

POLICY

Human Rights

Purpose: Human rights are inherent to us all, regardless of nationality, sex, national or ethnic origin, colour, religion, language, or any other status. They range from the most fundamental - the right to life - to those that make life worth living, such as the rights to food, education, work, health, and liberty. This policy document covers Fagerhult Group's commitment to ensure a high ethical approach and compliance with applicable laws and regulations regarding people and human rights.

Areas of responsibility: Purchasing, HR, Quality, Sustainability

Fagerhult Group works comprehensively to ensure ethical, sustainable business in all areas of its operations. The guiding document is the Group's Code of Conduct, which includes underlying policies and principles for how to conduct responsible business.

Everyone within the Group, from the Board of Directors and management to individual employees must follow the Group's Code of Conduct.

Our value creation model is based on three main areas: our employees, our operations and our offering. It is as deep-rooted in our culture and people as it is in the way we design, manufacture and innovate. This shall be fully integrated in our daily business.

When choosing suppliers, business partners and other stakeholders and continuously during the business relationship, we shall adhere to a stringent due diligence process. Depending on the type of operations or the business set-up, the process is tailored to the specific situation and company. The following key topics form part of the due diligence process:

- Ethics and anti-corruption
- Human rights
- Partner collaboration
- Supplier reviews

In our business, we shall set the following criteria on our suppliers, business partners and other stakeholders:

- the business shall be conducted according to current laws and regulations;
- the Fagerhult Group's Code of Conduct together with the underlying policies and principles (including this commitment) shall be accepted and adhered to; and
- the supply chain shall be sustainable from an environmental and social perspective throughout the process – from procurement of materials, production to delivery.

Our commitment

In 2022, Fagerhult Group updated its sustainability strategy to strengthen its commitment to managing social and environmental risks and opportunities in its business operations.

Fagerhult Group actively supports and promotes a good level of work through its operations and supply chains. We are committed to engaging with our suppliers, business partners and other stakeholders to promote human rights and positive social impact.

Fagerhult Group complies with applicable laws and regulations on human rights through its operations. With our high ethical values, Fagerhult Group shall conduct its business activities ensuring alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the International Bill of Human Rights – all of the above in compliance with EU Regulation 2020/852.

To ensure that we are compliant, Fagerhult Group bases its human rights due diligence processes on the OECD Guidance for Responsible Business Conduct.

Identified risk areas

The following potential human rights risks have been identified as relevant areas to our operations, supply chains, and business partners:

- Child labor;
- Conditions of employment, including work hours, wages and benefits, and the right to organize;
- Diversity and inclusion;
- Forced labor;
- Harassment and discrimination;
- Health and safety; and
- Human trafficking and modern slavery.

Human rights due diligence

The human rights due diligence is a continuous process, and Fagerhult Group shall constantly work to identify risks and areas of improvement. The risk identification process and the implementation of improvement actions shall be based on the OECD Due Diligence Guidance for Responsible Business Conduct.

Human rights management

Fagerhult Group's responsibilities and approach for human rights can be found in our Code of Conduct, in our principles and policies for assessing and choosing our suppliers and business partners.

Fagerhult Group consists of companies located in different locations around the world and we have a global footprint for the procurement of materials and components as well as for our manufacturing and marketing of our products. All of the businesses within the Fagerhult Group shall set high objectives and always with at least the minimum level of commitment as described in our Code of Conduct and in this policy.

Human Rights commitment and governance

As an international group of companies with direct operations in a large number of countries, we recognize that our business may impact a variety of stakeholders, including shareholders, employees, suppliers, customers, and the society at large. We therefore make it clear that we respect internationally recognized human rights principles, including the Universal Declaration of Human Rights and the ILO Core Conventions on Labour Standards. We put our joint efforts in the strive to ensure that we counter-act human rights abuses.

Human rights are part of Fagerhult Group's Code of Conduct and we shall conduct our business in accordance with the internationally recognized human rights principles. It is expected that all employees, contractors, and external partners understand and adhere to the Code of Conduct. We will only collaborate with suppliers that can document efforts to safeguard fair and safe working conditions, human rights, and environmental protection.

Within the framework, we shall continuously strive to improve our management processes for human rights and we base our processes on OECD's guidelines on due diligence for responsible business conduct. Our reporting of the processes and the progress in our work form part of the annual report.

Human rights impacts

Fagerhult Group shall include a certain level of sustainability criteria in all supplier evaluation and qualification processes, as well as in ongoing supplier engagements. The minimum criteria levels are found throughout our governance policy and guidelines. Before engaging in business relations with a supplier, we shall conduct a due diligence on the supplier entity. During a business relationship with a supplier, we shall perform recurring supplier audit plans. We encourage our suppliers to have focus on priorities and improvements of the supplier's own business operations when it comes not only to sustainability in the sense of environmental matters but equally important in work related and social matters and human rights.

Reporting and remediation

Our Fagerhult Group Code of Conduct sets clear responsibilities regarding human rights. Each employee in Fagerhult Group is encouraged to speak up and report any potential human rights violations, and whistleblowing channels are in place to facilitate this. Any reporting can be made anonymously and, if the reporting individual so chooses, reports do not have to be made to the individual company's dedicated reporting channel but directly to the Fagerhult Group's channel. All whistleblowing reporting and case management is handled through an external service provider, ensuring confidentiality and, thus, comfort in reporting for the individual.

Openness and transparency in all our activities are of highest importance to Fagerhult Group. All employees can report a violation or concern, but also our business partners are encouraged to report in our whistleblowing channel system.

Any violation and concern can be reported by using the relevant reporting channel in our whistleblowing channel system, which can be found on Fagerhult Group website, www.fagerhultgroup.com.

Process: This policy is to be adopted and complied with by all companies within the Fagerhult Group. The policy also take aim at our suppliers and business partners and therefore important to ensure adoption and compliance there.

This policy has been approved by the GMT in November 2022.