



Code of Conduct

December 2024



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Introduction

XANO is an international Group rooted in the heritage of Småland, a region in Sweden known for its tradition of innovation and craftsmanship. We value transparency and strong relationships, and expect responsible behaviour from all our employees and business partners.

To clarify our expectations, we have established this Code of Conduct. The principles of the Code are mandatory for everyone within the XANO Group. It applies to permanent and temporary employees as well as contracted staff, individuals in senior positions, and board members.

The Code of Conduct defines the baseline standard that all companies within the Group are required to adhere to. Suppliers wanting to collaborate with us are also required to commit to these principles.

XANO's Code of Conduct is part of a broader framework where our Environmental Policy deepens our commitments and provides more detailed descriptions.

The overall responsibility for this Code of Conduct lies with the XANO Group Management and Board of Directors. Responsibility for its implementation and communication lies with the Managing Director of each Group company.



Our values

Our operations are built on long-established values. They form the core of who we are and summarise our shared identity. Our values guide us in taking the necessary steps to achieve our vision of becoming a market leader in sustainable business.

Entrepreneurship

XANO is built on a strong entrepreneurial drive and a culture where all employees assume responsibility and show personal commitment to driving progress.

With a culture fuelled by a desire to take initiative, think innovatively, and deliver results, we not only strengthen our own competitiveness but also support the growth of our employees and partners.

Innovate for the Future

We have an inherent drive to stay at the forefront by combining advanced technical expertise with strong innovation capabilities.

By leveraging our technical strength and a long-term strategy, we develop solutions that not only create value today but also contribute to a sustainable future.

Better Together

It is our firm belief that success is built on collaboration – both within the Group and with our partners.

We also recognise that our employees are our most valuable resource, and we believe in supporting each other to reach our full potential. Together, we create an inclusive culture where every individual plays an important role, and where we are strongest as a team.

Resilience and responsibility by innovative minds

Grounded in our values, we are making this promise to all our stakeholders:

To be resilient and, with our deeply embedded long-term perspective, remain steadfast in challenging situations while seizing opportunity at every turn.

To act with responsibility through sound and ethical business practices, caring for people and striving to minimise our environmental impact.

To let innovation be at the core of our operations and always be driven by our employees' creativity and teamwork, enabling us to develop advanced solutions, make them accessible to our customers, and fulfil our commitments.

Our business principles

As part of a global value chain, impacting people, the planet, and the economy, we have a responsibility to act ethically, sustainably, and with integrity. We strive for long-term sustainable relationships and to conduct business in a responsible manner. Our Code of Conduct is a key tool that supports this work and ensures that we live up to our high ambitions.

To promote sustainable business practices, we communicate our Code of Conduct to all our stakeholders – employees, customers, suppliers, and other partners.

We adhere to internationally recognised guidelines and principles¹ and work to integrate environmental considerations, combat corruption, and promote transparency throughout our operations, while influencing every part of our value chain in the same direction.





Legal compliance

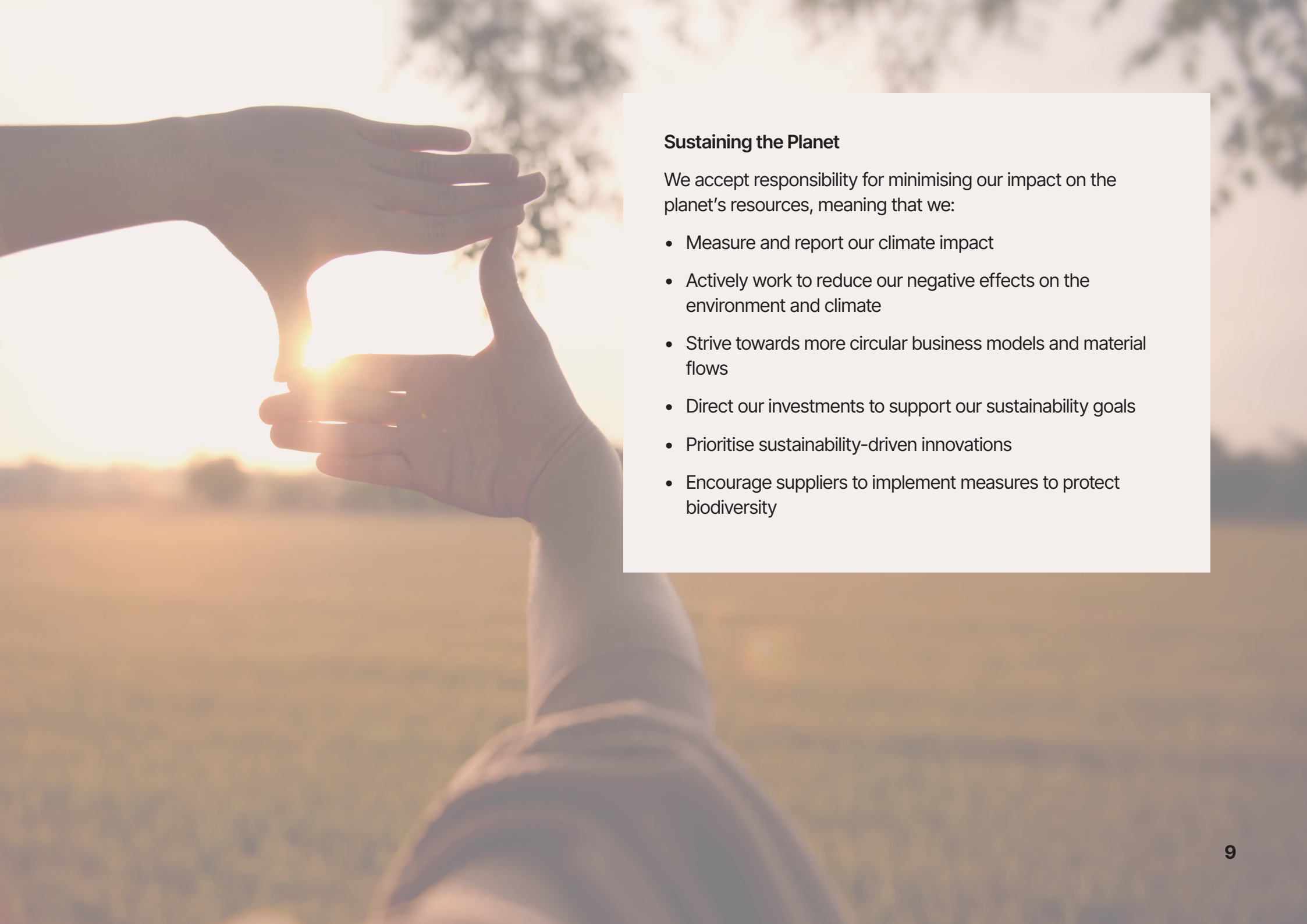
A fundamental requirement for our operations, as well as for those who wish to be part of our value chain, is compliance with the laws, regulations, and directives applicable in the countries and regions where we operate.

In cases where the requirements differ between this Code of Conduct and applicable legislation, the highest standard must always be adhered to.

Sustainable business practices

Sustainable business practices are a fundamental principle that should permeate our activities – every aspect of our own operations and every link in our value chain. We have established a roadmap that guides our sustainable transition and ensures that all entities within the Group work towards the same goals.

Our roadmap is built on three key pillars: **Sustaining the Planet, Owning Social Responsibility** and **Driving Sustainable Business**.



Sustaining the Planet

We accept responsibility for minimising our impact on the planet's resources, meaning that we:

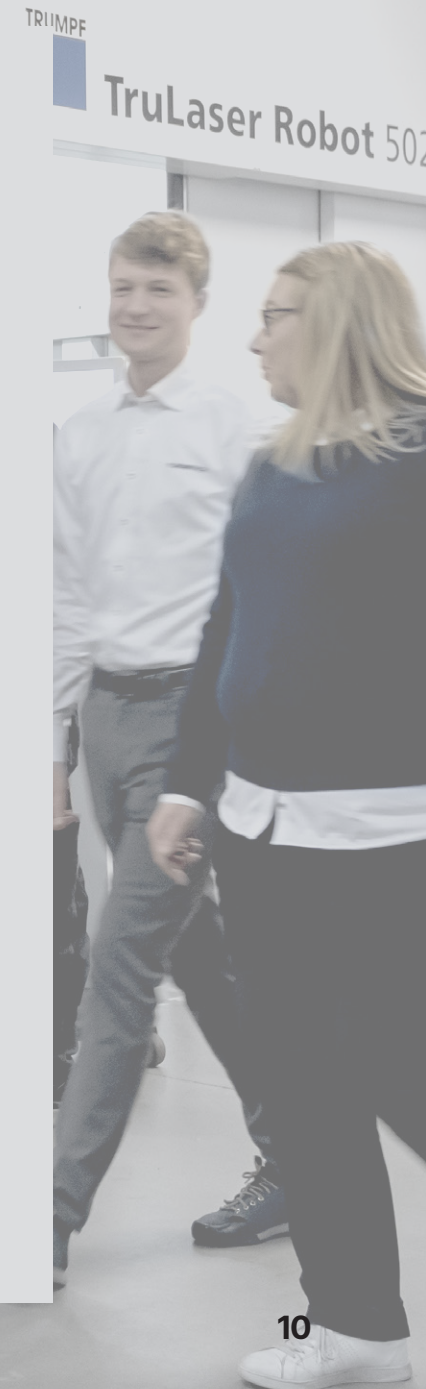
- Measure and report our climate impact
- Actively work to reduce our negative effects on the environment and climate
- Strive towards more circular business models and material flows
- Direct our investments to support our sustainability goals
- Prioritise sustainability-driven innovations
- Encourage suppliers to implement measures to protect biodiversity




Owning Social Responsibility

We accept responsibility for the people impacted by our business, both within the Group and throughout our supply chain, meaning that:

- We respect and support international conventions on human rights. Child labour is not accepted in any part of our value chain. All work must be carried out voluntarily and without threats of violence or other unethical coercion.
- Every employee has the right to a healthy and safe working environment. We endeavour to minimise work-related accidents and illnesses. We encourage a healthy work-life balance and strive to create favourable conditions for this in collaboration with our employees.
- We provide our employees with security through stable employment conditions, regulated working hours, and wages in line with established practices in the country of operation.
- All employees have the right to freedom of association and to participate in collective bargaining without fear of reprisals.
- We apply the principle of equal pay for equal work and strive to ensure gender equality and pay equity between men and women.
- Discrimination based on nationality, skin colour, pregnancy, religion, caste, ethnicity, gender, gender identity, age, marital status, sexual orientation, illness, disability, or union and political affiliation is not tolerated. This applies to all parts of our operations, but particularly in recruitment, compensation, promotion, task allocation, skills development, and termination.
- No form of harassment, abuse, or threats is permitted in the workplace.
- We work systematically with skills development and establish plans for the training and development of our employees. This includes training in the Group's policies, guidelines, and procedures.





Driving Sustainable Business

We strive to conduct sustainable business at every level, meaning that we:

- Develop strategies and make business decisions with a focus on environmental responsibility, human well-being, and sustainable profitability
- Build partnerships with customers and suppliers based on shared values and open dialogue
- Ensure that our suppliers meet our requirements for sustainability, ethics, and transparency
- Maintain zero tolerance for corruption and bribery in all parts of our operations
- Comply with applicable legislation and recognised principles of business ethics to promote fair and healthy competition
- Commit to reporting financial and sustainability-related information with full transparency and accuracy
- Protect personal and confidential information and handle it with integrity, in accordance with GDPR and other applicable legislation



Reporting and whistleblowing

We are dedicated to acting responsibly and maintaining the trust of our employees, partners, and the public in our operations. We take necessary measures to prevent irregularities and identify potential misconduct at the earliest possible stage. For this reason, we provide a whistleblowing service, with an external reception function, where all employees within the Group are encouraged to report suspected serious misconduct. The service is also available to external parties.

Employees also have the option to report any misconduct to their immediate manager. External parties may choose to report to their contact person within the Group.

All cases received, either via the whistleblowing service or other channels, are investigated as quickly as possible. If actions are deemed necessary, they are implemented without delay.

The whistleblowing service can be accessed at xano.se.

Compliance, monitoring and deviations

Compliance with the XANO Code of Conduct

The responsibility for ensuring that this Code of Conduct is followed and communicated internally lies with the Managing Director of each Group company. The Code of Conduct must be included in every employment contract, and all employees are required to adhere to its principles.

Suppliers must ensure that XANO's Code of Conduct is upheld within their own operations and make every effort to make certain that the principles of the Code are also respected within their own supply chain.

Signing a proprietary Code of Conduct (by subsidiaries of XANO Industri AB or suppliers) that incorporates all the principles outlined in this document is considered equivalent to signing this Code of Conduct.

Monitoring

Compliance with the Code of Conduct is monitored annually within each Group company.

Compliance with the Code of Conduct in the supply chain is monitored at least every two years. For suppliers in high-risk industries or geographical risk areas, monitoring is conducted annually.

Deviation management

In the event of identified deviations, we collaborate with the relevant parties to implement corrective actions within a timeframe adapted to the severity of the deviation. If serious or repeated deviations occur and are not addressed, this may result in disciplinary actions internally or the termination of partnerships with suppliers.





Notes

1. Guidelines and frameworks adhered to:

- UN Guiding Principles on Business and Human Rights (UNGPR)
- OECD Guidelines for Multinational Enterprises
- UN Global Compact
- UN Convention on the Rights of the Child
- ILO Core Conventions (87, 98, 100, 111, 138, 182)
- ICC's Rules on Combating Corruption in Business (International Chamber of Commerce)
- The Paris Agreement
- UN Sustainable Development Goals (Agenda 2030)