

# Nolato's Code of Conduct



# Nolato's Code of Conduct

Nolato's Code of Conduct is a fundamental part of our operations. It serves as an introduction and guide to our core business principles and our way of conducting business.

The Code provides binding guidelines on how our business principles and values should be put into practice. It serves as our ethical compass and corporate policy to be followed by all employees within the Group, as well as by consultants and suppliers, irrespective of workplace and function.

## **Basis of our Code of Conduct**

Nolato's Code of Conduct is based on our Basic Principles (corporate values) of being Professional - Organized - Responsible, which govern our actions. Our values guide us in acting with sound business ethics and to conduct business in a sustainable and responsible way. Read more at: [www.nolato.com/nolato-spirit](http://www.nolato.com/nolato-spirit)

The Code reflects the operation of our business according to applicable conventions and regulations, including the 10 principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the core conventions outlined in the International Labor Organization (ILO), the UN Declaration of Human Rights and the ISO 26000 standard.

## **Continual improvements**

Our culture and activities are driven by continual improvements in all aspects of our operations, with the aim of exceeding customer expectations and meeting



business needs. Continual development and improvements are also the key drivers for meeting our sustainability targets. Systematic activities, together with preventive work and the application of the preventive principle, are also key concepts for us in our efforts to continually improve and develop our sustainability work.

### **Compliance with laws and regulations**

We should operate in full compliance with the legal requirements that apply to our operations and conduct our business in accordance with this Code. Where our standards are stricter than legal requirements, we apply our Code of Conduct. If our standards conflict with any applicable legal requirements, you must inform the management team or senior manager of the relevant unit.

### **The Code of Conduct applies to everyone**

The Code applies to all Nolato's employees and all representatives acting on behalf of the company, including permanent and temporary employees, contractors, consultants, senior managers and board members of Group companies. All employees and other representatives are responsible for complying with this Code.



The principles and rules are valid in all markets and need to be understood by everyone in the organization, and should be applied in the same way, wherever you are in the world. The CEO assumes ultimate responsibility for the implementation and application of the Group Policies and Guidelines that are included in the Code. Responsibility for promoting sound business ethics and compliance with our policies is delegated to all managers in the Nolato Group. The Nolato Spirit and associated policies are part of training and follow-up programs at all levels in the Group. Every new employee should be given the opportunity to read and discuss The Nolato Spirit and this Code of Conduct as part of the onboarding process.

### **Compliance**

Nolato's responsible business conduct depends on us all applying the corporate values and core business principles outlined in this Code. Breaching the Code or applicable laws can result in penalties for the company, or the individuals involved, and can damage the reputation of the Group.

The Code of Conduct can be found on Nolato's website. It is each manager's duty to ensure that employees understand the Code. Each employee is responsible for

understanding the requirements that are directly applicable to their position, role and employment. In situations where the Code does not provide a clear answer, you should discuss the matter with your line manager or the Group Sustainability Director.

Nolato has a zero-tolerance policy for non-compliance with legislation and for human rights violations, and on issues regarding bribery, corruption and breach of competition laws.

Any employee, regardless of position and role, who is found to have violated this Code, or any underlying Group policies, directives or applicable laws and regulations, will be subject to disciplinary action, which may ultimately lead to termination of employment and/or criminal proceedings.

### **Monitoring and reporting**

Nolato regularly monitors sustainability work and development through dialogue and/or annual questionnaires with our stakeholders and through formal audits. Nolato's reporting should meet applicable regulations and international standards and the Group's performance is mainly presented in the Sustainability Report, which is a part of the Annual Report.

### **Demonstrating compliance**

Nolato's Sustainability Report is used to demonstrate compliance and monitoring regarding the Group's performance in relation to The Nolato Spirit. The report can be found at [www.nolato.com/en/IR/Responsible-business-conduct](http://www.nolato.com/en/IR/Responsible-business-conduct)

When Nolato's stakeholders, customers and other parties ask Nolato to demonstrate compliance with laws, international initiatives and other requirements, The Nolato Spirit document and this Code should be sent to the party concerned. Any additional questions should be referred to the relevant business area, company or person.

### **Raising concerns through whistleblowing procedures**

Nolato's whistleblowing function enables anyone who in a work-related context has obtained information about suspected irregularities, breaches of law or serious violations of Nolato's Code of Conduct to raise the alarm, without the risk of being subject to any form of reprisal.

Irregularities can be reported to the management team or senior manager of the relevant unit. But if this is not appropriate or does not work, Nolato's whistleblowing function at [www.nolato.com/whistleblowing](http://www.nolato.com/whistleblowing) can be used.

Nolato's whistleblowing function complies with the EU Directive on the protection of persons who report irregularities (2019/1937), as well as with implemented local laws. All whistleblower reports are handled in a secure system by an independent person bound by secrecy to protect the whistleblower from the risk of being harassed or opposed due to their whistleblowing.

The right to use Nolato's whistleblowing function extends to anyone who was employed or seeking work at Nolato, carried out work for Nolato or was professionally engaged at Nolato in another way (e.g., as a trainee, agency worker, consultant, contractor or supplier) when they obtained the information

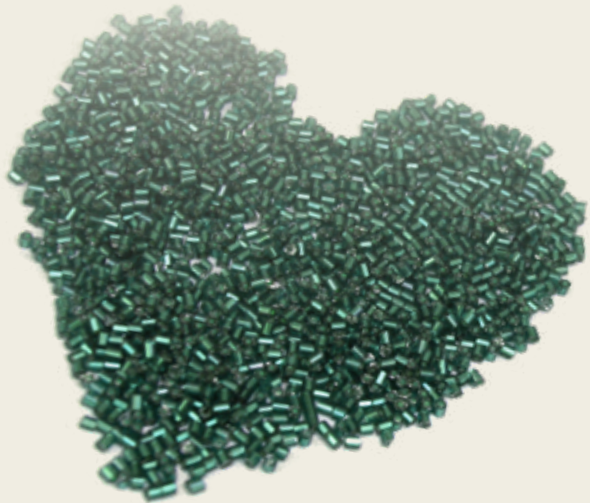


about the irregularity, breach of law or serious violation of the Code.

The whistleblower does not have to be certain that what is being reported is true, but must have good reason to believe in the accuracy of the report. Anyone who knowingly reports false information or unfounded rumors will not be covered by the legal protection for whistleblowers, and Nolato may take action under employment law.

Dissatisfaction solely about your own work or employment situation does not usually constitute grounds for whistleblowing, nor do disputes or complaints about the workplace, work environment or management if they do not relate to breaches of law or serious violations of Nolato's Code of Conduct.

The whistleblower will receive confirmation of the report within seven days. The recipient of the report will then follow up the report, investigate the matter and take any necessary action. Within three months of receiving the confirmation, feedback will be given on the investigation.



Nolato wants to contribute to a sustainable society and endeavors to ensure sustainable operations and solutions throughout the value chain, with a focus on social responsibility, the environment and responsible business.



# SOCIAL RESPONSIBILITY

“We strive to create workplaces where we are proud to work, where our actions and behavior are governed by the principles of ethics, integrity and respect for human rights, sound labor practices and good working conditions.”

We are committed to the protection of human rights, sound labor practices, high health and safety standards, and good working conditions wherever we operate. Our relationships with customers, suppliers and other stakeholders are characterized by respect for human rights and sound business ethics.

In summary, this means:

## **Respecting human rights**

- We are committed to the protection of human rights wherever we operate, and comply with applicable legal requirements and regulations.
- We treat all people with fairness, dignity and respect.
- We assess the risk of human rights impacts, and we act to prevent them within our supply chain.
- We do not allow children under compulsory school age (15 or older in some countries) to work for Nolato. Potentially hazardous work may not be carried out by anyone under the age of 18.
- We do not tolerate child labor, illegal, forced or compulsory labor, modern slavery or human trafficking.

**Health and safety: Working conditions**

- We are committed to and promote safe and healthy working conditions wherever we operate.
- A minimum requirement for all locations is to maintain safe workplaces according to common global standards.
- We do not compromise on health and safety, and aim for zero work accidents.
- All employees are required to follow safety instructions.
- We monitor physical, chemical and other parameters at workplaces, where relevant.
- For health and safety reasons, we do not accept employees being intoxicated or under the influence of drugs at work.
- We strive to create an open safety culture where everyone can provide feedback and make observations about safe and unsafe behavior and conditions in a constructive way.
- We promote a positive work environment, and encourage and support activities that promote the good physical and mental health of employees.

**Health and safety: Continual improvements**

- We take a systematic approach to creating a safe and secure work environment, and introduce and encourage implementation of certified health and safety management systems (ISO 45001) where relevant.
- We continually improve our health and safety performance by implementing and monitoring objectives, targets and action plans.

- All employees are required to engage in safety improvement actions and activities, including the reporting of hazards and near-misses.
- Whenever there is a change in processes, products and plants, we should use the opportunity to make health and safety improvements.
- We continually minimize risks at source, reducing the need for personal protective equipment.

### **Health and safety: Legal and other requirements**

- We identify and ensure compliance with applicable legal and other requirements related to health, safety and emergency procedures.
- We identify and address new requirements from employees, customers and other stakeholders in our long-term planning.
- We exceed the requirements of health and safety legislation.

### **Health and safety: Preventive principle**

- We continually assess health and safety risks and take preventive and mitigating measures.
- We endeavor to prevent all work accidents, we proactively reduce the risk and effects of work accidents, and we involve our employees in this process.
- We offer employees appropriate training and instructions to ensure safe work.
- The ergonomic conditions of workplaces should be assessed and, where relevant, plans to reduce the risk of long-term injuries should be in place.

**Health and safety: Chemicals**

- We are committed to the safe management of chemicals.
- We aim to stop using hazardous chemicals or replace them with less hazardous ones and, if this is not possible, we take action to reduce risk.
- We should provide material safety data sheets in a language that is understood by our employees and maintain a list of all chemicals at each site.

**Health and safety: Machinery and equipment**

- To prevent injuries and ensure safe use, machines and other equipment should be equipped with the necessary safety devices. Inspections should be carried out by authorized organizations, according to legal or other requirements.
- Before operating machinery and equipment or carrying out potentially hazardous work, employees should be given adequate and necessary safety training. A description and record of all training should be available.

**Health and safety: Emergency planning**

- All sites, during all shifts, should make first-aid equipment available to employees and ensure adequate stocks of first-aid equipment.
- Site emergency plans, based on identified risks and established procedures for dealing with emergencies, should be developed and implemented.
- Emergency plans should include emergency scenarios, potential hazards, evacuation procedures and defined responsibilities and roles during emergencies.



## **Diversity and inclusion**

- We are committed to and encourage diversity and inclusion in our teams and workplaces.
- We believe inclusion and diversity contribute to high performance, as well as to attracting, developing and maintaining talent.
- We treat everyone with respect and offer equal opportunities.
- We aim to achieve a mix of genders, ages and ethnicities in our business and to increase the share of female managers.
- We do not treat employees differently because of their gender, religion, age, disability, sexual orientation, nationality, political views, social background or ethnic origin.
- Employment or assignment decisions must always be based on individual merit and business needs.
- We offer our employees training in diversity issues, including respect and awareness of cultural differences.



- We endeavor to make all employees feel involved in the organization, and encourage them to achieve their full potential.
- Everyone is responsible for creating an inclusive and diverse workplace.

### **Zero tolerance of discrimination and harassment**

- We do not tolerate any discrimination or any form of disrespectful or intimidating behavior, harassment, bullying, unwanted sexual advances, or threats.
- We offer employees training and actively encourage and promote equal treatment and non-discrimination.

### **Labor practices and conditions**

- We recognize the right to freedom of association and collective bargaining. In locations where this is restricted in some way, we do not hinder alternative forms of independent and free employee representation.
- Salaries, overtime compensation and benefits should be competitive and in line with industry standards, and we apply the principle of equal pay for equal work.

- Working hours, vacation and parental leave are based on local national legislation, industry standards and collective agreements.
- Employees have the right to at least one day off in seven, whatever country they work in.
- All employees should be familiar with the basic conditions and terms of employment.

### **Development opportunities**

- We aim to have a culture in which employees develop and set tomorrow's stand-ards by acquiring, transferring and creating skills.
- We offer employees opportunities to develop their professional skills and abilities.
- All employees should have an individual performance plan, including goals and development, as well as an individual performance discussion and follow-up. Managers should review progress, coach employees and provide feedback.
- Employee surveys are carried out regularly with the aim of improving and ensuring great workplaces.

# ENVIRONMENTAL RESPONSIBILITY

“We help combat climate change and cut our emissions by optimizing energy efficiency, increasing the level of renewable energy used in our operations, and by reducing our carbon footprint in the value chain by using more recycled and biobased materials. We also support our clients by developing innovative, more sustainable products and solutions that facilitate a circular economy.”

Nolato endeavors to contribute to sustainable development by producing and marketing products and services in a way that minimizes the environmental impact and contributes to a more sustainable future. We support a preventive approach to environmental challenges and aim to help ensure that ecosystems and biodiversity are protected for future human generations. In summary, this means:

## **Continual improvements**

- Environmental and sustainability responsibility should be an integral part of Nolato’s business offering and strategy, planning and budget process.
- We continually improve our environmental performance by implementing and monitoring objectives, targets and action plans.
- We approach environmental issues systematically, and all production units should have certified ISO 14001 environmental management systems. Acquired companies should obtain ISO 14001 certification within two years.
- Whenever there is a change of process, plants and products, we should use the opportunity to make environmental improvements.

- We encourage suppliers to approach environmental issues systematically and to implement both quality management and environmental management systems.

### **Legal and other requirements**

- We identify and ensure compliance with relevant environmental laws and other requirements.
- We identify requirements and expectations from customers and other stakeholders well in advance and have relevant long-term planning in place for new legislation.
- We exceed the requirements of environmental legislation and aim to be well prepared for the introduction of new legislation.

### **Preventive principle**

- We take precautions regarding the environmental and health effects of our processes, products and services, apply the preventive principle, and focus on long-term goals.
- We assess environmental aspects and risks continually, and take relevant preventive and mitigating measures to support a circular economy and efficient use of resources.
- During the acquisition and divestment of businesses and properties, sustainability risk analyses should be carried out as a part of the due diligence process.

### **Resource efficiency**

- Our operations should be distinguished by increasingly resource-efficient use of energy, water, raw materials and other natural resources.
- We should monitor and optimize the consumption of water, energy and raw materials, use resources efficiently, and increase our use of recycled materials to contribute to sustainable development and a circular economy.

### **Climate change**

- We evaluate how climate change impacts our business model and strive to reduce our carbon footprint.
- We help combat global warming by improving energy efficiency, increasing the use of renewable energy, and encouraging suppliers and business partners to join us in these efforts.
- We support the Paris Agreement and set ambitious Science Based Targets for our Scope 1, 2 and 3 emissions to reduce greenhouse gas emissions, both in our operations and throughout our value chain, and encourage suppliers and business partners to do the same.

### **Waste, emissions and chemicals**

- Waste and emissions from all sites, including from production and other activities, should be minimized.
- We should reuse or recycle waste material to the greatest and most relevant extent possible.



- We endeavor to avoid unnecessary waste, scrap and emissions, including greenhouse gas emissions.
- We reduce environmental, health and safety risks associated with the use of hazardous chemicals in manufacturing processes and products.
- We apply best practices to minimize risks of pollution of air, soil and groundwater.

### **Products and services**

- Environmental impacts related to the products we make and services we perform should be minimized.
- We provide safe and sustainable products and services that meet or exceed our customers' expectations.
- We are aware of and address conflicts that may arise between meeting commercial needs and protecting nature's resources.
- We assess environmental and health and safety aspects in the development process for our products and services, supporting the efficient use of resources and a circular economy.

- We consider environmental and health factors when deciding on raw materials, sources of energy, chemical products, packaging materials and distribution methods, and whenever there is a change in processes, plants and products.

### **Research and development**

- We aim to develop environmentally sound technologies, products and services.
- We endeavor to contribute to a circular economy by having a clear aim of replacing fossil-based materials with renewable options and increasing our offer of bio-based and recycled polymer raw materials.
- We seek out and evaluate alternative renewable materials in collaboration with suppliers and customers, and proactively and continually offer customers alternative materials.



A photograph of two business professionals in white shirts and green ties shaking hands. The image is slightly blurred and serves as a background for the top section of the page.

# RESPONSIBLE BUSINESS

“It’s part of our company’s spirit to take responsibility for what we do and always apply sound business ethics.

We take responsibility by setting clear requirements and being transparent.”

Nolato aims to uphold future-oriented responsible business conduct. We promote and apply sound business ethics and endeavor to combat all forms of corruption. Nolato conducts business with a high level of integrity and ethics, and we expect the same from our suppliers and business partners. In summary, this means:

## **Anti-bribery and anti-corruption**

- We conduct business with a high level of integrity and ethics, and have zero tolerance of bribery and corruption.
- We comply with applicable regulations and laws, including all anti-money laundering legislation and reporting obligations.
- We assess the risk of bribery and corruption and implement preventive measures.
- We endeavor to prevent our businesses from being used for money laundering or terrorism financing.
- All forms of compensation to suppliers, partners and agents must only be for actual goods or services supplied.



- We never offer, or accept, gifts, benefits or payments that could influence, or be seen to influence, the objectivity of the recipient's decisions or that breach legislation and/or local practices.
- We never pay bribes or facilitation payments.
- We ensure that commission, donations and sponsorship are made transparently.
- We endeavor to ensure that external partners acting on our behalf share and are aware of our commitment to doing business ethically.

### **Conflicts of interest**

- We make business decisions based on Nolato's best interests.
- We avoid situations in which company loyalty could come into conflict with personal interests.
- We avoid all situations in which there is a potential conflict of interest in relationships or personal considerations.

- We always avoid situations where business judgement could be affected by gifts, hospitality, entertainment, sponsorship, political or charitable contributions, or by a close relationship with any business entity engaging or competing with Nolato.

### **Fair competition**

- We are committed to, and promote, free and fair competition.
- We respect and comply with applicable competition laws in all markets in which we operate.
- We act in accordance with fair business, marketing and advertising practices.
- We compete fairly and do business based only on quality and competence.
- We do not tolerate any violation of antitrust laws, competition laws or related regulations.
- We never get involved in any understandings with competitors regarding the allocation of customers or prices or any other practices or agreements that restrict competition.
- We do not exchange confidential or sensitive commercial information with competitors.
- We respect ownership and intellectual property rights.
- Agreements that are sensitive in relation to competition law must be reviewed with regard to legal aspects.

### **Trade compliance**

- We comply with applicable trade compliance requirements, as well as all applicable export and import laws and regulations.

- We respect and comply with applicable sanctions and rules related to cross-border trade.
- We do not engage, indirectly or directly, with any country, entity or person included in any sanctions list.
- Due diligence is required for business opportunities in conflict zones and countries flagged as high-risk regions.

### **Responsibility for products and solutions**

- We aim to contribute to making our customers' products and solutions more sustainable, and to supporting a more sustainable society.
- We strive to ensure that our operations, services and products have as low an impact on human health, the environment and society as possible.
- We proactively offer our customers 'eco-design', as well as sustainable products and solutions.
- We use internal and external expertise to continually develop the eco-design of products and services.
- We continually address and assess the environmental and health and safety effects related to our main products and solutions over their life cycle.
- We comply with applicable laws and regulations that apply to our products and services, as well as with international standards and guidelines regulating conflict minerals and other material sourcing.
- We regularly follow up and evaluate our performance on social responsibility, the environment and business ethics.



- We refrain from manufacturing products that we believe are incompatible with our view of sustainable development.

### **Commitment to quality**

- We are committed to delivering quality work in everything that we do.
- We supply products and services at the right quality that meet and exceed our customers' expectations.
- We are continually improving and developing our operations based on sustainability considerations.
- We take a systematic approach to quality management, and all production units should be certified in accordance with the ISO 9001 quality assurance system and applicable sector-specific certifications.
- We conduct regular evaluations of our quality assurance measures through analysis, recording of discrepancies and internal/external audits.
- We maintain effective and transparent procedures regarding customer complaints.



### **Company assets**

- We use our company's assets responsibly.
- We protect our company's and, where applicable, our customer's assets from damage, criminal acts and loss.
- We insure our company's assets adequately.
- We comply with all applicable internal controls to protect and safeguard our assets.
- Assets should only be used for business purposes, unless other use has been approved by the relevant manager.
- We do not tolerate any use of our assets for illegal activities or personal gain.

### **Personal and business-critical information**

- We respect and protect information obtained from customers and third parties, as well as personal information (or data) about our employees.
- Information about our business and related parties is handled with caution, and we take relevant measures to ensure protection of business-critical information.

- Personal information (or data) is handled responsibly, and we ensure that information related to identified persons is handled in compliance with applicable regulations and laws in the countries where we operate.
- We respect and apply the protection of rights and privacy according to the EU General Data Protection Regulation (GDPR) and other applicable data privacy laws in the North America and Asia.

### **Information security and confidentiality**

- We are careful regarding critical information that may be confidential, especially any information that could potentially affect Nolato's or any business partner's share price.
- We maintain good information and IT security and good information management.
- We ensure that confidential information is handled in compliance with applicable regulations, group policies and directives.
- Employees handling confidential information, including trade secrets, must comply with non-disclosure agreements, insider trading laws, applicable laws and regulations, group policies and directives.
- Nolato's Insider Policy and Insider Register regulate the trading of financial instruments.

### **Accounting policies and reporting principles**

- We are committed to ensuring transparency in the Group's financial and sustainability reporting.
- We comply with applicable laws and regulations regarding accounting, as well as financial and sustainability reporting.
- We provide transparent, accurate, regular and timely periodic financial and sustainability information in accordance with national and international regulations and standards.
- Financial and sustainability performance are evaluated by monitoring relevant parameters and through internal and external audits.
- Sustainability risk analyses should be carried out as a part of the due diligence process during acquisitions and divestments of businesses and properties.

### **Efficient and accurate tax management**

- We conduct our business and support tax processes with a high level of ethics and integrity, with the overall aim of producing correct tax outcomes at accurate cost.
- We are committed to paying taxes as required by legislation in each jurisdiction.
- We address tax-related issues promptly and work proactively to mitigate tax risks.
- We always comply with applicable tax laws, regulations and company procedures in our business.



### **Honest and clear communication**

- We communicate in a way that reflects our core values and Code of Conduct.
- We provide transparent and objective information to our stakeholders and communicate honestly, clearly and in a timely manner, and ensure that information is not misleading.
- We comply with the obligations we have as a publicly listed company and apply disclosure restrictions regarding external communication in accordance with applicable legislation, agreements and standards relating to stock markets and financial reporting.
- We endeavor to communicate transparently with the aim of engaging and involving our employees in the Group's development.
- We respect all employees' freedom of expression about matters that concern them personally.
- To ensure clear, honest, professional and legally compliant responses to requests from analysts, investors and the media, we have appointed spokespeople for external communication that concerns the Group.

- Nolato's spokespeople are as follow:
  - External statements regarding the Nolato Group should only be made by the CEO or CFO, who are the Group's spokespeople.
  - Managers are spokespeople within their respective area of responsibility.
  - Employees may give statements regarding specialist knowledge or on facts that are already known.
  - In situations where these external disclosure restrictions do not provide a clear answer, you should discuss the matter with your senior manager or with the management team.

### **Requirements for suppliers**

- Nolato conducts business with a high level of integrity and ethics, and we expect the same of our suppliers and business partners.
- We request that our suppliers and their suppliers comply with legal and human rights requirements.
- We partner and collaborate with suppliers that accept and comply with Nolato's Code of Conduct and encourage them to implement similar procedures and policies. We also expect them to pass these values and ethical principles on to their suppliers.
- We encourage our suppliers to introduce certifiable management systems on quality management, the environment and work environment, and to support the Paris Agreement to limit global warming.
- We collaborate with our suppliers to meet our sustainability targets.
- We assess suppliers prior to and during our cooperation with them.

- We regularly follow up and evaluate supplier performance within social responsibility, environment and business ethics.
- We endeavor to ensure that suppliers' operations, services and products have the minimal possible impact on human health, the environment and society, and do not contain any counterfeit parts or materials.
- If suppliers do not comply with our requirements, this could result in demands for improvement, corrective measures or termination of cooperation.

### **Active corporate citizen**

- We strive to contribute to a better society and support local communities in the locations where we operate.
- We engage with the communities where we operate, and endeavor to provide jobs and professional development for local people.
- We participate in projects and cooperation with industrial networks, schools, universities and research institutes.
- We prioritize the support and sponsorship of organizations that share our values and that benefit the societies and locations in which we operate.
- We take a neutral position on political issues. Neither the company's name nor its financial resources are to be used for political purposes or in a political context.



Nolato is a Swedish publicly listed group with operations in Europe, Asia and North America. We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

Our customer offering comprises most technologies in the field of polymers and spans the entire value chain, from solutions-oriented development to product delivery.

*The Nolato Code of Conduct has been adopted by the Board of Directors of Nolato AB and will be updated from time to time, as necessary. This document can also be found online at [www.nolato.com/nolato-code-of-conduct](http://www.nolato.com/nolato-code-of-conduct).*

*In a separate document, The Nolato Spirit, you can find our core business principles and values in terms of business mission, vision, how we achieve our vision and, of course, our Basic Principles. This information can also be found online at: [www.nolato.com/nolato-spirit](http://www.nolato.com/nolato-spirit).*