

Code of Conduct

VEAB's Code of Conduct is based on trust, loyalty, honesty, reliability, and cooperation. Maintaining a collective approach and a sense of responsibility to keep our promises is of high priority for us. VEAB has high ambitions regarding proper ethical and sound business behavior. The code of conduct is an essential part of the work to keep a high ethical level and for VEAB to ensure a continuous good reputation among customers, suppliers, employees, owners, authorities, and the public.

All employees have a personal responsibility to adhere to the code. Management has an extra responsibility to promote a culture in which the code is followed. All managers are obligated to inform their staff about the code. Management has the operational responsibility compliance with the code. Trust is the foundation of our business and we are what we do. This policy is part of our support for the UN's Global Compact. VEAB is committed to, and actively promotes and respect, the 10 principles on human rights, labor, environment, and anti-corruption.

Johan Christiansson, CEO VEAB Heat Tech AB

Introduction and content

This policy and code of conduct exist to set out rules and guidance on ethical and sound business behavior. Failure to comply with the code of conduct can have serious consequences for VEAB and its employees. Accordingly, employees and business partners of VEAB must exercise great care and sound judgement to never put themselves or others in a position that violates this code of conduct. VEAB supports the UN's Global Compact's 10 principles on human rights, labor, environment, and anti-corruption.

The contents of this code of conduct are:

- Introduction and contents
- Scope of the policy
- General principles and specific codes of conduct
- Social responsibility
- Business ethics
- Our workplaces
- Environment and climate
- Roles and responsibilities
- Risk management
- Communication and education
- Reporting and VEAB's whistleblower function

Scope of the policy

This policy applies to all VEAB employees.

General principles and specific codes of conduct

The code of conduct is an expression of VEAB's stand on issues related to social responsibility, business ethics, environment, health and safety. The code of conduct shall serve as an aid to all VEAB employees in their daily work tasks.

If in doubt, a VEAB employee should ask herself the following questions:

- Is it consistent with our code?
- Is it ethical and lawful?
- Will it reflect well on me and VEAB?
- Would I want to read about it in the newspaper?
- Would my family and friends approve it?

Social responsibility

Social responsibility has long been a part of VEAB's corporate culture. VEAB is aware of the role that the company plays as a citizen in society. Regardless of where in the world VEAB conducts business, good relationships are decisive for long-term success. We strive to understand each society and culture which we live and work. We become involved in local affairs that promote development in the community and benefit local business. We think globally and act locally.

Non-negotiable codes:

- Always follow the laws and regulations in effect in the countries where we are active.
- Always respect the United Nations' Universal Declaration of Human Rights and ensure not to be complicit in human rights abuses (Principle 1 and 2 of the UN Global Compact).
- We do not accept child labor in our business activities nor do we accept products from suppliers who exploit child labor directly or indirectly through their subcontractors (Principle 5 of the UN Global Compact).
- We do not accept any form of forced and compulsory labor in our business activities or in our supply chain (Principle 4 of the UN Global Compact).
- Our new and strategic suppliers must confirm that they comply with the Responsible Business Alliance (RBA) code of conduct. The RBA Code establishes standards to ensure that working conditions in the supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically.
- Our attitude shall be distinguished by open and factual communication with government authorities and society.

Business Ethics

VEAB will comply completely and in good faith with each country's legislation on cartels and competition. VEAB's products and services shall be marketed and sold in a manner that is justifiable on commercial as well as ethical grounds, that is, based on factors such as quality, price, reliability of delivery and service grade.

Non-negotiable codes:

- VEAB's suppliers shall be evaluated and selected based on their ability to deliver on good sound commercial terms and their ability to live up to VEAB's Code of Conduct.
- VEAB will keep proper accounts that conform to legislation and rules in effect.
- VEAB applies zero tolerance for corruption and we don't offer improper gifts or hospitality (Principle 10 of the UN Global Compact).
- VEAB employees are not allowed to demand or accept bribes or other illegal benefits to retain a customer or close a business deal.
- We compete fairly and honestly.

Our Workplace

VEAB's business activities will contribute to development that is sustainable and profitable in the long-term through continuous improvement in our workplaces. VEAB's employees will have a stimulating and healthy work environment to prevent accidents and that stimulates the employees to work efficiently towards goals, taking responsibility for their tasks and developing their expertise.

Non-negotiable codes:

- No employee may be treated differently or receive any special treatment in terms of employment or job tasks because of age, ethnicity, nationality, sex, religion, sexual preference or disability (Principle 6 of the UN Global Compact).
- All employees shall be treated with respect, and no employee shall be subjected to degrading or insulting treatment.
- Violence or threat of violence in the workplace, harassment, bullying or similar infringements on employees will not be tolerated.
- Constant high focus on health and safety in the workplace with a systematic approach to reduce work-related injuries.
- VEAB employees may not distribute, possess, use, or work under the influence of drugs or alcohol at VEAB's workplace.
- All VEAB employees must decide on their own whether to join a labor union in accordance with the legislation in effect in the country where they work (Principle 3 of the UN Global Compact).

Environment and climate

VEAB strives to lessen the environmental and climate impact of its business. New technologies, product development and new findings will be evaluated to improve both our operations and products.

Non-negotiable codes:

- VEAB follows the applicable laws and regulations concerning its operations and products to ensure environmental compliance.
- VEAB has a precautionary approach to environmental issues and makes sure to evaluate the impact of business decisions (Principle 7 of the UN Global Compact).
- VEAB is aware of the environmental and climate impact of its operations have and make sure to integrate and evaluate relevant aspects in business planning and decision making (Principle 8 of the UN Global Compact).
- VEAB selects environmentally sound technologies to minimize waste, emissions and pollution (Principle 9 of the UN Global Compact).

Roles and responsibilities

The code of conduct is reviewed by management once a year and approved by the board to ensure ethical business practices. Management has operational responsibility for compliance with the code. All employees have a personal responsibility to adhere to the code. Management has extra responsibility to promote a culture in which the code is followed. All managers are obliged to inform their staff of the code.

Risk management

The potential consequences of violating certain standpoints in the code of conduct is evaluated by VEAB's management. VEAB manages risks on a continuous basis with a larger assessment carried out annually. VEAB's overall risk management process is built on four steps: identification, assessment, mitigation and monitoring. VEAB is a global enterprise and the risk of violation depends on several aspects such as country of operations.

Communication and training

Information about this code of conduct is given to employees at their introduction in connection with new employment and annually through a mandatory online e-learning.

This policy is available on VEAB's intranet, Keynet and should be read by all employees. If any uncertainties after reading, these should be brought up with the individuals immediate manager.

Reporting and VEAB's Whistleblower function

VEAB gather information on possible violations in two ways: through the whistleblower function and through communication. Communication is based on one of our core values Trust and the importance of managers reporting and escalating possible irregularities when made aware.

Through VEAB's whistleblower function employees and partners can provide information while being guaranteed total anonymity. All reports are received and investigated by an external company. Additional information about VEAB's whistleblower function:

- We have zero tolerance against discrimination, harassment, crime, corruption, environmental crimes. Equal treatment of suppliers, good business ethics and safe workplaces are the cornerstones of VEAB.
- Misconduct reporting by persons in leading positions.
- A channel for employees to be able to report incidents anonymously without fear of reprisals and/or disobedience by the closest manager.
- Cases should be reported via a link to a website available on our intranet, Keynet, where instructions for the procedure can also be found.

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