

CODE OF BUSINESS CONDUCT AND ETHICS



HEATING & DRYING
GROUP



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Our message

“At Heating & Drying Group, we invest with a long-term vision. We believe that, now more than ever, this is an essential investment strategy to promote a sustainable future for business, people and the planet.”

Drying Solution Sweden Holding AB and its subsidiaries (“the Heating & Drying Group”) are committed to acting in an economically, socially and environmentally responsible manner. We always strive to create financial and strategic value through evergreen, stable ownership and development. This includes our commitment to and compliance with applicable laws, regulations and international conventions.

Our Code of Business Conduct and Ethics is based on the following:

- » The United Nations Universal Declaration of Human Rights (UDHR)
- » The core conventions of the International Labour Organization (ILO)
- » The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- » The OECD Due Diligence Guidance for Responsible Business Conduct
- » The UN Global Compact
- » The EU Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS) and Corporate Sustainability Due Diligence Directive (CSDDD)

At Heating & Drying we invest with a long-term vision. We believe that, now more than ever, this is an essential investment strategy to promote a sustainable future for business, people and the planet. As a part of this commitment we work to actively engage with and listen to the science community and our stakeholders (our employees, customers, suppliers and affected communities) to learn how we can better contribute to this vision.

Our values and employees make up the core of our group. The actions we take every day determine our ability to create value and have a meaningful impact. This Code of Business Conduct and Ethics was therefore created with all our employees in mind and is designed to clearly define our expectations for everyone working within the Heating & Drying Group.

Drying Solution Sweden Holding AB

Our Actions Matter

Our Shared Commitment – Who should follow this code?

This Code of Business Conduct and Ethics outlines the policies and practices that define who we are and what we stand for as a business group. Created with our employees in mind, this document is meant to provide clear direction and actionable guidance on what is expected of all representatives of the Heating & Drying Group and its subsidiaries, including all full-time and part-time employees, contractors, consultants, managers and members of the Board of Directors.

Based on our shared values and commitments, our Code is meant to create a sense of shared responsibility and accountability for all employees, regardless of rank, position or seniority. As members of the Heating & Drying Group we have a role to play in safeguarding good business ethics and maintaining high ethical standards in everything we do. As employees we are required to verify that we have reviewed this Code and affirm that we will comply with it.

The Board of Directors and management are determined to provide effective oversight and accountability to uphold this Code.





Our Code in Summary

Our Social Responsibility

We do not tolerate any form of discrimination or harassment.

We promote and hire talent based on merit.

We cultivate and promote diversity and inclusion.

We ensure workplace health and safety.

We respect and support human rights and the eight fundamental conventions of the ILO.

We aim to support sustainable development in our local communities.

We ensure proper due diligence for all our adverse impacts.

Our Business Ethics

We have zero tolerance for bribery and corruption.

We avoid conflicts of interest.

We are good representatives of the Heating & Drying Group and cultivate healthy business relationships.

We choose like-minded suppliers and business partners.

We are committed to fair competition.

We do not tolerate the facilitation of tax evasion or concealing information from tax authorities.

We are vigilant in how we conduct financial transactions to protect against money laundering and terrorism financing.

We regularly monitor our cross-border transactions to ensure compliance with applicable trade sanctions and export control regulations.

We protect personal data.

We strive to use digital technology responsibly.

Our Environmental Responsibility

We monitor our environmental impact.

We are committed to reducing our greenhouse gas (GHG) emissions.

We limit pollution and seek to avoid materials and chemicals that represent a high risk to our health and the environment.

We care about biodiversity.

We care about our resource footprint and we work to minimise waste and water usage.

We all take responsibility for supporting the Heating & Drying Group in contributing to environmentally sustainable development.

What to ask yourself

How to apply the Code of Business Conduct and Ethics in your day-to-day work.

Everyone covered by the Code is responsible for applying and respecting its content. We achieve this in our day-do-day activities by asking ourselves:

- » **Is the decision/action I am about to take in accordance with our core values and ethical guidelines?**
- » **Have I understood the risks involved and the consequences of my action(s)?**
- » **Have I sought the necessary advice and am I making a thoughtful decision?**
- » **Am I setting a good example?**



Our Social Responsibility

We make every effort to ensure that Heating & Drying is a great place to work. We want our employees to be proud of working here because we care about our people and our social responsibility to support a better, more equitable future for all.

We do not tolerate any form of discrimination or harassment.

We have zero tolerance for discrimination, harassment and abuse at Heating & Drying, whether on the basis of nationality, ethnicity, age, gender, sexual orientation, marital status, pregnancy, disability, union affiliation, religion, belief system or on any other grounds. No employee is to be subjected to verbal, physical or sexual abuse or harassment.

We promote and hire talent based on merit.

When evaluating new appointments, professional advancement, training and employee compensation only skills, job performance and experience are considered. We believe our employees should be paid equitably for the work that they do.

We cultivate and promote diversity and inclusion.

At Heating & Drying we consider diversity and inclusion to be essential for our success as a business group and as key components in a successful and rewarding professional environment.

We ensure workplace health and safety.

Heating & Drying works actively and preventatively to reduce the risk of accidents in the workplace and to provide employees with a safe and healthy work environment that is respectful of all employees. Any accidents or incidents should be reported and the rate of occurrence monitored annually. We care for our colleagues and support each other's wellbeing.

We respect and support human rights and the eight fundamental conventions of the ILO.

The eight fundamental conventions of the ILO address the elimination of forced labour, the freedom of association, the protection of the right to organise, the right to collective bargaining, equal remuneration, freedom from discrimination, respect for the minimum age of admission to employment and zero tolerance for all forms of child labour.

We achieve this by:

- » Ensuring proper due diligence when hiring to prevent and avoid human trafficking and any forced or bonded labour within our operations or supply chain.
- » Respecting every employee's right to form and join, or not to join, any trade union of their choice and to negotiate collectively.
- » Treating employees with respect, dignity and consideration, including in recruitment.
- » Taking action in response to any form of discrimination, sexual harassment or victimisation.
- » Promoting a healthy work-life balance.
- » Not hiring children or minors.
- » Requiring all suppliers to comply with our Supplier Code of Conduct.

We aim to support sustainable development in our local communities.

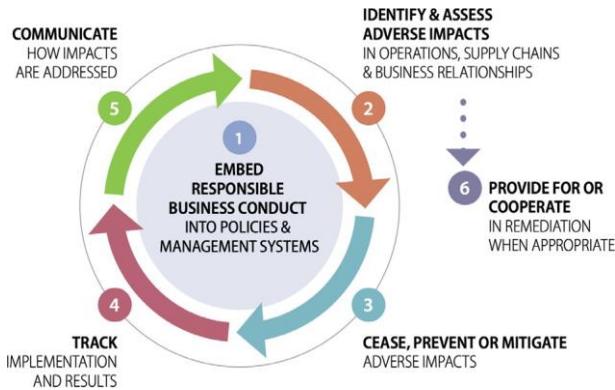
We support our local communities and aim to help solve local challenges by encouraging our employees to be actively involved in the communities in which we operate. We work to maintain positive relationships with these communities by earning trust and respect, and by being a responsible corporate citizen. We also aim to offer mentorships and internships to students and young professionals.

We ensure proper due diligence for all our adverse impacts.

We seek to follow best practices for due diligence and thus adhere to the principles set out in the EU Directive on Corporate Due Diligence and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, as well as OECD Guidelines on Due Diligence. We do this to identify, mitigate and reduce actual and potential adverse impacts on human rights and the environment arising from our operations and in our value chains.

We conduct materiality assessments to identify, and internal audits to review, our actual and potential adverse impacts. We publish an annual report on any measures taken to prevent or mitigate identified impacts. We also report on any material issues identified according to applicable sustainability reporting regulations.

Sustainability Due Diligence



Sustainability due diligence is the process by which companies identify, prevent, mitigate and account for actual and potential material negative impacts on the environment and people from their business activities. The illustration is taken from the OECD Due Diligence Guidelines for Responsible Business Conduct.



Our Business Ethics

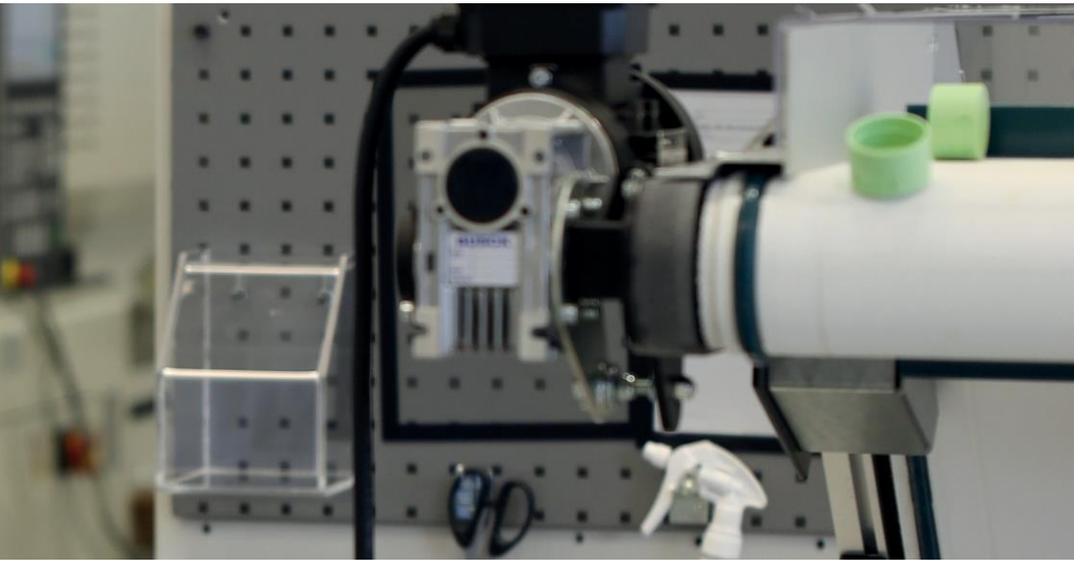
We want our employees to act with integrity and care. All business partners and employees should feel safe and well-treated. We care about integrity and take responsibility for conducting business in a transparent and ethical manner. We have zero tolerance for bribery and corruption.

We have zero tolerance for bribery and corruption.

The way we do business is just as important as the results we achieve. We do not tolerate bribery or any other form of corruption, even if it means losing business. *“Corruption is the abuse of your position to achieve an improper advantage for your own, or someone else’s, gain”* (Transparency International). We follow the “Code to prevent corruption in business” developed by The Swedish Anti-Corruption Institute (IMM).

We achieve this by:

- » Never accepting from, or offering gifts or services to, a third party when this might influence, or be perceived as influencing, our professional judgement.
- » Being politically independent and not making any donations to public officials or political parties.
- » Not offering any facilitation payments on behalf of the Heating & Drying Group.



We avoid conflicts of interest.

A conflict of interest occurs when the personal interests or activities of a Heating & Drying Group executive or employee interfere or might interfere with his or her professional responsibilities. A conflict of interest can affect that person's impartiality or create a doubt as to whether they can objectively carry out their responsibilities. It can compromise the quality and validity of a decision or action by favouring the individual's private interests (or those of a third party) over those of the heating & Drying Group. Employees who feel that they may be at risk of having a conflict of interest must notify their manager of their situation.

We achieve this by:

- » Making sure our personal interests and relationships do not influence our professional judgement or conflict with our work-related responsibilities.
- » Not doing business with any company where we or a close family member could in any way profit from our actions.
- » Not exploiting our position within the Heating & Drying Group for personal gain or to benefit a family member, friend or associate.
- » Avoiding making personal investments in companies that are competitors or business partners when the investment might cause, or appear to cause, us to act in a way that could harm the Heating & Drying Group.
- » Not holding board assignments or other positions that could conflict with the interests of the Heating & Drying Group.

Conflicts of interest may not always be clear-cut. Any questions should be directed to your manager.

We are good representatives of the Heating & Drying Group and cultivate healthy business relationships.

We achieve this by:

- » Treating customers and partners equally and without preferential treatment.
- » Abiding by contracts and agreements.
- » Always being good ambassadors while representing Heating & Drying.
- » Making an effort to select sustainable and responsible venues, service providers or products for our work-related events.
- » Drinking alcohol in moderation if alcohol is served at a work-related event.
- » Never buying or accepting sexual services.
- » Never buying or accepting drugs or taking part in criminal activities.
- » Observing prudence in corporate entertaining that recurs frequently with the same individual or group.
- » Encouraging and arranging social activities that are suitable for all, regardless of gender or religion.
- » Limiting gift-giving and only offering reasonably priced gifts on appropriate occasions.
- » Never offering gifts or other benefits on behalf of Heating & Drying for your own personal gain.

We choose like-minded suppliers and business partners.

We work with suppliers that adhere to the same ethical standards as us. All employees are responsible for conducting the proper due diligence and evaluating any new business partners' alignment with our values as outlined in this Code of Business Conduct and Ethics. We also make sure that all our suppliers are aware of, agree to and comply with all our requirements as set out in our Supplier Code of Conduct. Any misconduct identified should be reported and taken seriously.

We are committed to fair competition.

We do not enter into agreements regarding prices, conditions and strategies with competitors, suppliers or other companies and traders if these agreements impede fair competition. We do not participate in any anti-competitive boycotts.

We do not tolerate the facilitation of tax evasion or concealing of information from tax authorities.

Our dedication to integrity means that we maintain and report accurate tax records.

We are vigilant in how we conduct financial transactions to protect against money laundering and terrorism financing.

Terrorism financing involves the collection or provision of funds that might be used to support acts of terrorism.

Money laundering is the process of concealing the illicit origin of money or goods to make it appear as if they are derived from a legitimate source.

Money laundering can also be a means of financing terrorism.

We regularly monitor our cross-border transactions to ensure compliance with applicable trade sanctions and export control regulations.

International sanction programmes prohibit or restrict trading in specific goods, technologies or services with certain countries, governments or individuals, or with any entity subject to domestic or international sanctions. International sanctions may also take the form of frozen accounts or restricted access to financial services. At Heating & Drying we regularly verify our adherence to any applicable international sanctions in effect.

We protect personal data.

Personal data that is collected through our interactions with employees, customers and business partners is collected and used in a legal, fair and ethical manner and is protected against unauthorised access. Heating & Drying complies with the General Data Protection Regulation (GDPR).

We strive to use digital technology responsibly.

To responsibly leverage the business benefits afforded by digital technology, including but not limited to AI (artificial intelligence), the applications and/or services we use must be in full compliance with local laws and/or with EU laws, regulations, policies and strategies.

This includes compliance in areas such as data privacy and security, fairness and bias mitigation, transparency, accountability, safety, and respect for human rights and democracy.

We make every effort to enable our employees to increase and enhance their knowledge, skills and capabilities and we strive to ensure that technology will replace tasks not employees.



Our Environmental Responsibility

Heating & Drying is focused on supporting a greener and more sustainable future. We want our employees to be proud of working here because we care about the planet and we take responsibility for supporting a greener, more sustainable future for all.

We monitor our environmental impact.

At Heating & Drying we strive to reduce our impact on the environment through thoughtful decision-making and due diligence with a double materiality assessment that considers both environmental and financial material impacts from our own operations and our supply chain.

We are committed to reducing our greenhouse gas emissions.

We have started the process of calculating our scope 1, 2 and 3 GHG emissions and will be focusing on establishing our emissions reduction strategy in line with the Paris Agreement goal of limiting global warming to 1.5 degrees Celsius.

We limit pollution and seek to avoid the use of materials and chemicals that represent a high risk to our health and the environment.

At Heating & Drying we are committed to ensuring responsible procurement and we take steps to eliminate the use of illegally obtained or unethically sourced raw materials. To the extent possible, we limit our use of harmful substances and emissions from them. We do so by ensuring that chemical use is in compliance with the EU chemical strategy and associated regulation on the use of chemicals and restrictions on harmful chemicals. We also make sure that any conflict minerals are ethically sourced when reasonably possible. We research where and how our raw materials are sourced to actively make more sustainable choices.

We care about biodiversity.

At Heating & Drying we measure and reduce our impact on biodiversity loss. Our goal is to avoid activities that have a negative impact on biodiversity-sensitive areas and to find ways in which we can contribute to biodiversity restoration.

We care about our resource footprint and we work to minimise waste and water usage.

At Heating & Drying we measure and reduce our resource footprint, and we are looking at ways in which we can positively contribute to waste and water reduction and a more circular economy throughout our operations.

We all take responsibility for supporting the Heating & Drying Group in contributing to environmentally sustainable development.

As employees we all take responsibility for these commitments in our day-to-day work.

We achieve this by:

- » Encouraging each other to make good, green choices in our day-to-day work.
- » Evaluating the environmental consequences of our decisions, and choosing viable alternatives with the lowest possible environmental and climate impact.
- » Minimising, sorting and recycling our waste.
- » Always looking for resource and energy savings in our operations and our supplier choices.
- » Always considering the following waste hierarchy: refuse, reduce, reuse, repair and recycle during use and at the end of life of products and materials.
- » Considering the option of travel-free meetings and sustainable alternatives to air travel.
- » Striving to select suppliers with a clear focus on low climate impact for all our products and services.
- » Considering regenerative and climate-positive products and services whenever available.
- » Focusing on maintaining best practices for sustainable business conduct.
- » Seeking out ways to collaborate with industry partners and local communities to solve sustainability challenges and maximise positive impacts.
- » Being transparent about our environmental governance and taking responsibility for remediating any negative impacts or accidents.

Raising Concerns and Reporting Issues

We expect all our employees to act in accordance with our group guidelines and professional standards at all times. We do not cover up misconduct and will not tolerate any attempts at intimidation or retaliation against employees who report in good faith any actual or suspected misconduct. We understand “in good faith” to mean that our employees are convinced their account is true. This applies whether or not a subsequent evaluation confirms the employee’s version of events.

If you suspect or learn of an actual or potential breach of the Code of Business Conduct and Ethics or any of our company’s policies or applicable laws and regulations, you should feel safe in reporting it.

We encourage and promote open communication and provide group-wide grievance mechanisms at an operational level. We listen to all critical questions, concerns and complaints from our customers, suppliers and employees. We investigate all reported concerns, and seek redress and the appropriate rectification with respect to the party responsible.

We hope that your first step will be direct communication about your concern with the colleague or person in question. Informal settings, such as complaint boxes or regular meetings with our employees, often offer the opportunity to communicate or air grievances. It is important to us that complaints are dealt with in a fair, transparent and balanced manner and that any barriers – such as those of a linguistic, spatial, technological or cultural nature – are removed to the extent possible. However, if you do not feel safe addressing your concern with the colleague or person in question, the next step is to contact your manager. If you do not feel safe reporting the issue to your manager directly, you can report it to your HR department.

If none of these channels feels safe or if reports have not led to the issue being resolved, you also have the option to report your concern through our external, third party whistleblower service. This system will guarantee your anonymity. Regardless of the manner of escalation, all matters should be carefully reviewed and investigated, maintaining the highest level of discretion.

How and when do I report a concern?

- 1) Approach the employee in question about your concern.**
- 2) If you do not think step 1 will be effective, contact your manager if you able to.**
- 3) If the issue cannot be resolved in consultation with your manager, contact HR if you able to.**

If for any reason none of these methods are comfortable or feasible, please utilise the whistle-blower line by your company.