



GARO GROUP

Code of Conduct

Suppliers

GARO Group AB and its affiliates (or the "Company") (Corp. Reg No. 556051-7772)

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Approved by Joseph Ree, CEO GARO Group



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FORWORD

The GARO Group Supplier Code of Conduct articulates the essential guidelines and principles governing the conduct of our suppliers and their subcontractors. Through this Code of Conduct, we underscore our collective commitment to fostering sustainability and responsible practices, recognizing their pivotal role in achieving mutual success and unlocking significant business opportunities.

This Code comprises fundamental principles that reflect our core values, guiding the conduct and behavior of suppliers and their subcontractors in their interactions with customers, suppliers, employees, regulatory bodies, and other stakeholders.

Grounded in internationally recognized standards, our Code of Conduct draws inspiration from the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Children's Rights principles.

Both our operations and those of our suppliers must be carried out responsibly, aligning with social, ethical, and environmental norms. This entails demonstrating respect for individuals, society, and the environment, and adopting a proactive and long-term approach to our endeavors.

By embracing sustainability, businesses can seize valuable opportunities, such as enhancing brand reputation, attracting conscientious consumers, reducing operational costs through resource efficiency, and accessing emerging markets with evolving sustainability requirements.

This Code of Conduct has been established for our valued suppliers, and we anticipate and trust that it will be diligently adhered to. We hold our suppliers within the GARO Group responsible for communicating the contents of this Code to any subcontractors they engage, or alternatively, ensuring that their subcontractors adhere to an equivalent Code of Conduct.

In our shared pursuit of sustainability and responsible business practices, this Code serves as a beacon of ethical guidance and a testament to our unwavering commitment to the betterment of our world and the pursuit of lucrative business opportunities through proactive sustainability efforts.



1.1. CORPORATE SUSTANABILITY MANAGEMENT

The Supplier is expected to maintain a comprehensive sustainability strategy that encompasses clearly defined goals and Key Performance Indicators (KPIs), along with designated responsibilities within the organization. This strategy should also encompass action plans, policies, and guidelines that align business operations with sustainable practices. Corporate sustainability management entails the proactive management of a corporation's influence on the three crucial bottom lines: profitability, social well-being, and environmental stewardship. By integrating sustainability practices, businesses can harmoniously foster the coexistence and long-term prosperity of these three facets, accompanied by resilience and risk mitigation achieved through dedicated sustainability efforts.

1.1.1. Transparency and Reporting

The supplier should have clear procedures for transparent reporting on sustainability initiatives and progress.

1.1.2. Stakeholder Engagement

The supplier should involve and communicating with various stakeholders, including employees, customers, investors, and NGOs, regarding sustainability efforts.

Suppliers to the GARO Group should have a certified environmental management system in accordance with ISO14001 or its own non-certified system.

1.1.3. Reporting of infringements

In the event of violation or suspicion of a breach of the code of Conduct, a notification must be made. The supplier should have some form of whistle blowing system where employees can anonymously report serious irregularities and malpractices. If a representative from the GARO Group, in contact with You as a supplier or subcontractor, has seriously committed a breach of this Code of Conduct, you can anonymously report this here <http://www.garo.se/en/about-garo/whistleblowing-policy>

1.1.4. Follow-ups

GARO Group suppliers and their subcontractors must let GARO or by GARO appointed representative carry out on-site audits and confidential interviews with employees. Reported data will only be processed to the reasonable extent required for the investigation and according to GDPR.

1.2. SOCIAL

1.2.1. Anti-corruption

The supplier must comply with applicable anti-corruption laws and good practice in the area. As a company, you should not offer benefits or compensation that violate laws or that are incompatible with good business practices. Nor can employees accept third-party compensation that can affect, or is perceived to affect, objectivity when making business decisions.

1.2.2. Discrimination and harassment

All forms of discrimination based on partiality or prejudice are prohibited, such as discrimination based on gender, persons with a gender specific identity or expression, certain ethnic affiliation, religion or other beliefs, political or philosophical beliefs, pregnancy, parenthood, disability, sexual orientation or age.



GARO assumes that employees of our suppliers with the same qualifications, experience and performance receive equal pay for equal work compared to others who perform the same work under similar conditions.

1.2.3. Equality and diversity

The supplier shall strive for a workplace with equal opportunities between female and male employees. No difference should be made on the grounds of gender, ethnicity, disability, age, skin color, income, sexual orientation, religious or political opinion. All employees should be given the same opportunities for development, training and promotion within each business area.

1.2.4. Human rights

Supplier shall support and respect the protection of internationally recognized human rights and ensure not to be involved in any human rights violations.

The supplier shall respect the individual's rights while showing good faith and mutual respect in dealing with employees. Products should be free from conflict minerals (tin, tantalum, tungsten and gold) that originate from conflict-affected and high-risk areas.

1.2.5. Drinking water and efficiency

Clean drinking water should be easily accessible and free of charge for all employees. Implementing measures to conserve water resources and reduce water waste.

1.2.6. Health and safety

The supplier's employees and partners must have a safe and healthy working environment. Measures to prevent and deal with any incidents, accidents and illnesses in the workplace must always be taken.

1.2.7. Machines and equipment

All machinery, vehicles and other equipment used must be safe to use and provided with the necessary safety equipment to prevent damage. Written procedures for preventive maintenance must be implemented and the equipment serviced and inspected in accordance with current legislation.

1.2.8. Safety information

Safety information and warning signs should be easy to locate in all risk areas. Written information and signs must be in a language that employees understand and should describe the risk and what employees should do to minimize it.

1.2.9. Protective equipment

Personal protective equipment must be available and free of charge for all employees who have work tasks with potential risk of injury. Areas where protective equipment is to be used should be clearly marked, for example through illustrative signs.

1.2.10. Sustainability committee and safety walks

A well-established sustainability committee should exist where employees can contribute and influence the development of environmental, social, health and safety in the workplace. Safety walks should take place



regularly. Identified improvements, including risks, must be documented, assigned responsibility and scheduled. Corrective actions taken should be documented and the effect monitored at the next safety walk.

1.2.11. Crisis management

A contingency plan based on identified risks must be available and communicated. Procedures for preventing and managing emergency situations must be implemented.

1.2.12. Working hours

Supplier shall comply with applicable national laws and industry standards regarding working hours and public holidays.

1.2.13. Insurance

All employees must have accident insurance that covers health care for work-related injuries and compensation for disability caused by work-related accident.

1.2.14. Child labor

The supplier commits to ensure that child labor does not occur in its operations as defined in the ILO Convention and shall work to ensure that this does not happen with its subcontractors.

1.2.15. Freedom of association and collective agreement

The supplier must respect the employees' right to form and join the organizations of their choice and negotiate collectively.

1.2.16. Minimum wage

Salaries for normal working hours, overtime work and other overtime compensation should be at least the highest of the minimum amounts prescribed by law or as such compensation normally applies in the supplier's industry. Unlawful, unauthorized or disciplinary salary deductions are not allowed.

1.2.17. Employment contract

All employees must have a signed employment contract before the employment begins. The contract must include at least the name of the employer, the employee's name and social security number, position, salary, working hours, overtime compensation, benefits and notice period.

1.2.18. Recruitment and resignation

Employees shall not be charged any fee in connection with the recruitment and shall have their full right to resign according to the applicable employment contract without penalty or salary deduction. Debt must not be applied to bind employees to the employment.

1.2.19. Sustainability Training and Education

The Supplier shall provide training and educational programs for employees to enhance awareness and understanding of sustainability practices.



1.2.20. Community Engagement

The Supplier should actively seek and be involving and benefiting local communities through sustainable practices, such as job creation and community development.

1.3. ENVIRONMENTAL

1.3.1. Products

The supplier shall ensure that products and materials delivered to the GARO Group follow all applicable legislation and standards. When developing and manufacturing products sold to the GARO Group, as far as technically and economically feasible, the best possible design, construction, materials used and manufacturing technology, from a sustainability perspective, must be considered.

1.3.2. Sourcing

The supplier constantly works on ensuring that raw materials and resources are responsibly sourced, considering ethical and environmental factors. A system for traceability of the origin of raw material should be established.

1.3.3. Carbon Footprint, Emissions Reduction, and Climate Mitigation

The Supplier is required to establish clear objectives and strategies aimed at reducing greenhouse gas emissions and actively contributing to climate change mitigation efforts. The integration of renewable energy sources into their operations should be regarded as a crucial measure for enhancing energy security.

1.3.4. Chemicals

Chemical products must be responsibly handled and replaced with environmentally friendly alternatives if possible. There should be safety data sheets available and known to the employees for each chemical where they are used.

1.3.5. Energy and efficiency

The supplier should focus on energy consumption and efficiency measures to reduce the environmental footprint.

1.3.6. Biodiversity and Ecosystem Protection

The supplier should address the impact of operations on local ecosystems and biodiversity conservation efforts.

1.3.7. Circular Economy

The supplier should promote circularity in product design, materials use, and waste reduction to minimize resource consumption. The supplier shall be connected to waste management systems.

1.3.8. Packaging

The supplier should reduce waste and environmental impact through eco-friendly packaging solutions.



1.3.9. Documentation

The supplier must be able to report substance content of products delivered to the GARO Group in accordance with the international Environmental Product Declaration (EDP) system.

1.4. REVIEW AND CONTACT INFORMATION

This document will be subject to an annual review conducted by the Sustainability Committee, which will ensure that it aligns with our sustainability initiatives, evolving regulations and best practices. If you have any questions or comments about this document or the sustainability efforts of GARO Group, please don't hesitate to contact our Sustainability Manager, Andreas Olsson, at andreas.olsson@garo.se or call +46 370 332 800.

1.5. CONFIRMATION AND SIGNATURE

We hereby confirm as a supplier to the GARO Group that we have read, understood, accepted and will apply the GARO Group's Code of Conduct for suppliers. We understand that the code of conduct applies to us in all markets, including subcontractors, where we conduct business, indirectly represent or work for the GARO Group. We agree that this Code of Conduct should be seen as an integral part of our agreement with the GARO Group.

Company name

Signature

Place

Title

Date

Printed name