

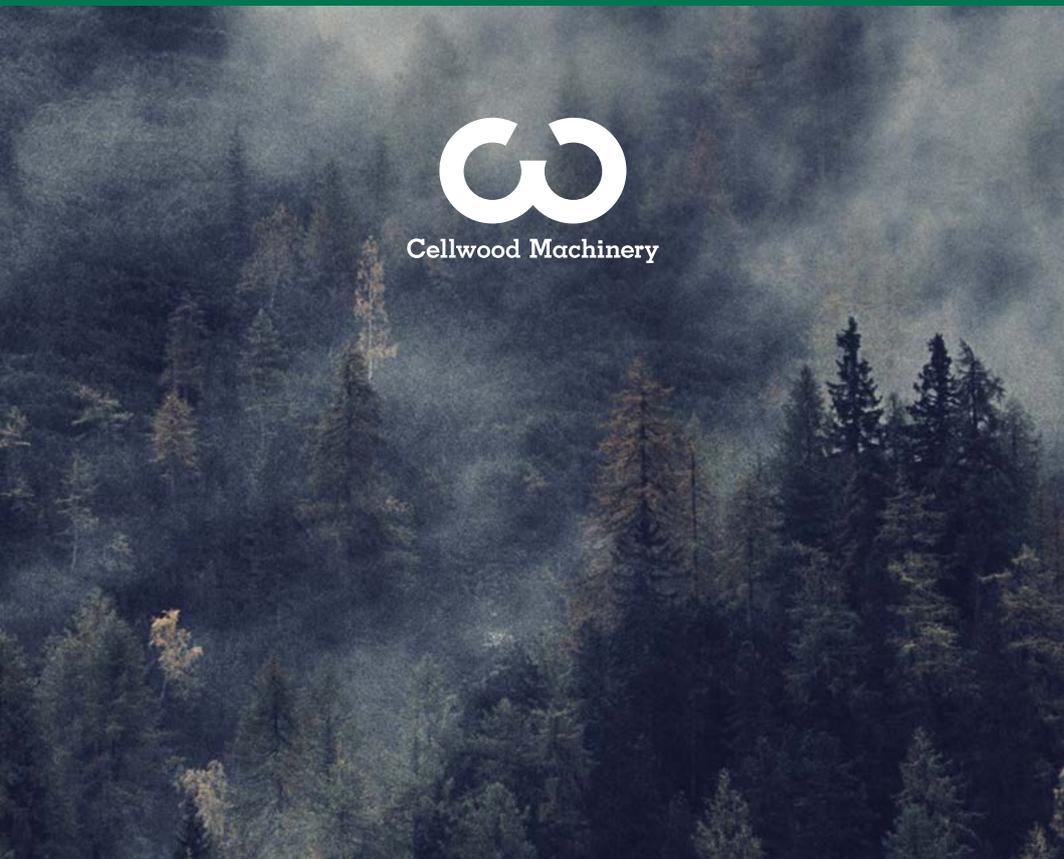


BRUZHOLMS BRUK

The Cellwood Group Code of Conduct



Cellwood Machinery



Code of Conduct for the Cellwood Group

The Cellwood Group currently consists of AB Bruzaholms Bruk and Cellwood Machinery AB. Cellwood Machinery AB also includes subsidiaries in Germany, Canada and China.

Together, we are 115 employees and our products are sold in many different countries across almost the entire world.

This Code of Conduct applies to all employees of Bruzaholms Bruk and Cellwood Machinery, i.e. the entire Cellwood Group. We also place the same demands on our customers, agents, suppliers, contractors and consultants.

We depend on the outside world having confidence in us, and our Code of Conduct clarifies how we should behave as a business partner, employer, employee and social actor. It is fundamental for the companies to be ethically, socially and environmentally motivated. It is equally important to act sustainably in order to create a positive future for employees, companies and society.

The Code of Conduct does not give all answers to all questions how you as an employee should act in different situations. Consider the following questions:

- Is it legal?
- Is it ethically and morally right?
- Can my decision influence the trust held in Bruzaholms Bruk and Cellwood Machinery?
- What would I think if someone else did as I am doing?

Also – always strive to act wisely and with good judgement!

Never hesitate to consult with a manager or colleague if you have any misgivings.

Thank you for taking the time to read and ponder over the Cellwood Group Code of Conduct.

Summary

Careful and wise behaviour is important, whatever the context. To show different perspectives on the subject, this Code of Conduct has been divided into the following areas:

- Code of conduct for sales and purchases
- Code of Conduct for the workplace
- Code of Conduct for our role in society
- Code of Conduct for the future

The purpose of our Code of Conduct is to maintain a healthy, sustainable and enjoyable external and internal environment around Bruzaholms Bruk and Cellwood Machinery in the short and long term. We also want to be perceived as fair companies with high demands on ethics and morals in all areas.

Code of Conduct for Sales and Purchases

► **Having satisfied customers is everyone's responsibility**

All sales of our products and services need to be credible, fair and honest. We and our agents should always strive to live up to our customer's expectations – and be happy to exceed them, though without belabouring the issue. It is the responsibility of every employee to always assist in ensuring that our customers are satisfied.

► **Choose suppliers with care – and take into consideration safety and human rights**

Suppliers need to be selected on the basis of appropriate supplier and contractor assessment procedures. Selected suppliers are required to meet the same requirements as those expressed in our own Code of Conduct. Cooperation with suppliers should take place in an environment which creates added value for Bruzaholms Bruk and Cellwood Machinery. Shortcomings on the part of our suppliers in respect of their perspectives on human rights and security are never acceptable or must never be allowed to occur.

► **Bribes and gifts**

As employees of Bruzaholms Bruk and Cellwood Machinery, we must not give or receive bribes in any form and under any circumstances. The same applies to our agents.

Bribes can be gifts, entertainment or other forms of remuneration in order to influence the recipient to make a favourable decision. Bribery damages our reputation and can also be against the law.

In our business relationships, we may offer and receive normal meals, reasonable entertainment events and items of symbolic value. However, this may only happen as long as it is done with good judgement and does not create any kind of dependency or affect business decisions.

Cash gifts or equivalent are always prohibited, irrespective of their value.

► **Conflicts of interest**

We should always act in the best interests of the company. Employees should never use their position or influence for any purpose other than to promote the interests of Bruzaholms Bruk and Cellwood Machinery. Personal relationships and deliberations should never be allowed to affect decision making. This applies to potential benefits for employees, but also for their relatives and friends.

► **Confidential information should be handled with care**

The expression, "confidential information" should be taken to mean information that we are expected to handle as secret and which may only be used in the right context in the business. Confidential information can come from within the Group, our customers, suppliers or anyone else. It must not be passed on to any party it does not affect. Examples of confidential information are ideas, constructions, technology and manufacturing processes, drawings, data files, routines, business and sales plans, pricing information, financial information, employee personal data, customer and supplier information, business secrets, inventions and patent applications.

► **Intellectual property rights and special knowledge**

Intellectual property rights in the form of, for example, special knowledge (know-how), patents, methodologies and ideas must be taken care of and managed in the best interests of Bruzaholms Bruk and Cellwood Machinery. The intellectual property rights of other parties must also be respected and must not be violated.

Code of Conduct for the workplace

► Security

Our workplaces must be safe and secure – both within the companies' premises and externally with our customers. Security work must be a priority and be undertaken in a focused and preventive fashion. All necessary measures must be taken to prevent accidents and injuries.

► Health and Safety

Bruzaholms Bruk and Cellwood Machinery encourage employees to take care of their health by offering access to a gym and to occupational health care.

Violence, threats, harassment, insults, inappropriate behaviour or language and the like are not tolerated. All forms of weapons, knives and the like carried for the purpose of doing damage are not permitted within the Cellwood Group.

► Responsibility, development and equal opportunities

Bruzaholms Bruk and Cellwood Machinery strive to offer working conditions that stimulate employees to be effective, take on responsibility and continue to develop their overall competence.

No distinction or discrimination may take place as a result of age, gender, ethnicity, religion, sexual orientation, disability or other characteristics protected under law.

► Drugs, alcohol and smoking

Employees may not distribute, hold, use or work under the influence of drugs or alcohol at any of the Group's facilities or in connection with work on behalf of Bruzaholms Bruk and Cellwood Machinery.

Smoking is not permitted, other than in separate, specifically designated areas.

► Harassment and bullying

All employees should treat each other in a friendly manner and with dignity and respect.

Badgering and sexual harassment are prohibited by law. Bullying and other unwelcome behaviours must never be allowed to take place. Managers and supervisors should keep an eye out for any such events and take steps to prevent them.

► Compensation and freedom of association

Bruzaholms Bruk and Cellwood Machinery shall pay salaries and remuneration that, at a minimum, correspond to the levels regulated by collective agreement or by law.

Contracted labour and apprenticeship systems should not be used to circumvent the Group's obligations toward their employees according to current legislation or collective agreements.

All employees have the right to organise themselves. Bruzaholms Bruk and Cellwood Machinery shall respect the rights of all employees to collective bargaining.

Code of Conduct for our Role in Society

► **Community involvement is important**

Bruzaholms Bruk and Cellwood Machinery can make donations to charitable organisations and non-profit organisations (NPOs), where this is consistent with the company's stance. We may also take part in sponsorship activities, but these should preferably be directed at local youth sports organisations or culture, or as a social or humanitarian activity.

We should seek to understand and develop good relations with our immediate surroundings. This is an important part of our long-term perspective.

Bruzaholms Bruk and Cellwood Machinery shall not make financial contributions to political parties or individual politicians. Employees may not receive paid leave for political commitments, but may possibly take time off without pay if this is in accordance with applicable regulations.

► **Smart social digital action**

We live in a technology-rich and internet-driven world. Opportunities are therefore available to Bruzaholms Bruk and Cellwood Machinery to network via social media and the internet.

Our behaviour on the internet (social networking sites, blogs, chat rooms, email, etc.) can have far-reaching consequences. Just as when we meet fellow human beings in real life, the guidelines that apply to good business conduct, ethics and morality in accordance with this Code of Conduct must also apply to our use of the internet.

► **Never child labour**

Bruzaholms Bruk and Cellwood Machinery do not allow child labour in their own business and do not accept that their suppliers or customers employ child labour, either directly or indirectly.

► **Pay taxes in accordance with the law**

Bruzaholms Bruk and Cellwood Machinery must pay correct taxes and comply with tax laws and regulations. This shall apply in Sweden as well as in other countries, when we have operations abroad. If the tax legislation is found to be unclear in the guidelines it provides, Cellwood Group companies should behave with accuracy and openness.

► **Correct accounting and finance**

The Group's accounts and finances must be correct and in accordance with applicable laws and regulations. This embraces the entire business and place a responsibility on all its employees for instituting accurate accounting and documentation.

► **Never violate cartel and competition legislation**

Bruzaholms Bruk and Cellwood Machinery must never participate in the institution of cartels or illegal competitive activities that violate laws and regulations in the countries where they conduct their operations.

Code of Conduct for the Future

► Always think about the environment, health and safety

Environment, health and safety issues are important aspects of Bruzaholms Bruk's and Cellwood Machinery's operations. For the long-term well-being of the Cellwood Group and its employees, it is essential that a requisite focus is placed on the environment, health and safety.

► Openness to change

Being responsive to change and constantly working for better efficiency, facilitates the Group's continuous development. The responsibility falls upon all employees to become actively involved in the digital development taking place and to utilise new methodologies for making sound judgments.

► Sustainability – it goes without saying

Sustainability means adopting courses of action that lead to favourable environmental, economic and social development. Bruzaholms Bruk and Cellwood Machinery must always strive for sustainability as a natural part of their everyday business lives, in both large and small issues. For this to become a reality, every employee needs to participate.

Sustainability is multifaceted. For example, consider the following:

- Offer resource and cost-effective systems and products.
- Comply with laws and regulations and ensure that customers and suppliers also do so.
- Prioritise safety and take preventative safety measures.
- Use energy, natural resources and other resources effectively.
- Promote systems for recycling and reuse of materials.
- Prevent and limit pollution.

► When something doesn't seem right, talk about it – Blow the whistle!

Our Code of Conduct applies to anyone who in any way works with or in Bruzaholms Bruk and Cellwood Machinery. If there is any suspicion of a breach of our Code of Conduct, this must be reported to the immediate superior or other appropriate contact person within the Group.



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