

# CODE OF CONDUCT

ENGCON GROUP



# A WORD FROM THE GROUP CEO

engcon Group is an expanding business and we're growing all over the world. This means the image we present to the world, both as individuals and as a company, is vitally important. The Group's primary assets are our committed employees, our unique product process, our strong brand and of course our customers.

Our Code of Conduct is based on our values and provides guidance in how we must behave and make good day-to-day decisions. Read the Code of Conduct. Talk to your line manager and your colleagues about how to apply it. Speak up if you notice any process or behaviour that is not in keeping with our core values and brand. How each and every one of us acts defines our brand and also how the outside world perceives us. We must build long-term relationships and partnerships with our stakeholders based on this Code of Conduct.

Our journey has only just begun. We must show great respect for our customers, the world at large, our environment and take an active part in driving sustainable development within our industry.



**Krister Blomgren**

President and Group CEO, engcon Group



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# 1 WHY WE HAVE A CODE OF CONDUCT

*Engcon strives to create added value for customers, employees, suppliers and shareholders, while contributing to sustainable development. To achieve this, we are actively working using good business ethics and social commitment. We take into account the climate and environment and strive for long-term and trusting relationships. The Code of Conduct summarizes what we stand for and highlights our vision of success by describing our values and expectations concerning employees and business partners. How each and every one of us acts defines our company and also how the outside world looks at us. Our journey has only just begun. Together we take responsibility when we change the world of digging.*

## 2 ABOUT THE CODE OF CONDUCT

The Code of Conduct outlines the core values of engcon. They guide us in everything we do.

The Code of Conduct is based on the UN Global Compact and its 10 principles in the areas of Human Rights, Labour Law, Environment and Anti-corruption.

The Code of Conduct applies to everyone in the engcon Group including Mählers, from board and management, to individual employees, and the content of the Code shall be respected and followed.

- We demand that the Code of Conduct be respected and followed by our business partners (customers, partners, suppliers).
- The Code of Conduct provides a comprehensive framework and can be complemented by detailed rules and guidelines for individual areas.
- Where the laws of an individual country are more far-reaching than this Code, the law of the individual country concerned shall of course be complied with.

## 3 OUR COMPANY - THE ENGCON GROUP

### 3.1 Our vision and mission

If we are all to pull in the same direction it is essential that we all have the same objective – our vision.

Our vision reads *“Change the World of Digging”*.

engcon's mission is as follows *“To become the world's leading, independent manufacturer of advanced attachments for excavators worldwide”*.

Mählers' mission is *“Mählers shall be the leading manufacturer of road maintenance products and equipment for trucks and graders”*.

### 3.2 Our core values guide us

Our core values are the essence of our company's identity. They shape our culture, reflect what we value and above all, supports our vision - *“Change the world of digging”*.

What we believe in, the way we think and how we act is key in showing what engcon is about. Our values strengthen our brand, ensures we are moving forward and are crucial in creating success in everything we do. With our core values as foundation, we also put emphasis on using common sense throughout all our everyday undertakings.

Our end customers are at the heart of everything we do. We always aim to reach beyond our customers' expectations and to successfully do so – each and everyone of us are invaluable.

## **Professionalism**

*We're honest, transparent, and dedicated to doing what's best for our customers, colleagues and our company.*

- We respect others, express sincere appreciation, and positively influence those around us.
- We always do our best and take pride in everything we deliver.
- We learn from our experiences and see mistakes as a path to success.

## **Commitment**

*We are proud and committed ambassadors for the company.*

- We value being part of a company that makes a difference and we are willing to go the extra mile to get the job done.
- We work hard but we also believe fun should be part of everything we do.
- We approach everything with a positive mindset – nothing is impossible at engcon.

## **Flexibility**

*We are devoted to the success of our company and we go above and beyond to prove it.*

- We value our relationships and always give our customers and colleagues the best possible service.
- We do what is best in each situation - regardless of our (specific) role in the company or our everyday tasks.
- We are receptive, flexible and innovative in order to exceed our customers' expectations.

## **Initiative**

*We take action and make bold decisions.*

- We encourage innovation knowing that we all have the power to make an impact on the business.
- We take initiative without being asked or told to do so – we do not wait for others to act.
- We take chances, with the knowledge that great things come from those willing to take the leap.

## 4 WE TAKE SOCIAL RESPONSIBILITY

### 4.1 Fundamental human rights and working conditions

Fundamental human rights shall be known, respected and applied equally to all employees regardless of their form of employment.

All employees have the right to join associations and organisations that they choose themselves, and to negotiate collectively with the trade unions with which engcon Group has agreements.

We do not accept any forms of modern slavery, such as forced labour, debt slavery and human trafficking. We respect children's rights to personal development and education and we do not use child labour.

We dissociate ourselves from the purchase of sexual services and other activities that may involve supporting trafficking of human beings during or after working hours in connection with work travel. This means any involvement in trafficking in sexual services, such as payment for sexual services or visits to strip clubs. This applies regardless of the country in which it takes place or whether it is permitted or prohibited in that country.

If there has been a violation of human rights in the engcon Group's activities, we shall always address the specific problem and ensure that it does not happen again.

#### ***Here's how it affects you as an employee:***

- You have the right to receive support and guidance from recognised trade unions and agencies for workers' organisations.
- As a manager, you may not interfere in employees' decisions regarding the representation or membership of trade unions.
- You have the right to receive a written confirmation of your terms and conditions of employment.
- Your salary shall meet or exceed the statutory or agreed national minimum standards in the industry.
- You may never purchase sexual services, or visit strip clubs, whilst on duty or off duty in connection with business travel.

### 4.2 Collaborations, sponsorship and community engagement

We are at the forefront of development in our industry, in societies where we operate and within our own group, through collaborations, sponsorship and community involvement.

We are business-like in our relations with our partners and our collaborations are based on written agreements in which the arrangement is regulated.

Sponsorship is a way for engcon to be seen in positive contexts to strengthen the brand. We only collaborate with serious actors. Our sponsorship agreements can involve cultural or social projects or sport and leisure.

We do NOT support projects that can cause offense, generate disfavour or be perceived as unethical.

Collaborations, Sponsorship and Community engagement are strategic tools to demonstrate engcon's local commitment and to strengthen our brand. We are keen to create proud employees, which in turn enhances the image within the company while strengthening engcon's profile externally. Our collaborations will also help to develop Strömsund into a more attractive municipality in which to live and enjoy.

#### ***Here's how it affects you as an employee:***

- Evaluate whether a collaboration benefits the Group in terms of customer or business benefits.
- Read through our Sponsorship policy.
- Evaluate any risks involved in a collaboration activity, such as ensuring that the collaborative activities are in compliance with laws, rules and ethical standards.

### 4.3 Diversity, gender equality and inclusion

Our view of diversity and gender equality is based on the notion that people's differences contribute to an attractive and dynamic workplace. We shall offer a workplace where differences are respected and appreciated. Both our employees and customers shall feel included.

We will strive for our workplaces to reflect the diversity of society as a whole.

All current and potential employees shall be treated fairly and without prejudice regardless of gender, transgender identity or expression, sexual orientation, religion or other beliefs, ethnicity, disability or age. This means that we do not discriminate in recruitment, salary setting, skills development, promotion, disciplinary procedures, dismissal or in our daily dealings with each other.

Similarly, our suppliers, customers and other stakeholders are treated fairly and open-mindedly.

No employee should be subjected to abusive discrimination such as bullying, psychological violence, physical violence, social exclusion, sexual harassment or any other form of harassment.

Recruitment, development efforts and promotion are based on competence, qualifications, merit and performance. In the case of equal qualifications in recruitment, we prioritise an underrepresented gender.

#### ***Here's how it affects you as an employee:***

- You demonstrate good judgment towards your colleagues, towards our suppliers, customers and other external stakeholders. This means, among other things, not adopting an attitude, language or behaviour that can be perceived as offensive, sexist or excluding.
- If you find out that another employee is violating, harassing or discriminating against a colleague or external contact, you have a responsibility to act. If you have spoken out and no change occurs, inform your immediate manager. You can always depend on the support of HR if you are unsure how to act.
- If you receive a report of abusive discrimination, you are responsible for reporting the case to HR, which must ensure that it is investigated impartially and confidentially.
- As a manager, you are an example and you work actively against discrimination and abusive discrimination.

### 4.4 Health, work environment and safety

Feeling motivated by your work is fundamental to good health. Each employee within the engcon Group should therefore be given the conditions to:

- Know the goals and vision of the business
- Understand their role and importance of their own work
- Influence their own work situation
- Feel responsible for their work tasks and have the necessary tools to complete them
- Develop their own skills
- Take responsibility for their own health

The employer has the main responsibility for the working environment and shall work systematically on work environment and fire protection. The goal is to create a physical, mental and socially healthy and progressive workplace for all employees. Risks of occupational injuries and occupational ill health should be mitigated, and through our preventative healthcare work stimulate and create conditions for our employees to promote their own health.

Each manager is responsible for ensuring that active work environment work is carried out and for the safety of employees. Managers shall give instructions and ensure that these are followed, as well as creating an understanding of the necessary safety measures. All employees are responsible for their own safety when carrying out their work, and must therefore comply with all safety regulations and observe appropriate precautions to help prevent accidents. All employees also have a responsibility to point out risks and shortcomings in the working environment for their immediate manager.

Work adjustment and rehabilitation are an important and natural part of ongoing HSE responsibilities to employees.

The engcon Group rejects the use and/or influence of alcohol and drugs during working hours. An alcohol and drug-free workplace is an absolute prerequisite for the safety of our employees, the working climate, health and safety.

***Here's how it affects you as an employee:***

- You as an employee should be involved in the work environment work by pointing out risks and shortcomings in the working environment to your immediate manager. Recording and reporting incidents and accidents.
- You should comply with safety precautions and use protective equipment wherever necessary.
- You shall actively participate in your rehabilitation and work adaptation.
- You shall not be under the influence of alcohol or drugs during working hours.
- If you see that someone is under the influence of alcohol or drugs, you should immediately report it to your nearest supervisor, who will be responsible for taking the necessary steps.

## **4.5 Road safety**

Several of the engcon Group's employees operate vehicles as part of their work. All employees shall act in accordance with current legislation in the country in which the vehicle is driven, apply a safety mindset, be environmentally conscious and cooperate with fellow road users. This applies to travel in our own vehicles or company vehicles during working hours.

***Here's how it affects you as an employee:***

- Follow the applicable traffic rules.
- Set a good example to other road users.
- Adjust your speed to the prevalent traffic situation.
- Plan your travel time in advance so that you have a good time margin.
- Wear your seat belt.
- Use hands-free communication devices.
- Not be under the influence of drugs or alcohol.
- Make sure the vehicle is road-worthy and has the necessary road safety equipment.
- Damage to or faults on the vehicle shall be rectified immediately.
- Any fines incurred are the responsibility of the individual driver.

# **5 WE TAKE RESPONSIBILITY FOR THE ENVIROMENT**

## **5.1 Environment and sustainability**

The engcon Group strives to adopt continuous improvements to reduce our environmental impact, which is mainly in the areas of transport and energy use in premises, as well as chemical and waste management. By continuing to grow and increasing the spread of our tiltrotators with accessories, thereby revolutionising the construction industry, reducing the risk of accidents, streamlining fault seekers and reducing fuel consumption, we contribute to a positive effect on the environment.

Environmental issues are an integral part of our business and we are actively working to reduce our own environmental impact and that of our subcontractors. We shall comply with applicable legislation and customer requirements, we are environmentally certified according to SS-EN ISO14001. There are available and communicated procedures to ensure compliance with applicable laws and regulations for the business. We coordinate group-wide work by using the same standards and methods as much as possible.

Through information and education, we increase knowledge about environmental and sustainability issues among our employees.

We work systematically by continuously setting targets, measuring, monitoring, revising and improving activities from an environmental and sustainability point of view. We report our environmental impact and the efforts made in the environmental field through the annual sustainability report.

***Here's how it affects you as an employee:***

- Do what you can to reduce the environmental impact caused by your own work, such as source sorting.
- All employees should know and comply with relevant legislation and internal rules.
- Chemical products should be used with caution. The associated safety data sheet shall always be available and safety precautions should be followed.
- The Group's Environmental Manager is responsible for ensuring that all employees receive relevant training in environmental matters.

## **5.2 Travel on duty**

The engcon Group shall utilise climate-smart, cost-effective and safe means of travel. We continuously follow up our travel and are constantly working to reduce both costs and environmental impact. All travel shall have a purpose that meets a necessary need for the service. All travel must have a purpose that meets justifiable business needs. Wherever suitable, choose digital meetings. When planning and booking travel, each employee shall base their plans on the engcon Group's **Rules and guidelines for business travel**.

***Here's how it affects you as an employee:***

- You are expected to know, understand and apply our travel rules.
- In case of uncertainty in connection with planning and booking of travel, always contact your immediate manager.

# **6 WE ONLY DO RESPONSIBLE BUSINESS**

## **6.1 Business and accounting policies**

We shall act as a reliable and honest Group and live up to our commitments. We respect and comply with competition rules, environmental legislation, labour laws, agreements and safety requirements, as well as other provisions that set a framework for our activities in all countries where we operate.

We believe in long-term business relationships where we together with our business partners create the basis for good financial results.

All financial transactions shall be recorded in accordance with the Group's accounting principles and shall comply with applicable laws, rules and standards. Accounting shall display all transaction teams in a correct and non-misleading manner. External financial reporting shall be reliable and complete.

***Here's how it affects you as an employee:***

- You take responsibility for maintaining accurate accounting and documentation.
- You shall follow local practices and instructions for reporting expenses.
- You must not report personal expenses as business expenses.
- As a manager, you are responsible for ensuring that you and your employees have knowledge of, and follow the company guidelines.

## 6.2 Sound competition

We believe that our products are successful in a competitive market and that a fair market situation benefits us. We compete based on the benefits of our products and our good service, and do nothing that violates competition law, such as secret agreements with competitors. We treat our suppliers professionally and we choose suppliers based on objective criteria.

### ***Here's how it affects you as an employee:***

- Use only legal methods to collect information about competitors.
- Do not make any agreements with competitors on important issues such as pricing collusion, market sharing or customers.
- Never exchange commercially sensitive information with competitors.

## 6.3 Anti-corruption, including gifts and entertaining

Corruption distorts the market, disrupts free competition and violates legislation. It damages the brand and destroys the reputation of the companies and individuals. We do not participate in and do not support any corrupt activity, such as offers or the receipt of bribery, gifts or representation that are considered excessive. Neither directly nor indirectly.

We do not accept any suppliers or partners who offer bribes and we will take appropriate measures if such action is discovered.

No employee may receive through their position or role in our organisation, demand, accept or receive personal gains in the form of gifts, offers or goods from a supplier.

All representation shall be characterised by moderation and judgment so that the parties maintain full credibility, and an independent position vis-à-vis each other.

All payments and transactions shall be accounted for correctly.

### ***Here's how it affects you as an employee:***

- Always operate within the guidelines set out in our Code of Conduct and make sure you have legitimate business reasons for your actions and decisions.
- Do not give or accept bribes or anything else that may be perceived as a bribe. Bribery means cash, gift cards or anything else that may correspond to cash, job offers, services, travel, promises of debt payment or gifts and entertainment that may violate the law.
- Never accept anything from a supplier, business partner or anyone else if it can affect, or may be perceived to be able to influence, your ability to be objective when making business decisions.
- Gifts and participation in events with more than a symbolic value may not be received or given without the approval of your immediate manager.
- Lunches or dinners with relevant and clearly defined business purposes are acceptable. The scope shall be reasonable and appropriate, both in terms of value and frequency.
- If a supplier or business partner offers you inappropriate gifts and entertainment, take it up with your manager.

## 6.4 Conflicts of interest

As an employee within or business partner of the engcon Group, we have an obligation to promote the good of the company, and to avoid or inform about situations where our private, economic or other external interests conflict with our responsibilities or our business relationship. In some cases, even the appearance of a conflict can damage our reputation or efficiency.

***Here's how it affects you as an employee:***

- Be aware of situations that may prove to be conflicts of interest. If you are facing a conflict of interest, talk to your manager to resolve the issue.
- Do not enter into private transactions with suppliers or customers on terms not available to others, such as special pricing, financing or discounts.
- Make business decisions in the company's interest and not to benefit yourself personally or your family. Potential conflicts that need to be informed of may be:
  - » Having a close relationship with someone subordinate to you or may employ.
  - » To have a sideline either in the form of a side business or in the form of a job with a supplier, other business partner or competitor.
  - » If a family member gets a job with a current or potential customer, supplier or competitor, especially if it is a key role involving decision-making.
  - » If you or a family member has a significant financial investment in a current or potential customer, supplier or competitor.

## **6.5 Quality**

engcon strives for continuous improvements in all areas and at all levels with a large 5S focus. We are quality certified according to SS-EN ISO 9001.

Our goal management means that we: measure, follow up and improve in all areas. We strive to maintain a close relationship to the end customer through fairs and communication in order to continuously take advantage of customers' views on our products. Through the complaint process, we endeavour to react as soon as possible to emerging new problems in the market and we follow the cost of complaints very closely to monitor and capture perceived trends. Our complaints as well as all internal production errors are recorded, followed up and addressed through our internal Quality Assurance system (QAS).

In our manufacturing, great responsibility lies with our subcontractors, with whom we work closely with. In our own production we work with continuously updated assembly instructions.

Our means of working is described in the processes of our Group-wide business system with responsible process owners, who are responsible for continuously reviewing and improving each process. Internal audits are carried out every month, on a rolling schedule, to ensure that our business system works as intended. External audits are carried out annually.

***Here's how it affects you as an employee:***

- You should know, and keep up to date with changing information relating to current and new processes within your working responsibility.
- Should you discover errors and deficiencies according to current procedures, report them immediately to your supervisor.
- As a manager, you are responsible for controlling your production via the correct metrics.

## **6.6 Purchasing**

Purchases within the engcon Group must always be carried out responsibly. Through responsible purchasing, we can ensure reliable and long-term business relationships. We expect our suppliers to comply with national laws and regulations and to respect international conventions. We also require our suppliers to comply with our Code of Conduct.

The engcon Group's **Supplier Handbook** details and clarifies all the requirements that we place on ourselves and our suppliers.

***Here's how it affects you as an employee:***

- All orders must be placed in accordance with internal rules and approved by qualified decision-makers.
- Everyone who works on purchasing should be familiar with and base their work on our Supplier Handbook.
- In case of uncertainty about how a particular purchase should be made, check with your immediate manager.
- You have an obligation to inform if there are deficiencies in suppliers or products.

## **6.7 Communication and information**

The Group's Marketing Department works on the basis of engcon's vision, business concept and strategies. External communication will strengthen the brand and create business value. The foundation of all our communication is centrally set with the possibility of local adaptations in dialogue with the Marketing Department.

The administration of local communication on social media is delegated out to administrators in each country in order for it to be relevant. All images, videos and texts published shall follow the guidelines described in engcon's Social Media Policy.

We stay up to date on and comply with marketing laws in the markets we operate in. We are transparent in our dialogue with end customers and partners.

Our information is based on transparency, its availability and that we employees actively take initiatives to find out the facts.

***Here's how it affects you as an employee:***

- Take part in and apply the content of the Communication Policy, Social Media Policy and the Code of Conduct.
- As a manager, you are responsible for ensuring that your employees are well informed about the Group's Communication Policy, operations, vision, goals, strategies and values.
- Do not speak in an external context until your manager and/or management team has been consulted. Spokespersons in the Group are regulated in the Communication Policy.
- Have your strategy ready before starting any communication, i.e. purpose, target, target group, message and channel selection.
- As an employee of the Group, we are representatives of engcon and act with respect to the people we meet both internally and externally.

# **7 WE TAKE RESPONSIBILITY WHEN WE MANAGE THE COMPANY'S INFORMATION AND ASSETS**

## **7.1 Confidential information**

We and our business partners (customers, partners and suppliers) are all obliged to protect information that can be considered confidential. Theft, unauthorised use or disclosure may cause damage to our business. This includes all information that we do not publish about our processes, our products, our innovations and our economic or strategic plans or our position.

***Here's how it affects you as an employee:***

- Make sure you have permission and a legitimate business purpose before you disclose confidential information to someone outside your company.
- Never post the company's confidential information on social media. Do not discuss confidential information in public places and never leave confidential material unattended.
- Protect the confidential information that suppliers, business partners, and others share with us.
- If you need to share confidential information, a Non Disclosure Agreement shall always be signed.
- Remember that your obligation to protect confidential information may apply even after you have left the company.

## **7.2 Intellectual, physical and financial assets**

The engcon Group's intellectual assets, such as technical inventions, patents, copyrights, know-how, trade secrets, etc., are very valuable assets, but that value may be lost or compromised if this property is abused or disclosed in an improper manner.

The engcon Group's financial assets, physical property and company equipment, systems and networks, are critical to our continuous productivity and company success. We shall use these assets responsibly and protect them from theft, negligence and waste and we shall use good judgment when using company funds.

We place the same demands on our business partners when it comes to managing our intellectual, physical and financial assets.

***Here's how it affects you as an employee:***

- Be sure to protect engcon's trade secrets, inventions, etc. and do not publish or disclose them unless you have specific permission to do so.
- Respect and do not use materials that constitute the intellectual assets of others without the permission of engcon and third parties.
- If you have access to confidential information or intellectual property, you should handle it appropriately, protect it from unauthorised disclosure and use it only in a permitted manner.
- Do not use the company's assets, such as equipment and means to benefit yourself or someone else personally.
- Report all theft and misuse of the company's stock, cash, equipment, materials and other assets.

## **7.3 Protection of personal data**

The engcon Group protects people's privacy. When entrusted with personal data, we handle it responsibly and take appropriate measures to prevent unlawful use. We comply with all applicable personal data legislation when collecting, using and sharing individuals' personal data.

***Here's how it affects you as an employee:***

- Follow internal policies and procedures when collecting, storing, using or sharing individuals' personal data.
- As a manager, make sure that you and your employees have the necessary knowledge.
- Notify your manager if you have access to individuals' personal data that you do not need.

## 8 WE WANT YOU TO SPEAK OUT!

If you are aware of something that doesn't seem right to you or that violates this Code of Conduct, we want you to speak out.

In many cases, early reporting can help quickly fix a problem and limit any potential damage.

### How do I point out a problem

You can:

- Talk to your manager, or your manager's manager.
- Speak to the department concerned or HR department.
- You can e-mail to [HR@engcon.com](mailto:HR@engcon.com)
- You can write a letter to engcon Group's HR Director.

### Can I report something anonymously

You have the right to remain anonymous. However, we encourage you to identify yourself when you point out a problem. Then we can more easily collect all the facts, investigate the situation properly and have a confidential dialogue with you.

Even if you identify yourself, everything will be done to keep your identity strictly confidential within the company.

### What happens when I've reported a problem

Once you have made a report, the situation will be investigated and appropriate action will be taken. If you've reported a problem in good faith, we'll never accept any retaliation against you. This applies regardless of whatever outcome of the investigation there may be.



# **CODE OF CONDUCT**

**ENGCON GROUP**

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