

BUFAB GROUP POLICY

HR

BUFAB

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1. Background and purpose

Effective human resource management is critical to fostering a productive, inclusive, and compliant workplace. With this HR policy, we want to guide our employees' behaviour, expectations, and responsibilities while ensuring alignment with labour laws, ethical standards, and company values.

This HR policy outlines the standards, procedures, and guidelines that govern employee conduct, workplace interactions, and organizational practices. By implementing this policy, Bufab ensures a fair, safe, and efficient work environment that benefits both employees and Bufab.

2. Audience

This policy applies to all employees, contractors, and stakeholders associated with Bufab Group. It is a foundation for maintaining a positive workplace culture that aligns with our company's mission, values, and operational goals.

3. Policy statement

Bufab is dedicated to creating a professional, inclusive work environment that adheres to all relevant laws and regulations. This HR policy establishes clear guidelines to promote fairness, consistency, and accountability in all employment-related matters. All employees are expected to follow the standards outlined in this policy, showcasing integrity, respect, and professionalism in their workplace interactions. Management is tasked with enforcing this policy equitably and consistently while providing employees with the necessary resources and support for compliance.

4. Possibilities and performance

Within Bufab, an individual's personal development is a responsibility shared between the individual and the company. We strive to develop competence to match the challenges we are facing jointly. If our employees are successful, Bufab will be successful. All employees within Bufab need to understand our overall goals and how they can contribute to reaching them. Our managers are responsible for setting clear targets and expectations and giving feedback on performance.

Feedback shall stimulate development and performance and be given in a dialogue based on mutual trust and respect. Our managers shall conduct development talks, including performance dialogues and development plans, at least once a year.

5. Remuneration and compensation

Payment and other conditions of employment shall be based on local market conditions, individually differentiated, and reflect the content of the job, competence, responsibility, and performance in relation to goals. We strive to have an overall competitive and attractive compensation package. We reward initiative and responsibility.

6. Information & Communication

Bufab strives to provide clear and adequate information at the right time, and we expect our employees to actively seek and ask for information. For more details on information and communication, please see Bufab's Communication Policy.

7. Management & Leadership

Bufab strives to be represented by business-driven managers who are willing to act and take responsibility. We expect our managers to act in a respectful, honest and fair way and to show integrity. We encourage them to be good role models in good times and bad times and to lead the development of their team and team members. To secure mutual respect and contribute to the development of the Group, Bufab encourages all employees to stand by these same principles.

8. Working environment

Bufab strives to provide an engaging and enjoyable working environment that protects employees' health, welfare, safety, and security while expecting all employees to contribute to this environment. We believe it is essential for our employees to maintain a balance between their professional and private lives. We encourage gender-neutral childcare and family responsibility leaves, which employees can take to fulfill their family obligations.

9. Diversity and Inclusion

Bufab promotes equal rights and opportunities and does not tolerate any form of discrimination based on origin, nationality, religion, race, gender, sexual orientation, disability, or age. We will also not accept any form of intolerance or harassment. Bufab values diversity as a strong driver of development, and we want our employees to promote our commitment to inclusion in the markets where we operate.

10. Responsible recruitment and termination

All employees should have an agreed and signed contract in the language they understand, including a reasonable notice period to employees before termination of an employment relationship or any drastic changes (such as relocation of company premises) which may result in separation from employment.

Bufab Group believes employment is a basic right, and nobody should have to pay money or in any other way for it. We ensure that all employment opportunities for Bufab Group and its sisters are available freely, solely based on the merit of candidates. We or any workforce providers we engage with do not accept payment or benefits for employment opportunities. We will cover all the costs associated with recruiting an employee. If any deviation from the policy is experienced, the company will reimburse the cost to the employee within a reasonable duration.

11. Forced labour and child labour

The Bufab Group shall not engage in, or support, forced, bonded or compulsory labour, nor shall the Bufab Group require any form of deposit or confiscation of employee identification papers. Bufab Group is committed to ensuring that all employees meet the legally established minimum age requirements for employment. Minimum age is the age for completion of compulsory schooling, but not younger than 15 years, in countries where the education system is inadequately developed. For young workers between the ages of 15 and 18, special attention should be given regarding health and safety. The Bufab Group shall abide by the United Nations Convention on the Rights of the Child (1989), and comply with all relevant national and international laws, regulations, and provisions applicable in their country of production or operations.

12. Freedom of association

The Bufab Group respects the right of all employees to join an association to represent their interests as employees, to organise and to bargain collectively or individually. The Bufab Group shall respect the recognised unions. An employee's right to refrain from joining a union is equally respected. The Bufab Group shall notify employees' representatives and relevant government authorities of major changes in our operations as required by law.

13. Working hours and compensation

The Bufab Group shall comply with applicable laws regarding working hours. Regardless of regulations, a workweek should not exceed 60 hours, including overtime. Employees shall be entitled to at least one day off every seven days. They must have a written employment contract that specifies their terms and conditions in a language they understand. Records of employees' working hours must be maintained. Compensation offered to workers should not fall below legal standards and must at least match the minimum living wages based on work location. This must include legally mandated worker benefits, such as social security and paid leave, etc

14. What we accept and do not accept

All employees - at all levels and under all circumstances – shall abide by relevant legislation, internal and external regulations, guidelines and standards. Bufab is a signatory to the UN Global Compact, and each Bufab manager is responsible for upholding the Human Rights Principles. All employees must know the content of, and comply with, our Code of Conduct and Anti-Bribery policy.

15. Roles and responsibilities

The CEO, who is also the decision-maker on matters affecting Bufab, is responsible for the company's operations, including HR. The CEO has delegated operational responsibilities to appointed Group and BU (Business Unit) managers. To achieve Sustainable Leadership, the Global HR Business Partner ensures that plans and actions are in place for the group to reach its targets.

16. Exceptions

There are no exceptions to this policy. Any need for exceptions to this policy must be clearly defined and documented. All exceptions shall be approved by the Board of Directors of Bufab AB.

17. Monitoring and compliance

The Board of Directors is ultimately responsible for Bufab Group's strategy and organisation and shall monitor the administration of and compliance with the HR Policy. The MD of each subsidiary within the Group shall annually report on policy compliance to their respective Regional Director and CEO. Internal audits to monitor compliance are performed periodically.

Goals for the HR policy & sustainability targets:

- 100% of all employees to have at least one development talk each year
- No work-related injuries or illness
- Gender balance of managers by 2030
- Code of Conduct training every 3 years
- Anti-Corruption training every 3 years

18. Bufab Best Practice

Within the Bufab Best Practice, there is a section on our People. The following processes are described:

- Introduction
- Employer branding
- Employees' journey in Bufab
- Sustainable growth
- Employee relationship
- Whistleblower

19. References to associated documents

Within Bufab Best Practice, there is a section on our People:
<https://bufabcom.sharepoint.com/sites/BP-PeopleBestPractice>

All different Bufab policies can be found within Policies:
<https://bufabcom.sharepoint.com/sites/BP-Policies>



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20. Log of updates

Revision	Date	Update
1.0	2023.02	2022 revision signed
2.0	2023.10	Extended validity
3.0	2023.12	Revision signed
4.0	2024.06	Goals updated in the policy
5.0	2024.06	Sustainability goals updated in the policy.
6.0	2025.01	Updated to latest layout
7.0	2025.03	Policy changed to policy document