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1. Background and purpose

The Bufab Group, referred to as Bufab, is an investment company that fosters entrepreneurship and supports growing companies through active ownership. Bufab adheres to high ethical and business standards, distancing itself from all forms of corruption. The company consistently strives to comply with applicable laws and regulations, including Swedish anti-corruption legislation and other penal laws.

Bribery is the act of offering, giving, receiving, or soliciting something of value to influence the actions of an official or another person in a position of authority. This can include money, gifts, favours, or other benefits.

Corruption is a broad term that encompasses bribery and includes other forms of dishonest or unethical behaviour by individuals in power. This can involve abusing power for personal gain, committing fraud, embezzling funds, and engaging in other activities that undermine integrity and fairness.

Both bribery and corruption can occur in various sectors, including government, business, and sports, and they can have serious consequences for societies, such as eroding trust, hindering economic development, and perpetuating inequality.

The anti-corruption and bribery Policy (the “Policy”) expresses Bufab's zero tolerance for bribery and corruption while providing guidance on gifts and hospitality.

Any violation of applicable law or policy may harm Bufab's good reputation and brand, leading to both penal and financial sanctions against Bufab and the individuals involved. Examples of sanctions include exclusion from bidding, termination of contracts with customers and suppliers, and violations of bank agreements. Sanctions may also negatively impact publicly traded securities.

Internal disciplinary action will be taken against employees who violate applicable law or the Policy, as well as legal action against any third party acting on behalf of the Company who violates the same.

2. Audience

This Policy applies to all Bufab entities within the Group, employees, and members of the board of directors (henceforth the “Employees”). The MD of each company in the Bufab Group is responsible for ensuring that employees understand the content of this policy. The policy also shares the vision and ambitions with relevant stakeholders: suppliers, customers, investors, authorities, and the public. Bufab will also work to ensure that other companies in which Bufab has an ownership interest follow the policy guidelines.

Third parties operating on the company's behalf, such as consultants and other contractors, must uphold the same ethical standards as Bufab and comply with all applicable laws when they directly or indirectly represent or act for Bufab. Their responsibilities should align with those of other employees.

3. Policy statement

3.1. Corruption and undue benefits

Bufab defines corruption as the misuse of a position or status for the benefit of that person or others. This includes actions taken for financial and various other reasons, including conflicts of interest.

The circumstances in each case determine whether a benefit is considered undue and therefore inadmissible. The following circumstances are usually to be considered in the assessment:

- **Transparency** – A benefit directed at a specific person is more likely to be perceived as undue than one directed at the recipient's principal. Therefore, benefits should consistently be addressed to the organisation or company.
- **The recipient's position** – Generally, one should be very restrictive with benefits for employees and contractors in the public sector and state-owned companies. All benefits granted to individuals exercising public authority and those authorised to decide on public procurement or purchases are typically regarded as undue. In the private sector, lawyers, accountants, auditors, and inspectors are, among others, are considered to have particularly integrity-sensitive roles and functions.
- **The value and the nature of the benefit** – There is no fixed value limit for when a benefit is considered undue. Benefits of higher value come with a greater risk of influence, whereas benefits of negligible value, like small promotional items, seldom carry such risk. However, what matters is the recipient's value, not the giver's acquisition costs.
- **Consent** – For recipients in the private sector, the principal's consent to a benefit carries significant weight and often results in the benefit being deemed permissible. In contrast, for a recipient in the public sector or a state-owned company, no principal can grant consent with exculpatory effect.
- **Conditional benefit** – Benefits linked to a condition that the recipient should act in a certain way in performing their duties are, in principle, always undue. This includes benefits given retrospectively as a "thank you" for specific performance.
- **Time** – If a benefit is offered, e.g., during or in close connection with a procurement procedure, it is customarily considered undue.
- **Personal relations** – A common explanation is that a benefit has been given and received due to a personal relationship between the parties. If this relationship is primarily based on professional relations, there is a risk that the benefit will nevertheless be considered undue.

3.2. Gifts and hospitality in particular

The exchange of gifts and hospitality may contribute to goodwill and build trust in business relationships. However, all gifts and all hospitality that, from an objective point of view, influence or are likely to influence the recipient's decision or how the recipient performs their duties are always prohibited by Bufab ("Undue Benefits"). It is unnecessary for the benefit to have influenced the recipient or for it to have been the giver's intention. It is sufficient that the benefit involves a risk of influencing the recipient's behaviour. Receiving, accepting, requesting, giving, promising, or offering an Undue Benefit may also violate applicable law.

It should be noted that assessing whether a benefit is undue is stricter for recipients in the public sector. Therefore, employees must act particularly carefully in all interactions with Public Officials. This applies to public procurement, purchasing, and the exercise of public authority.

3.2.1. Permissible benefits

A benefit must always meet the following requirements to be allowed:

- The benefit must be moderate and not relate to the same recipient on repeated occasions.
- The benefit must be transparent towards the recipient's principal.
- The benefit must constitute a generally accepted business practice.
- The benefit must always comply with applicable law.
- Offering gifts, hospitality, and activities such as training or similar, directed to public officials, must be made available to the recipient's organisation (i.e., not directed to any individual) and require approval from Bufab's CFO.

3.2.2. Prohibited benefits

The following benefits are always prohibited:

- Benefits likely to influence the recipient's decision or actions, or that serve as a reward for a decision or action previously taken by the recipient.
- Benefits in the form of monetary gifts, gift cards or other cash equivalents (including financial loans, guarantees, depreciation of debt and similar conditions that are not market-based).
- Benefits to individuals deciding on public procurement/purchases or those who can influence a public deal or exercise public authority.
- Benefits granted during, or in close connection with, a procurement procedure or ongoing agreement negotiations.
- Benefits of high value.
- The funds or resources of Bufab may not be used directly or indirectly for the benefit of any political party, political candidate or campaign.
- Any sponsorship, scholarship or donations will only be provided if Bufab does not receive, and is not perceived to receive, any direct or indirect compensation in return.

In addition, offering, giving, receiving, or soliciting any benefits that may exert undue influence on unrelated outside parties is strictly forbidden. This includes, but is not limited to, any form of financial or non-financial advantages intended to manipulate or coerce the decisions or actions of individuals or entities not directly associated with our organisation. Ensuring coverage and defence against such practices is crucial to maintaining our operations' integrity and ethical standards.

Any form of undue influence is strictly prohibited to ensure fairness and integrity in our recruitment processes. This includes offering, giving, receiving, or soliciting benefits or advantages that may affect the impartiality of hiring decisions. All recruitment activities must be conducted transparently, and defending against undue influence in recruitment is essential to upholding our ethical standards and maintaining trust in our hiring practices.

3.3. Conflict of interest

A conflict of interest arises when a person or a company with an undertaking towards a company within Bufab has a conflicting interest, duty or undertaking. Having a conflict of interest is not undue. Still, the risk of corruption arises when a party violates its undertaking towards a company within Bufab due to a conflict of interest. Employees are required to report all potential conflicts of interest to their immediate supervisor. If any questions arise on who this might affect, advice must be sought from the group CFO.

3.4. Due diligence

Before making an M&A investment, Bufab shall assess the target company's corruption risk within the framework of the due diligence process preceding the investment, according to the investment policy outlined in the MD instruction. When necessary, an external anti-corruption expert shall be consulted. Bufab may be liable for past anti-bribery violations by a company it has acquired. Therefore, Bufab must review the company's business activities concerning anti-bribery laws as part of the acquisition due diligence process.

This diligence will enable Bufab to evaluate the risks that the target's operations may pose in the future concerning compliance with anti-bribery laws and potential liabilities arising from the target's previous activities.

This due diligence should be tailored to the country and the business of the target company and conducted simultaneously with the due diligence so that Bufab may act on any information it receives before the deal is finalised.

Special attention should be given to the following types of information Bufab typically obtains during the due diligence process:

- The types and identities of agents and consultants utilised by the company, along with their compensation arrangements and countries of operation.
- The involvement of government officials in the company's business (whether as owners, directors, or employees) and the status of the company's internal controls, as well as its books and records.
- Whether the company has ever been accused of violating anti-bribery laws.

3.5. Reporting of suspected violations

If you need to report an incident, the first step is to contact your manager and discuss the incident with him/her. If, for various reasons, this is not possible, employees should follow the recommendations in the Bufab Whistleblower Policy.

3.6. Bufab companies shall be able to demonstrate

- How your company has implemented this policy and informed its employees, customers, suppliers and other business partners of their rights, duties and responsibilities under this policy.
- How your company and all employees comply with local laws and Bufab policies.
- How employees and agents of your company adhere to all applicable laws and regulations in any location where your company conducts business. Records must be held.
- The applicable laws and regulations that your company follows.
- Payment terms used for both customers and suppliers.
- If your company has any local practices that conflict with this policy.

4. Roles and responsibilities

The group Sustainability Director oversees this policy.

Bufab's board of directors will review the policy annually and, if required, more frequently.

The MD of each company is responsible for ensuring that all affected employees or individuals acting on behalf of the company adhere to this policy.

The group CEO is responsible for providing the board of directors with an annual update on compliance with the policy.

5. Exceptions

This policy does not allow exceptions. Any need for exceptions must be clearly defined and documented. The Bufab Board of Directors shall approve all exceptions.

6. Monitoring and compliance

- The board of directors of Bufab is responsible for the implementation, review, and compliance with the Policy.
- It is the responsibility of the company's MD to ensure that this policy is followed by all affected employees or persons acting on behalf of the company.
- All Employees, as well as third parties who act on behalf of the company, are responsible for taking part in and understanding the meaning of the Policy.
- It is the responsibility of the MD of each company to update the CEO that the policy is adhered to annually, and the CEO will update the board of directors.

7. **Bufab Best Practices**

Management review ensures that the Anti-Corruption and Bribery Policy is integrated into all processes and operations, covering KPIs (key performance indicators), target setting and continuous improvement.

8. **References to associated documents**

Apart from this Anti-corruption and Bribery Policy, Bufab has several related group-wide policy documents, which can be found at SolutioNet / Our Way of Working:

- Bufab Group Code of Conduct Policy
- Bufab Group Sanctions and Export Control Policy
- Bufab Group Supplier Code of Conduct Policy



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9. Log of updates

| Revision | Date | Update |
|----------|---------|--|
| 1.0 | 2023.12 | Adopted by the board |
| 2.0 | 2024.06 | Added target to the policy |
| 3.0 | 2024.06 | Added targets |
| 4.0 | 2024.06 | Added ERSR tagging |
| 5.0 | 2024.12 | Added revision number |
| 6.0 | 2024.12 | Added Bufab Group in the heading |
| 7.0 | 2024.12 | Updated date, adopted by the board |
| 8.0 | 2025.03 | New policy document structure adopted by the board |
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