

SUPPLIER CODE OF CONDUCT

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HEATING & DRYING
GROUP

Our message

“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.”

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 our ownership activities, and we work with our portfolio companies to develop and enhance their business. This includes our commitment to and compliance with applicable laws, regulations and international conventions.

Our Supplier Code of Conduct 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.

We care about our values and our employees’ actions because we know that the actions we take every day determine our ability to create value and have a meaningful impact. We therefore expect our suppliers to share our values and adhere to the same ethical standards. This Supplier Code of Conduct was created with all our suppliers in mind and is designed to clearly define what is expected of all the suppliers in our supply chain in order to do business with us.

Drying Solution Sweden Holding AB



Background and Scope

In line with the Heating & Drying Group's commitment to investing for the long term and having a positive impact, we make every effort to prevent and mitigate any negative impacts associated with our operations and our value chain.

This Supplier Code of Conduct outlines the policies and practices that define what we stand for as a business group and what we expect our suppliers to adhere to as a condition for doing business with us.

Created with our suppliers in mind, this document is meant to provide clear and actionable guidance on what is expected of any supplier providing services or products to the Heating & Drying Group.

We expect our direct suppliers to have similar expectations for their own supply chain.

Supplier expectations

Your social responsibility

- You support human rights.**
- You forbid any form of forced labour, slavery or human trafficking.**
- You forbid and prevent child labour.**
- You provide a healthy and safe work environment for all your employees.**
- You provide fair wages and benefits for all your employees.**
- You ensure humane working hours.**
- You respect the right of freedom of association and collective bargaining.**
- You do not tolerate harassment or abuse.**
- You do not tolerate discrimination.**
- You cultivate and promote diversity and inclusion.**
- You are committed to proper due diligence and regular review and mitigation of adverse impacts.**

Your business ethics

- You have zero tolerance for bribery and corruption.**
- You do not participate in tax evasion or conceal information from tax authorities.**
- You do not take part in money laundering or terrorist financing.**
- You regularly monitor cross-border transactions to ensure compliance with applicable trade sanctions and export control regulations.**
- You are committed to fair competition.**
- You protect personal data.**
- You strive to use technology responsibly.**

Your environmental responsibility

- You regularly monitor your environmental impact.**
- You are committed to measuring and reducing your greenhouse gas emissions.**
- You limit pollution and seek to avoid the use of harmful chemicals and unethically sourced conflict minerals.**
- You are committed to measuring and reducing your waste, water usage and resource footprint.**
- You are committed to measuring and reducing your impact on biodiversity.**

Your Social Responsibility

The Heating & Drying Group is committed to fair business practices and this involves ensuring respect for both human and labour rights as outlined in the United Nations Declaration of Human Rights (UDHR) and by the International Labour Organization (ILO). We want our business partners to align with the expectations set by the UDHR and ILO, and to take social responsibility for supporting a better, more equitable future for all.

You support human rights.

We expect you to support human rights and to ensure that no aspect of your operations is linked to human rights violations.

You forbid any form of forced labour, slavery or human trafficking.

We forbid the use of, or support for, any form of slavery, human trafficking or forced labour, and we expect you to do the same.

You do not, therefore, engage in or tolerate any practice that could restrict the free movement of employees, such as recruitment fees, confiscation of identity documents and passports, withholding of wages, abusive working conditions, debt bondage, violence or any other form of exploitation or abuse.

You forbid and prevent child labour.

We believe in children's right to freedom and play, and we believe that you should do so too. No person below the minimum age for completion of compulsory education should be employed (normally 15 years of age). Children may not be employed to do hazardous work or work that is incompatible with the child's personal development. "Child" refers to a person under the age of 18. Personal development includes the child's health or their physical, mental, spiritual, moral or social development.

You provide a healthy and safe work environment for all your employees.

We expect you to provide a healthy and safe work environment and fundamental support for employees' mental and physical health and wellbeing. Your workplace must have access to clean and safe water and sanitation, fire protection, first aid equipment, the ability to evacuate buildings safely, and proper handling and labelling of chemicals and machinery. You should have a system for reporting accidents and near accidents, and a system for remediating any incidents.

You provide fair wages and benefits for all your employees.

Our suppliers must compensate workers with at least the minimum wage prescribed by local law, or the wage negotiated in a bargaining agreement, whichever is higher. Workers should be compensated for overtime at a premium rate that is higher than the regular rate. Suppliers should always endeavour to pay workers a liveable wage that allows for some discretionary income. Illegal deductions are not allowed, and employees should be paid directly and receive contractual agreements in a format and language understood by the employees, and that include the particulars of their remuneration.

You ensure humane working hours.

Workers should work no more than 48 hours in a normal working week and no more than 60 hours including paid overtime, unless a lower limit is specified in local laws or bargaining agreements. Employees should have at least one day off within every seven-day period of work. One day off means 24 consecutive hours.



You respect the right of freedom of association and collective bargaining.

We expect our suppliers to recognize and respect the right of employees to (non-violent) assembly, to join or form associations of their own choice and to bargain collectively. No employee is to be subject to dismissal, discrimination, harassment, intimidation or retaliation for exercising these rights.

In countries where these rights are restricted by local laws, alternative legitimate options for employee participation and association should be supported.

You do not tolerate harassment or abuse.

You should treat everyone with respect and dignity. No worker is to be subjected to humiliating or corporal punishment. Your workplace must be free from all forms of physical, sexual, psychological or verbal punishment, coercion, intimidation, harassment or abuse.

You do not tolerate discrimination.

No form of discrimination is to be tolerated, whether it is based on nationality, ethnicity, age, gender, sexual orientation, marital status, pregnancy, disability, union affiliation, religion, belief system or on any other grounds. You provide equal treatment and equal opportunities for all employees and job applicants. All employees, regardless of gender, are to receive equal pay for equal work.

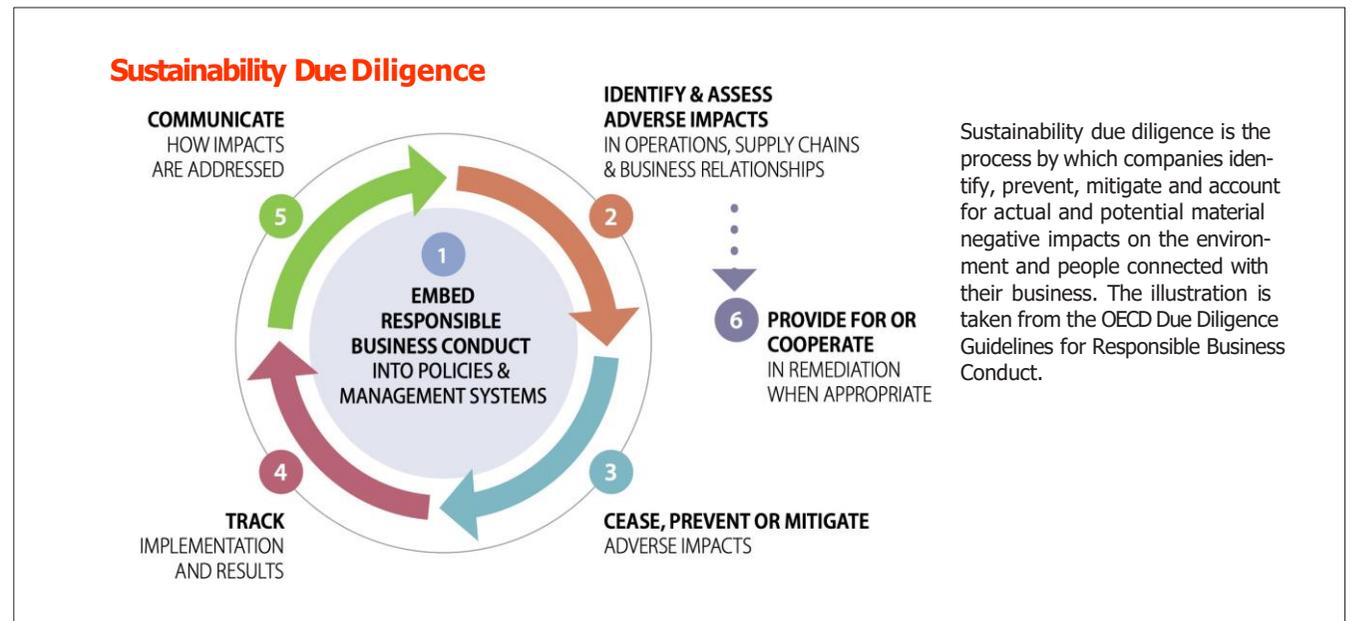
You cultivate and promote diversity and inclusion.

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 embrace and promote an inclusive culture. We encourage you to do the same.

You are committed to proper due diligence and regular review and mitigation of adverse impacts.

We follow best practices for due diligence and therefore want our suppliers to do the same. We expect European suppliers to follow the principles set out in the Directive on Corporate Due Diligence, and international companies to follow the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the OECD Guidance on Due Diligence, to identify, mitigate and reduce any actual and potential adverse impacts on human rights (and the environment) arising from their operations and value chains.

These impacts should be reviewed and reports on them published on an annual basis, including any steps taken to prevent or mitigate the identified impacts or incidents. We also expect suppliers to report on any material issues identified according to applicable sustainability reporting regulations. For example, in the EU we expect any companies that are subject to the Corporate Sustainability Reporting Directive (CSRD) to report accordingly.



Your Business Ethics

We want our suppliers to act with integrity and care. All employees in our supply chain should feel safe and well-treated. We expect you to have integrity and take responsibility for conducting business in a transparent and ethical manner.

You have zero tolerance for bribery and corruption.

All forms of corruption, influence peddling or bribery should be prevented and prohibited. Suppliers proven to have attempted to influence Heating & Drying's purchasing decisions in an improper way may risk being excluded from future business with us.

You do not participate in tax evasion or conceal information from tax authorities.

Our dedication to integrity means that we maintain and report accurate tax records. We therefore expect all our suppliers to do the same.

You do not take part in money laundering or 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 used as a means of financing terrorism.

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

We expect our suppliers to adhere to all applicable international sanctions and export regulations.

You are committed to fair competition.

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

You protect personal data.

We expect you to ensure that personal data gathered through your interactions with employees and business partners is collected and used in a legal, fair and ethical manner and is protected against unauthorised access. Fulfilment of these expectations must be in accordance with the General Data Protection Regulation (GDPR).

You strive to use digital technology responsibly.

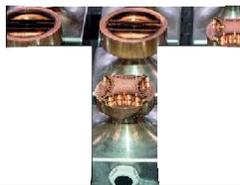
We expect our suppliers to use digital technology (applications and/or services) responsibly, including but not limited to AI (Artificial Intelligence), and in full compliance with local laws and/or with EU laws, regulations, policies and strategies. This includes areas such as data privacy and security, fairness and bias mitigation, transparency, accountability, safety, and respect for human rights and democracy.

Examples of bribery and corruption

We expect our suppliers to have a zero-tolerance policy regarding bribery and corruption. Transparency International has identified activities with higher exposure to bribery and also provided examples of types of bribery. We have listed some of these here to enable you to avoid these situations:

- 1) Sales and marketing:** Bribes are offered to win orders or gain insider information before tendering.
- 2) Corporate affairs:** Undue political engagement or donations to political parties or officials.
- 3) Supply chain management:** Payment or bribes to obtain approval, or port and canal clearances.

For more guidance, see Transparency International's Global Anti-Bribery Guidance.



Your 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 therefore seek out suppliers with the same mindset.

You regularly monitor your 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 expect our suppliers to do the same and to work continuously to reduce any potential or actual adverse impacts.

You are committed to measuring and reducing your 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 therefore prefer to see our suppliers doing the same. Our minimum requirement is that you work with us to provide any information we may need relating to the product or service you offer to Heating & Drying, enabling us to successfully calculate and reduce our emissions.

You limit pollution and seek to avoid the use of harmful chemicals and unethically sourced conflict minerals.

To the extent possible, you avoid the use and emissions of harmful chemicals. You do so by monitoring and

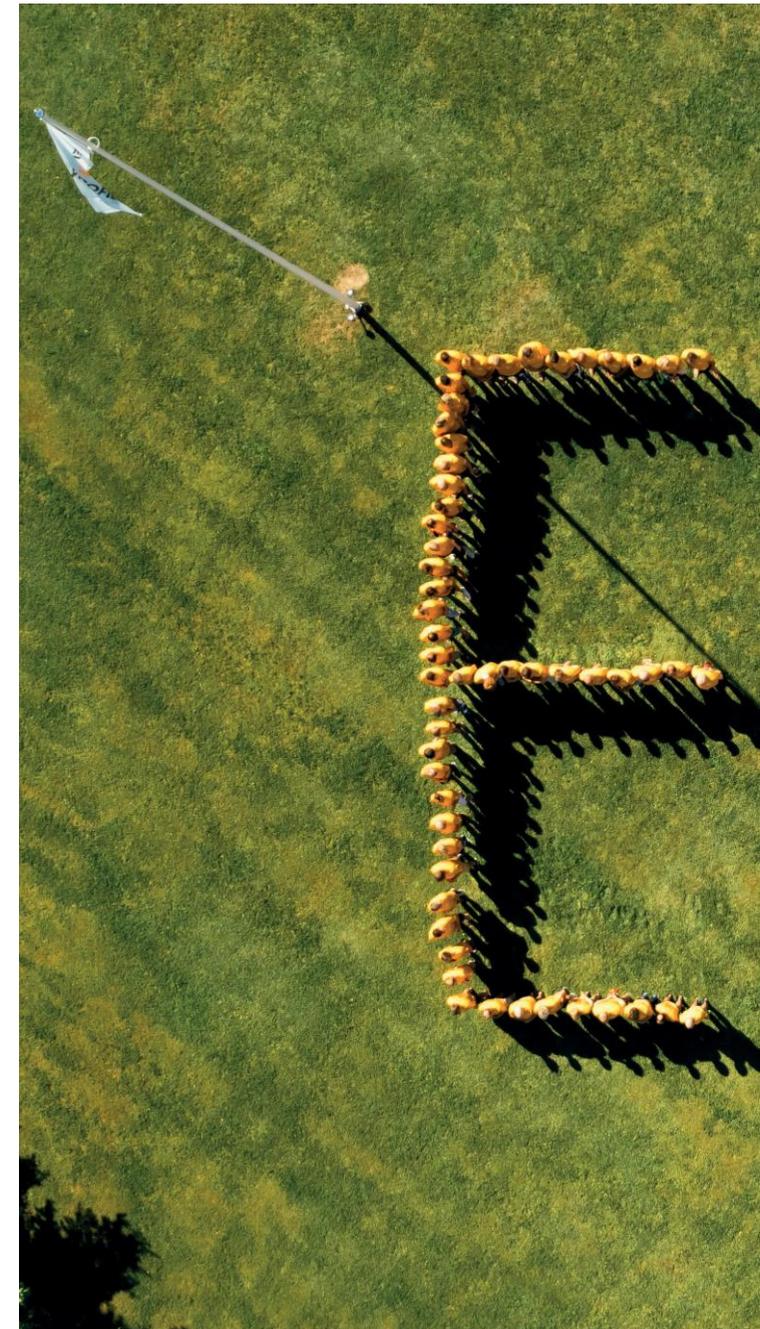
ensuring compliance with the EU chemical strategy and regulatory requirements. You also make sure that any conflict minerals are ethically sourced. We expect all our EU suppliers to comply with the European Conflict Mineral Regulation.

You are committed to measuring and reducing your waste, water usage and resource footprint.

We have started the process of measuring and reducing our resource footprint and will be working towards sustainable resource management practices and the reduction of waste and water usage. We therefore prefer to see our suppliers doing the same. Our minimum requirement is that you assist in obtaining the necessary information related to the product or service you provide to Heating & Drying. This will enable us to successfully calculate and reduce our resource use, and limit our waste and water consumption.

You are committed to measuring and reducing your impact on biodiversity.

Our goal is to avoid activities that have a negative impact on biodiversity and to find ways in which we can contribute to biodiversity restoration. We hope that our suppliers have similar goals, but our minimum requirement is that they work with us to obtain any necessary information related to the products and services provided to Heating & Drying, enabling us to understand and manage our impact on biodiversity.



Application and follow-up

First and foremost we expect our suppliers to always comply with prevailing laws, regulations and standards. In addition, we expect all our suppliers to act in accordance with our Supplier Code of Conduct at all times, even when it advocates for higher standards than those required in national laws and regulations in the supplier's country.

We expect our suppliers, upon request, to promptly and free of charge provide the information necessary to substantiate compliance with this Code and also to ensure compliance in the next stage of the supply chain.

The supplier agrees to inform Heating & Drying if any violation of this Supplier Code of Conduct is discovered. This includes violations in their own operations, of a subcontractor or at Heating & Drying. We encourage you to communicate with us directly or use our whistleblower service for anonymous reporting.

How are reported concerns followed up?

We take all reported concerns seriously and want to work with our suppliers to find solutions that we believe match the severity and scale of the reported violation, impact or concern. We follow the

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct for dealing with any violations of our Supplier Code of Conduct and we do our best to take the following steps:

- 1) Work in cooperation with relevant suppliers to develop plans to prevent, mitigate and remediate adverse impacts using agreed-upon indicators for measuring improvement.
- 2) Use our leverage to the extent possible to mitigate, prevent and remediate adverse impacts, and cooperate with other actors to create collective leverage if needed.
- 3) For human rights violations, we engage with the rights holders in question to develop corrective action plans.
- 4) Consider disengagement with a supplier after failed attempts to mitigate or remediate material impacts.

How and where do i report any concerns or violations of this code of conduct?

*Use our
whistle blowing service*



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