing directors of each legal entity within the Nefab Group have the ultimate responsibility to ensure that all employees are made aware of this Policy and its contents.

3. General

Nefab has a zero tolerance of corruption, as stated in the Nefab Code of Conduct.

Nefab is a signatory to the Global Compact meaning we support the 10th principle: *"Businesses should work against corruption in all its forms, including extortion and bribery."*

Transparency International's definition of corruption is "the abuse of entrusted power for private gain". This can mean not only financial gain but also non-financial advantages.

We make business decisions based on the best interests of the Group, not on personal considerations or relations. We must avoid situations in which our personal interest may conflict with, or even appear to conflict with, the interests of the Group.

3.1. Reasons to avoid corruption

There are many reasons why it is in any company's business interest to ensure that it does not engage in corrupt practices. All companies, large and small, are vulnerable and the potential for damage to them is considerable.

The following are some of the key reasons for avoiding involvement in corrupt practices:

- Legal risks
- Reputational risks
- Financial costs
- Blackmail and security risks
- "The one who cheats will be cheated against"

4. Risk areas

The following are examples of areas where we have to be particularly aware of:

4.1. Sales

Nefab will only participate in business where it can compete fairly for business based on the quality and price of its offerings and not by offering bribes or engaging in any other unethical behavior.

4.2. Board memberships and similar

Service on a board of directors or similar body for a for-profit company or government agency is not permitted if creating a potential conflict of interest. All such service must be approved in advance by your grandfather (the manager of your manager). Serving on board of non-profit or community organizations only requires approval in case there is a potential conflict of interest.

4.3. Procurement

Suppliers are evaluated according to the Nefab Supplier Evaluation process, meaning all significant suppliers are evaluated prior to any business relation. In order to ensure a fair process, all competing suppliers must be provided with the same documentation, information and time frame in order to compete on the same conditions.

Suppliers may attempt or challenge purchase personnel to leak information or to provide them with personal benefits to become in a favourite position. No Nefab employee shall accept such challenges or benefits, or in any other way put themselves into a position of being under undue influence or even the suspicion thereof.

Payments to suppliers must be appropriate, reasonable and justifiable in return for legitimate products or services.

4.4. Gifts, hospitality and expenses

As Nefab employee you may not offer or accept gifts, benefits, reimbursements or entertainment to or from a third party that would constitute a violation of laws or that could be perceived to affect the outcome of a business transaction or potentially expose our business to undue influence.

Particular attention should be taken in all relationships with public or government officials and employees.

Gifts, hospitality and expenses paid for must never:

- be perceived as excessive or luxurious,
- be offered on a frequent basis,
- leave the recipient into a position of obligation or elsewhere provide anything in return

4.4.1. Gifts

Gifts typically include low value items given professionally without any expectation of compensation or value in return. Gifts shall have no role in a business process other than as a mark of appreciation between companies.

- A gift should be of modest value and must never leave the recipient in a position of obligation. Common and acceptable gifts are e.g. company promotional items.

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- A gift should never consist of money, loans or anything else that can be exchanged to a monetary value.
- Gifts from suppliers or other third parties should whenever possible be respectfully declined. In those instances when this is not possible (e.g. mailed items or in specific countries or cultures), the gifts shall be put into a common display or donated to charity.

4.4.2. Hospitality

Hospitality typically includes meals and/or entertainment (e.g. music-, sports- or theatre events) when a company intends to initiate or develop its business relationships with existing or prospective customers and business partners.

- For hospitality to be permitted, it must always be in connection with a business meeting where the business content is predominant.
- Hospitality requires that the host be present and that the hospitality is fairly provided and modest in value.

4.4.3. Expenses

Sometimes customers will be invited to reference sites for product demonstration/testing, trainings or conferences.

- Nefab may pay for reasonable travel and modest accommodation costs incurred by attending customers, while participating in abovementioned activities.
- All expenses paid must be in connection with a business meeting where the business content is predominant.

4.5. Bribes, kickbacks, etc.

No one may, directly or indirectly, demand or accept, offer or give any kind of bribe, kickback or any other unlawful or unethical benefit to employees or other representatives or associates of Nefab or any third party.

4.6. Disclosure

The discovery of suspected corruption can arise in a variety of situations and occur in many forms. Nefab employees are therefore required to immediately consult with their direct manager and ask for advice if they have concerns about what should be done. In certain situations it might not be appropriate to discuss with the direct manager and in such situations, Nefab employees are requested to consult with a/another person from senior management or the Corporate HR and seek advice.

All Nefab employees can also report suspected corrupt activities anonymously by sending a letter (anonymous or otherwise) to the Head of Corporate HR/Jönköping.

Nefab will not tolerate any form of harassment, discrimination or retaliation against employees raising concerns and acting in good faith in line with this Policy.