



Document type: <b>Policy</b>	Issue no.: <b>2.0</b>	Decided date: <b>2025-01-20</b>	ID no.: <b>HOGANAS-1015907304-196</b>
Valid for: <b>Group</b>			Position Issuer: <b>SVP General Counsel</b>
Title: <b>Anti-bribery Policy</b>			Position Approver: <b>CEO</b>

## 1. INTRODUCTION AND FUNDAMENTAL STANCE

Höganäs AB (publ) and its subsidiaries (the “**Höganäs Group**”) strive to be responsible members of the corporate community. This is achieved through the adherence to all applicable laws and regulations, strong company values, as well as maintaining good relationships with colleagues, customers, suppliers and with the local communities where we operate.

The Höganäs Code of Conduct has been adopted to state the core principles and values by which the Höganäs Group conducts its business. In order to further clarify and highlight our position on non-acceptance of bribery, the Höganäs Group has adopted this policy (the “**Policy**”) for the prevention, deterrence and detection of bribery and corruption. The Policy is an integral part of the Höganäs’ Code of Conduct.

## 2. PURPOSE

The purpose of this Policy is to provide practical guidance on how to act in accordance with applicable anti-bribery rules and policies, to clarify responsibilities for ensuring compliance and supervision and to highlight the consequences of non-compliance. This Policy shall, as appropriate, be supplemented by documented local procedures and trainings for managing risks in the day-to-day operations.

The Policy is to be implemented throughout the entire Höganäs Group. Group Management as well as individual managers within the Höganäs Group have special responsibility to act and live by the Policy and to set a good example for the rest of the organization.

A violation of Anti-Corruption Laws can lead to severe civil and criminal penalties, for the individual as well as for the Höganäs Group; it also leads to severe reputational harm. It is your responsibility to make sure that you understand this Policy, seek guidance and ask if doubt – a lack of understanding cannot excuse a violation against it.

## 3. SCOPE

The Policy applies to everyone acting on behalf of the Höganäs Group, including the Board, all employees and business partners (“**Business Partner**”) such as consultants, agents and representatives acting on behalf of the Höganäs Group. The Policy applies to authorized distributors if they are entitled to use the Höganäs trademark and/or are involved with promotion activities of the Höganäs Group. The Policy does not apply to distributors acting independently from the Höganäs Group, i.e. when the relationship between the Höganäs Group and the distributor is equal to a customer relationship.

## 4. LEGAL FRAMEWORK

Höganäs conducts its business in different countries, cultures and jurisdictions. The global presence means that the Höganäs Group is subject to a large number of rules and regulations targeting corruption, and that the actions of Höganäs’ employees and Business Partners can fall under several of these regulations.



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The legal framework on anti-corruption and bribery is constantly growing and becoming more complex. Many countries have their own national laws targeting corruption that occurs within that country. However, there are also a number of countries that have adopted anti-corruption laws that are extra-territorial, which means that these laws can apply to the operations of a multinational company like the Höganäs Group even if an act was undertaken outside that country's normal jurisdiction.

When working in and representing Höganäs we must make sure that our actions always comply with:

1. The national law of the country in which we operate and you as a member of Höganäs Personnel work.
2. Swedish law – since the Höganäs Group has its headquarters in Sweden, subject to Swedish law. (See further information in section2.)
3. The United States of America's Foreign Corrupt Practices Act of 1977 (the “**FCPA**”) and the United Kingdom's Bribery Act 2010 (the “**UKBA**”) – since the Höganäs Group conducts business globally and these laws may become applicable due to their extra-territorial nature, and since they are so significant in the area of international anti-corruption.

## 4.1 Some key aspects of Anti-Corruption Laws

Regardless of which national anti-corruption laws apply to you in your daily work, the following Anti-Corruption Laws are of such importance to the business of the Höganäs Group that we provide a short summary of their key points here below.

### 4.1.1 Swedish anti-corruption law

Swedish legislation prohibits bribery within the private sector as well as bribery of public officials and it makes no distinction between bribery of foreign or domestic public officials. However, the involvement of a public official is viewed as an aggravating circumstance and usually makes it more likely that a benefit will be deemed a bribe. It is sufficient that a benefit objectively has the potential to affect the performance of a task or be perceived as a reward for the performance of a task, for the benefit to be considered improper. Besides the taking or giving of a bribe, one can be found guilty of negligent financing of bribery if one provides money or assets that are then used by a third party for the giving of a bribe.

### 4.1.2 The FCPA

The FCPA, the Foreign Corrupt Practices Act, is the main anti-corruption law of the USA. It forbids the bribery of foreign officials (“foreign” meaning other than USA) anywhere in the world, when the purpose of the bribe is to influence an official decision in order to obtain or retain business. Bribery is prohibited whether it happens directly or indirectly, e.g. through agents or consultants



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or similar; liability can also be imposed not only on those with actual knowledge of wrongdoing but also on those who are “willfully blind” and purposefully avoid actual knowledge. The FCPA allows certain kinds of so-called facilitation payments (payments made with the purpose to “facilitate or expedite routine governmental action”). Please note, however, that this Policy prohibits all kinds of facilitation payments. The FCPA also has requirements regarding internal accounting.

#### 4.1.3 The UKBA

The UK Bribery Act is a comprehensive anti-corruption law. It is among the strictest standards with regard to corruption an Anti-bribery. The UKBA applies to both the private and public sector. According to the UKBA it is an offence to 1) offering, promising, or giving a financial or other advantage to induce or reward improper performance of a function or activity, 2) requesting, agreeing to receive, or accepting a financial or other advantage for improper performance, and to 3) offering or giving an advantage to influence a foreign public official to obtain or retain business or an advantage in business. In addition, it is also a corporate offence where a commercial organization fails to prevent bribery by persons associated with it. The UKBA has a broad jurisdictional reach, applying to offences committed in the UK and abroad if the person or entity has a close connection to the UK (e.g., UK citizens, residents, or businesses operating in the UK).

This Act aims to promote transparency and integrity in business practices, both within the UK and internationally and does not allow for any facilitation payments.

## 5. FUNDAMENTAL REQUIREMENTS

The Höganäs Group is determined to compete with fair marketing measures. Our success is a consequence of the quality of our products and the work efforts of our employees and business partners. We will in no way use illegal, unfair or unethical measures in order to obtain or retain a business advantage. Everyone acting on behalf of the Höganäs Group, including management, employees and business partners, is to be aware of and adhere to the Policy as well as supplemental Anti-bribery procedures.

Anyone acting on behalf of the Höganäs Group has a personal responsibility to comply with the Policy and will be subject to disciplinary actions if guilty of violations of the Code of Conduct, the Policy or its supplemental Anti-bribery procedures.

If one is uncertain of the laws, regulations or policies applicable to him or her, one is required to seek guidance from the Local Compliance Partner (see section 8.4) or Corporate Legal.



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## 6. SUSPECTED BREACHES

All Höganäs employees are encouraged to report to Höganäs if they become aware of or suspect violations of this Policy and/or of Anti-Corruption Laws.

Reporting can be made to your manager, Corporate Legal or by using Höganäs external whistle-blower tool SpeakUp which is available on Höganäs intranet Pulse as well on Höganäs external webpage. For more information about SpeakUp, please see the Group Directive – SpeakUp, available in local languages in the Management system.

## 7. EXPECTED CONDUCT

### 7.1 Key Principles

**It is strictly forbidden to directly or indirectly offer, promise, grant or authorize the giving of money or anything of value to someone in order to unduly influence the recipient in the performance of his or her professional duties or in order to obtain or retain an undue business advantage.**

It is irrelevant whether the recipient of the reward is acting within the public or the private sector – improper benefits are always prohibited. The same applies in respect of receiving benefits i.e. it is forbidden for anyone acting on behalf of the Höganäs Group to accept, accept a promise of or request an improper reward for the performance of his or her professional duties.

**The public sector shall be deemed to include government agencies, courts and other public authorities. This is referred to below as the "Public Sector". The Public Sector includes politically exposed persons, i.e. individuals who have been entrusted with prominent political influence or someone closely related to such person.**

**The private sector shall be deemed to include entities and individuals not included in the Public Sector, i.e. companies listed on a stock exchange or otherwise owned privately.**

**With regard to publicly owned (by the state or county council or municipality) companies and private companies whose activities have an element of public authority or otherwise are largely financed by taxes, they fall within the definition of the Private Sector. However, when interacting with representatives of such entities one is to act with extra care.**

The determination of whether a reward is to be considered proper or improper is sometimes difficult to make. The general starting point is that a reward is improper if it is from a general perspective perceived as unwanted or disloyal against the recipient's employer or principal or other. The law takes into account the factors and circumstances that apply in the specific scenario at hand. The professional duties of the parties involved is such a factor, where certain professional



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duties are more sensitive to undue influence than others. Rewards given to those working within the Public Sector are more likely to be deemed as improper and illegal than rewards given to those working within the Private Sector, why extra care must be taken when interacting with representatives of the Public Sector. The nature and value of the reward itself is another factor to take into account, where rewards of high value, rewards of sentimental value and frequent rewards generally impose a higher risk of being deemed as improper. On the other hand, rewards that are granted overtly and are moderate and are not such that they would typically be considered to influence the actions so as to affect the way the recipient carries out the work or the assignment are permitted. This is typically rewards that have functional or social justifications and that can be viewed as a natural part of accepted forms of interactions in the market.

**An improper reward, i.e. a bribe, may take different forms, and the parties involved may classify the bribe as a purchase price or a consultancy fee in order to hide the true nature of the transaction. Bribery often includes (i) kicking back a portion of the a contract payment to employees of the other party, their close relatives or friends or (ii) using intermediaries such as agents or consultants to channel such payments. The typical bribe is money or other property of economic value, but advantages of an intellectual nature, such as recommendations and distinctions or awards, membership to an exclusive club, are also included in the scope. For example a bribe can be; gifts, entertainment, invitations to events or seminars, travel and accommodation, use of property or equipment, job offers and work placements, charitable donations, political donations, services, favors and not least benefits for family and friends.**

## 7.2 Hospitality

Public Sector: Hospitality in the form of lunch or dinner is allowed provided that the expenditure is reasonable and that the lunch/dinner does not coincide with an on-going matter such as business negotiations, legal proceedings or a public procurement. Luxury restaurants are not allowed. Alcoholic drinks allowed in moderation

Private Sector: Hospitality in the form of lunch or dinner is allowed provided that the expenditure is reasonable. Alcoholic drinks allowed as table drink but in moderation.

**If ever in doubt of the appropriateness of hospitality, consult with the Local Compliance Partner or Corporate Legal before you act.**

## 7.3 Gifts

Public Sector: Gifts, including company branded promotions, are never allowed in connection to the Public Sector unless it is clear that the giving of gifts is a well-established and legally permissible local practice of relevant region. The value of a gift may not exceed EUR 100 and the character of the gift must be of a purely representative nature i.e. not intended for private consumption by the recipient.



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Private Sector; Reasonable business expenditures related to company branded promotions are allowed. For example, moderate product samples are acceptable when offered in connection with an event or company visit. Gifts are allowed only in connection with public holidays such as Christmas or Eid, or if it is clear that the giving of gifts is a well-established and legally permissible local practice of relevant region. The value of a gift may not exceed EUR 100 without written approval by the Local Compliance Partner. The value of a gift may under no circumstances exceed EUR 200.

**If ever in doubt if a gift to be granted or accepted, expenditure or similar, is at risk of deviating from this Policy or otherwise is appropriate consult with the Local Compliance Partner or Corporate Legal before you act.**

## 7.4 Events

Events such as seminars or courses organized or attended by anyone acting on behalf of the Höganäs Group shall always have a legitimate business purpose, i.e. the element of entertainment (e.g. tennis, golf, sailing, soccer and other sports events, cooking classes etc.) shall be low.

Public Sector; The element of entertainment shall be kept to a minimum, i.e. the event should be of business relevance to all participating parties.

Private Sector; The element of business relevance to all participating parties shall be prevalent to the element of entertainment and the general market value for the element of entertainment shall in all aspects be reasonable. An invitation to an event organized by the Höganäs Group or its representatives shall always be drafted in such a way that the relevant business purpose is evident. The recipient and his/her principal shall be able to assess from the invitation the content and value of the event, in order to be able to make an informed decision on whether or not to accept the invitation. Further it should be clear from the invitation that by accepting the invitation the recipient confirms that his/her participation is in compliance with relevant corporate policies and has been sanctioned by his/her principal. "Plus-one-invitations", i.e. invitations where the participant is allowed to bring his/her spouse or an extra guest, are not acceptable.

In relation to the Public Sector, an invitation to an event may never coincide with an imminent or on-going matter such as business negotiations, legal proceedings or a public procurement.

**All events organized by the Höganäs Group shall always be pre-approved in writing by the Local Compliance Partner. All events attended by the Höganäs Group shall always be pre-approved in writing by the immediate superior of the person who is to attend the event.**

**If ever in doubt whether to accept or how to draft an invitation, consult with the Local Compliance Partner or Corporate Legal.**



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## 7.5 Charitable Donations and Sponsoring

All charitable donations and sponsoring offered by the Höganäs Group shall be made in a transparent manner, in accordance with applicable laws and Höganäs Group “Sponsorship and Donations Directive”, and pre-approved in writing by the Local Compliance Partner.

## 7.6 Business Partners and Representatives

Anti-bribery law prohibits improper benefits given both directly and indirectly. Hence, it is essential that all Business Partners representing the Höganäs Group apply a high degree of prudence in their relationship with third parties. If these are not selected carefully or if they should act improperly, it can cause material damage to Höganäs Group’s goodwill and could entail legal liability for Höganäs Group and its representatives.

Those within the Höganäs Group responsible for appointing and hiring business partners such as agents and sales representatives, distributors, consultants, customs agents, subcontractors or other similar intermediaries, acting on behalf of the Höganäs Group, should, (i) make clear that they expect all activities carried out on Höganäs Group’s behalf to be compliant with this Policy; and (ii) enter into a written agreement with the Business Partner informing it of this Policy and committing it not to engage in any corrupt practice and with permission to request an audit of the Business Partner’s books and accounting records by an independent auditor to verify compliance with these rules. Further, an audit of integrity shall be conducted evaluating the reputation and standing in relation to anti-bribery compliance, with such Business Partners exposed to bribery or other corruption risks.

In relation to distributors this requirement applies to authorized distributors in such case they are entitled to use the Höganäs trademark and/or are involved with promotion activities of the Höganäs Group. The requirement of an audit of integrity does not apply to distributors acting independently from the Höganäs Group, i.e. when the relationship between the Höganäs Group and the distributor is equal to a customer relationship.

The audit is to be performed as an integrated part of Höganäs “Group Procedures – Agents and Distributors” through a third-party risk assessment, prior to entering into a business relation and all Business Partners are to contractually agree to comply with applicable Anti-bribery laws and the Policy of the Höganäs Group. The audit should be expanded if circumstances come to light giving rise to questions about a Business Partner’s reputation or capacity to comply with anti-corruption law in its dealings with or on behalf of the Höganäs Group, and if the risk assessment results in high risk of exposure.

There are standard clauses used by the Höganäs Group in order to ensure contractual third-party compliance. These standard clauses shall be applied in all Business Partners relationships. If ever in doubt as to how to draft an agreement, consult with the Local Compliance Partner or Corporate Legal before you act.





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**Any expanded audit of a Business Partners shall be overseen and coordinated by Corporate Legal. More on the procedure on risk assessing Business Partners can be found in the Group Procedure – Agents and Distributor in the Management System.**

In addition, specific compliance due diligence, in accordance with applicable Höganäs Group procedures for third party risk assessment, is to be performed prior to entering into joint venture agreements or conducting a merger or an acquisition.

## 7.7 Do's and Don'ts

### 7.7.1 Do's

- Do contact the Local Compliance Partner or Corporate Legal if ever in doubt of whether a specific benefit such as hospitality, gift, or similar is permissible or not.
- Do obtain written pre-approval by your immediate superior before initiating or accepting an invitation to an event.
- Do obtain written pre-approval by the Local Compliance Partner before initiating a charitable contribution or a sponsorship.
- Do pay specific attention to the Public Sector, including both public officials and politically exposed persons, and bear in mind the specific limitations which apply.
- Do remember that the Policy applies to everyone acting on behalf of the Höganäs Group, including the Board, management, employees, and Business Partners. Specific procedures are in place, and shall be followed, to conduct regular third-party risk assessments.
- Do listen to your gut feeling, if you feel like as if something is not right consult with your immediate superior, the Local Compliance Partner or Corporate Legal.

### 7.7.2 Don'ts

- You may never offer, promise, or authorize the giving of money or anything of value to anyone with the intent to unduly influence the recipient in his or her or somebody else's professional duties or to retain or obtain a business advantage.
- You may never accept, accept a promise of or request money or anything of value for the performance of your own professional duties as an employee or representative of the Höganäs Group.





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- You may never offer gifts of any kind to anyone within the Public Sector unless it is clear that the giving of gifts is a well-established and legally permissible local practice of relevant region. The value of a gift may not exceed EUR 100 and the character of the gift must be of a purely representative nature i.e. not intended for private consumption by the recipient.
- You may never offer, promise or authorize nor accept, accept a promise of or request hidden discounts, commissions, bonuses or kickbacks.
- So called “facilitation payments” (or “grease payments”) refer to small payments made to secure or accelerate the performance of a routine, non-discretionary act that an official in the Public Sector is obligated to perform. Facilitation payments are prohibited in most jurisdictions. Within the Höganäs Group facilitation payments are strictly forbidden. However, it is recognized that the Höganäs Group of companies may be confronted with exigent circumstances, in which the making of a facilitating payment can hardly be avoided, such as duress or when the health, security or safety of the Höganäs Group’s employees are at risk. When a facilitating payment is made under such circumstances, it shall be reported to the Local Compliance Partner and Corporate Legal.

## 8 MANAGEMENT AND SUPERVISION

A vital part of the work to fulfil the purpose of this Policy – full compliance with Anti-bribery Laws by all Höganäs employees – is clarity in the division of responsibilities under the Policy.

### 8.1 Corporate Legal

Corporate Legal is ultimately responsible for overseeing the Höganäs Group adherence to applicable laws and regulations and to keep the Policy updated and relevant.

In order to achieve this, Corporate Legal regularly performs assessments to evaluate the compliance level, targeting employees that due to the nature of their roles, functions and/or country relations are exposed to certain risk.

The assessments are coordinated by the Local Compliance Partner and the result is compiled by Corporate Legal which serves as input for updating the guidelines within the Policy as well as any supplemented country-specific anti-corruption procedures.

Corporate Legal thereby manages the following:

- Risk evaluations and regular updates of the Policy.
- Providing support to the Local Compliance Partner regarding their responsibilities under this Policy.
- Providing general awareness training program relating to the Policy.



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- Performing regular reviews and audits.
- Report to the Board of Höganäs Aktiebolag once a year and where warranted.

## 8.2 HR Functions

HR functions are responsible for providing a summary of this policy to all new employees as part of the introduction.

## 8.3 Line managers

Managers should ensure that all employees are made aware of and understand this policy. Thereby, it is essential to integrate training into the onboarding process as well as ensure that all employees continuously participate in training and that managers on an on-going basis determine which employees need specific in-depth training.

Equally, the sales person responsible for new Business Partners should ensure this policy, as part of the onboarding, is returned signed by the third-party and attach it to the contract and provide training material on regular basis to the Business Partners as further outlined in the "Group Procedure – Agent and Distributors".

The yearly training execution timeframe is delegated to each Level 2 and 3 manager to plan for as suitable. It is the responsibility of the Local Compliance Partner to document in a suitable manner the yearly completed training and to report this to Corporate Legal and the Sustainability Department as it serves as input to the yearly CRS-reporting.

## 8.4 Local Compliance Partner

Each jurisdiction where Höganäs Group has a permanent establishment shall have a Local Compliance Partner appointed. Unless otherwise agreed with Corporate Legal such person shall be the relevant Finance Director. Local Compliance Partners have been delegated the responsibility for adherence to applicable anti-bribery laws of that jurisdiction(s). Consequently, it is the responsibility of the Local Compliance Partner to manage and supervise the Policy, within his or her territory, and to report to Corporate Legal regularly.

Local Compliance Partner manages the following issues:

- Provide supplementary guidelines where applicable in order to reflect additional local requirements provided the conditions are not less strict than this policy.
- Risk evaluations and regular updates of the local Anti-bribery procedures to ensure alignment with this Policy.
- Coordinating the performance of Anti-bribery review initiated by Corporate Legal as well as audits at the initiation of Group Finance.



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- Supporting compliance training for execution by respective manager for all employees and Business Partners.
- Documentation of the yearly training completion in a suitable manner and reporting it to Corporate Legal and the Sustainability Departments it serves as input to the yearly CRS-reporting.
- Pre-approval of questionable hospitality and gifts as well as charitable donations and sponsorships together with the Local Finance manager.
- Handling of reports of misconduct and performance of internal investigations and follow up on events.