

Code of Conduct

Guidelines for employees and business partners





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We aim to be a long-term partner

Sustainability is a central part of our business. We aim to be a long-term partner in society, which means acting in a socially responsible and ethical way. Not just with our customers and patients, but also towards the environment, our people and the communities we serve.

Code of Conduct – your guide

We work in a very complex legal and regulatory environment and to ensure we act in a responsible way, we all need guidance from time to time. The starting point for this is our Code of Conduct. It outlines the principles and standards – and sets the tone – of how we do things at Mölnlycke®. The Code of Conduct serves as a reference guide when you need more information about specific issues or situations.

Our Code of Conduct applies to partners

At Mölnlycke we expect the companies and partners we work with to act in the same responsible and ethical way. Our Code of Conduct also outlines the high standards we set not only for ourselves but also for third parties.

Promote our spirit

As an employee at Mölnlycke you represent the company in everything you do. This means you have a responsibility to be familiar with our Code of Conduct, adhere to it and promote it to third parties. If you are a leader and manager, you have an additional responsibility – to actively promote the importance of compliance with the Code of Conduct as well as with its spirit!



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‘As an employee at Mölnlycke you represent the company in everything you do’



Code of Conduct – how we do business

At Mölnlycke we want to do business ethically and in compliance with all applicable laws, regulations and industry standards where Mölnlycke does business.

Doing business this way is the only way for Mölnlycke. It builds trust with our customers and with society, which supports us in our efforts to continue building a successful and sustainable business.

In order to guide Mölnlycke Personnel on how to achieve this, the Board of Directors has adopted this Code of Conduct. The Code of Conduct outlines how we do business as well as the expectations we have on you across the Mölnlycke Group.

Our guiding principles

- We conduct all of our business with good intentions
- We are transparent
- We are moderate and reasonable in our interactions with customers, healthcare professionals and third parties.

The heart of Mölnlycke® – our passion and values

As a world-leading medical solutions company, we want to create value and contribute to the society in all places where we do business. This is our commitment. When we deliver on our commitment, we promote and comply with applicable laws, regulations and medical device industry standards. This also includes voluntary principles, such as the ones defined by the United Nations Global Compact initiative that advances social sustainability goals.

Who does the Code of Conduct apply for?

Everyone who represents Mölnlycke, including permanent and temporary employees, temporary workers and consultants (collectively “Mölnlycke personnel”) has a responsibility to be familiar with and comply with our Code of Conduct. If you are a manager, you have an additional responsibility to the extent that you are expected to live the Code of Conduct and set an example by your own behaviour.

You, who are a part of the Mölnlycke personnel, are accountable for following the Code of Conduct. Failure to comply may result in disciplinary actions, including the risk of termination of employment. You and the company may also face fines or criminal charges and the company may suffer damage to its reputation.


Third Parties

Mölnlycke expects persons and entities, including but not limited to agents, consultants, vendors, suppliers and other business partners, working for or on behalf of Mölnlycke (hereinafter “third parties”) to adhere to our Code of Conduct or to similar principles and guidelines. For suppliers, we have a Supplier Code of Conduct that specifically targets issues and conduct applicable to our suppliers.

As a multinational company and purchaser, we believe that we are in a position to impact ethical and social conduct associated with human rights, the workplace and working conditions, gender and race equality, fair competition and anti-bribery and anti-corruption in a positive way in our third parties factories. Thus, we actively work with third parties to ensure this.

How should the Code of Conduct be used?

The Code of Conduct is our starting point: It provides an overview of how we do things and at the same time serves as a reference guide on where Mölnlycke personnel can find more information or whom to contact to obtain further advice. No code, policy and procedure can address every possible business situation that may arise in the complex regulatory environment in which Mölnlycke operates. Still, Mölnlycke considers compliance with the principles of our Code of Conduct to be vital. If you are in doubt about a course of action, consult with your manager, another manager that you trust or with HR.



Mölnlycke's reputation for quality products and high standards, can only be maintained by consistently following the principles of our Code of Conduct.

This is everyone's responsibility.



Our high performance behaviours complement our Code of Conduct:





Passionate about customers

We listen carefully and learn actively from our customers, patients, health care professionals and colleagues.

We respond to customers with the right solutions to delight and exceed their expectations by achieving the best outcomes for them.



Energised by teamwork

As part of the Mölnlycke global family, we foster collaboration and we work openly and generously together.

We always assume positive intent, we encourage individuals to be themselves and develop their full potential.

We nurture relationships, because we get better results from working together in diverse teams than alone.



Devoted to the outcome

We prioritise and execute with sense of urgency, keeping a clear focus on the outcome.

We keep our promises, act with integrity and are accountable for what we do.

We strive to achieve the best outcome for our organisation and the planet beyond our role and take ownership for the business performance and sustainability.



Demonstrate entrepreneurship

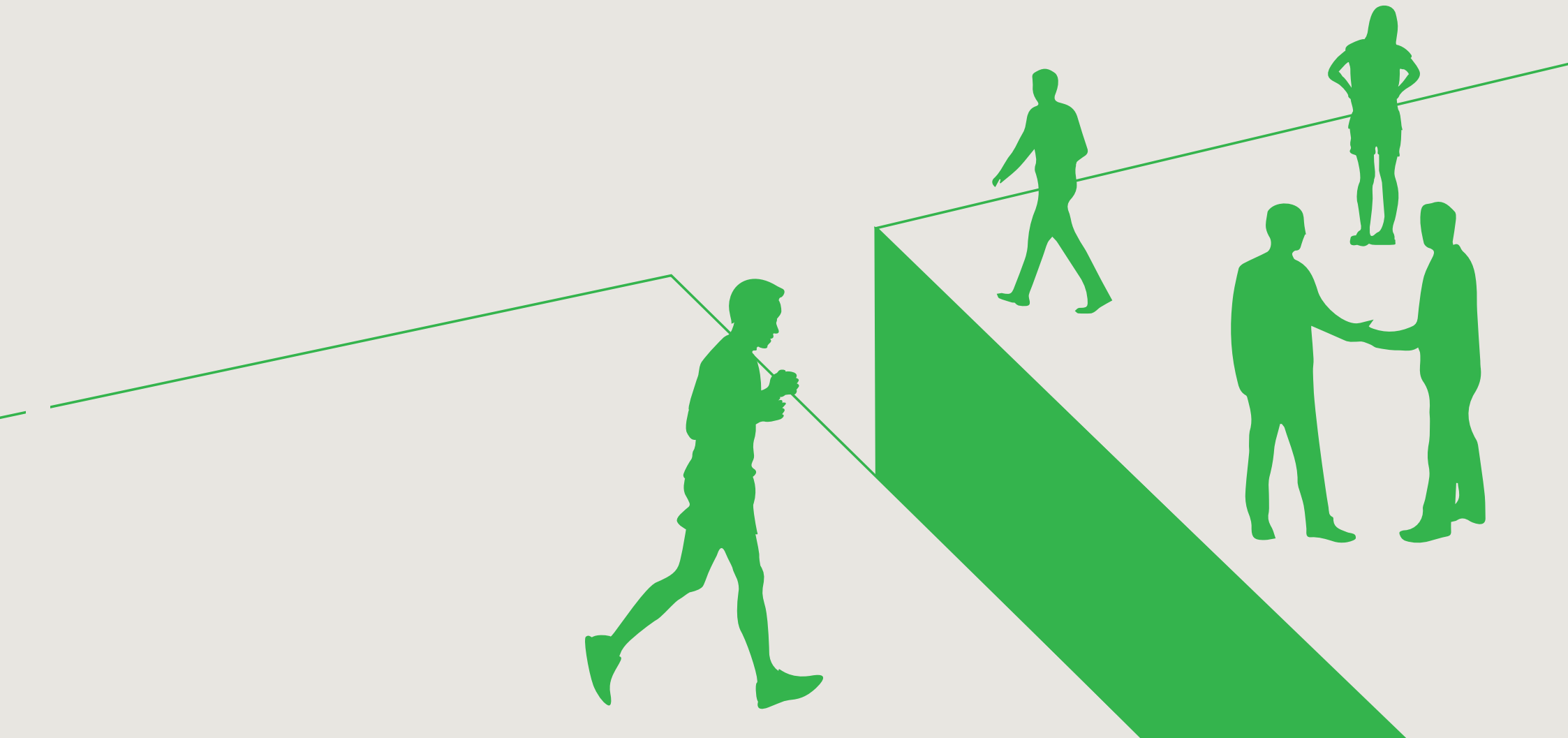
We experiment, innovate, take calculated risks and make timely decisions.

We are curious, dynamic and proactively seek new solutions, whilst continuously learning from our mistakes fast.

We are passionate about our work. We have a winning spirit and take the lead in establishing higher standards in all we do.



Our policies and ethics matter



Our policies

How we treat each other

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Respect and inclusion in the workplace

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Fair working terms and conditions

Fair and lawful business

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Avoiding bribery and corruption

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IT security and confidential information

01 Respect and inclusion in the workplace

What is the purpose?

Mölnlycke is a company where strong relationships with our employees are built on mutual respect and trust. We are committed to working actively to promote equality in the workplace and prohibit any kind of discrimination.

Our high performance behaviours guides us on how to interact and behave while the leadership capabilities of our managers also provide clear guidance on working with integrity and respect for diversity.

At Mölnlycke we foster an open and transparent culture, and we are proud of our inclusive work environment. At Mölnlycke, every employee is treated with respect and no employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Mölnlycke offers equal opportunities to all employees and applicants. No person shall be subject to any discrimination in employment, i.e. on the basis of gender, race, religion, age, disability, origin, union membership or pregnancy. Mölnlycke values a diverse workforce and believes that diversity is part of what makes us successful.

How we follow our guiding principles

We do not tolerate any form of harassment

At Mölnlycke we distance ourselves from unwelcome and unwanted behaviours, words and actions, whether verbal, non-verbal or physical, which can make another person feel uncomfortable or exposed. Instead, we encourage each other and treat our colleagues and business partners in the same way that we ourselves expect to be treated.

We make employment decisions objectively

At Mölnlycke we promote diversity at all levels and we strive to include and recruit people with different backgrounds, expertise and skills. All employment decisions are based on objective assessments of people's ability to perform rather than on personal factors.

We review salaries for fair pay

Employee salaries shall be reviewed regularly to ensure equality based on experience and performance for like positions in the same country.

02 Fair working terms and conditions

What is the purpose?

At Mölnlycke we comply with all relevant and applicable laws and regulations of the country where our people are employed and our employment conditions safeguard employee rights under national and international labour and social security laws and regulations. We promote sustainable conditions through which employees earn fair salaries in a safe and healthy workplace. At Mölnlycke we also recognise and respect the right of all employees to freedom of association.

How we follow our guiding principles

We comply with international regulations

Mölnlycke provides fair and understandable employment conditions. Pay, terms and working hours shall comply with applicable laws and industry standards. Further, Mölnlycke shall at all times comply with the United Nations' Declaration on human rights, Global Compact and Agenda 21, OECD Guidelines for multinational companies, and relevant international Labour Organisation conventions.

We do not accept child or forced labour

Mölnlycke strictly prohibits child labour. We must always validate that the age of employees at our premises are a minimum of 15 years old and that employees under the age of 18 are not employed for any hazardous work. Further we do not accept forced labour. We always make sure all employees, in countries required, have a written and legally binding contract. We never withhold government documents like passports and identity cards in order to force labour.

We provide work life balance

We do not require employees to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. Employees should have at least 24 consecutive hours of rest in every seven-day period.

Freedom of association

Mölnlycke respects and recognises the right of all employees to join or form a union or other association to represent their rights. Mölnlycke also respects the employees' right to bargain collectively and Mölnlycke aims to maintain an open dialogue with its employees, either directly or through their unions or associations.

03 Quality and regulatory affairs

What is the purpose?

The quality and safety of our products is at the core of our business. Demonstrating quality is a key imperative for Mölnlycke. We constantly check, analyse and review quality throughout the product life cycle, and we always seek to improve. Our passion for quality drives the culture and behaviour that delivers safe and effective products and advances performance in healthcare across the world.

At Mölnlycke, we ensure that customer needs are met by product quality, efficacy and patient safety. We strive to ensure that all of our products comply with relevant laws, regulations and standards on quality, health and safety.

In regards to product quality, Mölnlycke has a systematic approach, which gives Mölnlycke a high level of transparency. Mölnlycke operates a global quality management system and Mölnlycke's sites have complementary local quality management systems. Mölnlycke also ensures that relevant members of the staff are appointed as responsible for local quality management and compliance.

How does this apply to you?

Question:

You find out that there's a consistency problem in a product that you are, either fully or partially, involved in working on.

What do you do?

Answer:

You should raise the issue. Product compliance is a vital part of Mölnlycke's business as it builds trust with our customers. The quicker Mölnlycke is made aware of potential quality issues, the better.

How we follow our guiding principles

We safeguard quality

Mölnlycke's quality policy and goals are established to ensure we deliver quality products and services to our customers and meet all the applicable regulatory requirements. All Mölnlycke company employees are bound to demonstrate a continuous commitment to the success of Mölnlycke through correct use of the principles described in the quality manual and quality management system documentation.

We follow our guidelines

Mölnlycke's processes are defined and documented in our policies, procedures, and work instructions. Documented records demonstrate compliance, effectiveness, and the results of these processes. Mölnlycke management establishes and monitors quality measures to set the expectations and effectiveness of the quality management system. We measure quality with regard to our processes, our customers, and our compliance to applicable standards and regulations.

We comply with regulations

Our quality, environmental, health, and safety systems are certified to standards applicable to the products we manufacture. As a global medical solutions company, Mölnlycke complies with the regulations applicable to the regions where our products are sold.

We take responsibility

We all own quality and share responsibility for maintaining the effectiveness of our quality management system.

04 Avoiding bribery and corruption

What is the purpose?

Mölnlycke prohibits all forms of bribery and corruption related to our business or the business of third parties that work for us or on our behalf. Mölnlycke and Mölnlycke personnel are subject to various anti-bribery and anti-corruption laws around the world that are applicable to our business. Some of those laws have extra-territorial effect, i.e. they reach across borders depending on certain circumstances. Violating these laws and regulations carries significant fines and penalties and potential reputational damage to the Mölnlycke brand.

Mölnlycke Prohibits:

- any offer, payment, promise of payment or authorisation of the payment of any money, gifts, loans or anything of value, whether given directly or indirectly, to any person, including any Government Official or private person, in order to influence any act or decision to obtain or retain business or gain any business advantage (e.g., regulatory approvals, prescriptions, tender awards, business leads, etc.).
- facilitation payments irrespective of whether some local laws permit facilitation payments.
- any third party from making corrupt or improper payments on Mölnlycke's behalf in connection with our business, since Mölnlycke could be liable for corrupt or improper offers, promises, or payments by third parties if Mölnlycke personnel had "knowledge" that such improper activity would occur.

Definitions

"Facilitation payments"

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a Government Official.

"Government Official"

Government Official means a government or public official or employee whether elected or appointed, who holds a legislative, administrative, or judicial position of any kind, including any person who performs public functions in any branch of any national, local or municipal government, or who exercises a public function for any public agency or public enterprise (e.g. public health agencies and officers exercising public functions in state-owned enterprises). A Government Official can also be a political party, an official, employee, or agent of a political party, a candidate or prospective candidate for political office, or an employee, officer, or director of an international governmental organisation, state-owned enterprise, or entity owned or controlled by a government unit.

How does this apply to you?

Question:

You are looking at entering into a contract with a new distributor partner in an emerging market; when your manager hears the name of this potential partner, he tells you that a due diligence process can be waived as he has worked with the distributor in the past and guarantees absolute integrity.

What do you do?

Answer:

You explain to your manager that the **due diligence process is mandatory** and that only the Legal and Compliance function can provide a waiver; in addition, there may have been changes or developments since when he worked with the distributor.

How we follow our guiding principles

We are cautious and proactive

In order to avoid issues, Mölnlycke always conducts risk-based due-diligence before initiating relationships with third parties. We must be particularly thorough in our dealings with Government Officials and Healthcare professionals (HCPs) with whom we interact at various levels such as for sales and marketing activities, import and export activities, licenses, permits, audits and inspections.

We only accept legitimate work expenses

Our business expenses, or anything else of value, must be based on a legitimate business purpose, such as the promotion, demonstration, or explanation of the Mölnlycke business, or the execution or performance of a contract. Meals, drinks, travel, and lodging must only be offered, provided or paid for in connection with a legitimate occasion to educate, promote, or discuss Mölnlycke products or investigational products and in compliance with any specific procedure related to such activity.

We do not improperly influence

Interaction between Mölnlycke personnel and other parties (such as Healthcare professionals and customers) must not be misused to influence through undue or improper advantages, purchasing decisions, nor should such interaction be contingent upon sales transactions or use or recommendation of Mölnlycke products.

We do not accept gifts for personal gain

Do not accept anything of value for personal gain or the gain of a family member, such as a gift, entertainment or other favours from individuals or entities that Mölnlycke is doing, or is seeking to do business with, unless you have obtained prior approval from management.

We only allow reasonable expenses

All business expenses that Mölnlycke personnel pays for or provides must be reasonable and appropriate in time and place, as well as modest in value and frequency. Payments and reimbursements must be in line with prevailing market rates and consistent with industry standards.

05 Healthcare compliance

What is the purpose?

Interactions with Healthcare professionals (HCPs) are part of our day-to-day activities. Various people across Mölnlycke in functions such as R&D, Marketing and Commercial collaborate with HCPs developing, improving, or ensuring optimal and safe use of our products in order to achieve the best patient, clinical and economic outcomes. These activities are regulated by specific sets of laws and regulations as well as ethical industry codes and standards such as by MedTech Europe of which Mölnlycke is a member as well as of many of the respective industry country associations such as AdvaMed in the US. We must not only follow all the applicable laws and regulations but these industry standards, both in our country and in the country where the HCP practices, when interacting with HCPs.

The overall principles of how we interact with HCPs are the same as our principles concerning avoiding bribery and corruption.

Specific standards apply to the following activities:

- Research
- Advertising and promotion
- Sample and demonstration products
- Educational items and gifts
- Grants and donations

Definitions

"Healthcare professional"

Healthcare professional ("HCP") means any individual (with a clinical or a non-clinical role) whether a Government Official, or employee or representative of a government agency or other public or private sector health care; including but not limited to physicians, nurses, technicians, laboratory scientists, researchers, research coordinators or procurement professionals who in the course of their professional activities may directly or indirectly purchase, lease, recommend, administer, use, supply, procure or determine the purchase or lease of or who may prescribe medical technologies, medicinal products or related services.

How does this apply to you?

Question:

Mölnlycke would like to organise a product training meeting and one of the options is Como, Italy in January.

Should the training be hosted there?

Answer:

This location could be seen as questionable. For European and international events, ski resorts in the ski season, island resorts, beach resorts and other geographic locations renowned primarily as seasonal vacation or holiday destinations, are not appropriate geographic locations during the season in question, but it does not automatically exclude any location based on it being known as a tourist destination. If the location is reasonably accessible via airports and considered a business location, it may be acceptable.

How we follow our guiding principles

We keep congresses and events professional.

Congresses and events shall take place in or near a city or town recognised as a scientific or business centre. Venue shall never be the main attraction for an event. Venues shall not be well-known luxury or holiday-tourist oriented locations. The Congress or event program shall be focused on Mölnlycke's medical areas and practice. There shall not be any entertainment such as social, sporting or leisure activities. Hospitality offered to HCPs shall be reasonable and modest.

We follow the regulations around grants and donations

Grants and donations shall always be provided to qualified recipients under local laws and regulations and never to individuals. Grants and donations shall always be paid directly to a qualified recipient and be made in the name of Mölnlycke (not on behalf of any third party).

We follow regulations around fee-for-service engagements

Mölnlycke can engage HCPs for legitimate activities such as consulting, advisory boards or research. The selection of HCPs shall be based upon qualification, expertise and experience of the HCPs. Compensation for the services shall reflect fair market value, i.e. the remuneration that would also be paid in any other arm's length transaction. We need to follow notification and approval requirements. This usually means to either inform the HCP's employer or competent authority or obtain the approval from those prior to the engagement.

We follow the regulations for educational items and gifts

Educational items and gifts shall relate to the HCP's practice, benefit patients, or serve a genuine educational purpose. Educational items and gifts shall be modest and reasonable in value. Other kind of gifts to HCPs are in principle not allowed.

06 Trade compliance

What is the purpose?

As a global company, Mölnlycke is committed to ensure compliance with sanctions and export control laws, regulations and administration orders, as well as with customs laws and regulations that are applicable to our business.

Violating these laws and regulations carries significant fines and penalties and potential reputational damage to the Mölnlycke brand.

Definitions

"Sanctions"

Sanctions are policy tools used to encourage a change in the behaviour of another country or a regime, and to prevent and suppress the financing of terrorists or terrorists acts.

"Custom laws"

Custom laws govern the requirements for importation and exportation of both physical goods and non-physical goods (such as technology and software) into and out of a country.

How we follow our guiding principles

We are aware of the departing and arrival destination

When we conduct trade, we ensure that we are aware of the receiver of the goods as well as of the departing and arrival destination of the goods. This will help us become aware of any import or export procedures, sanctions, or trade regulations.

We follow import, export and custom formalities

At Mölnlycke, we observe all import and export control requirements, including documentation related to classifications, valuation and country of origin. At Mölnlycke, we are also aware of the content of our products to ensure compliance with all trade regulations applicable to the Mölnlycke Group.

We comply with sanctions

Due to sanctions, Mölnlycke may be prohibited from doing business in certain markets or with certain third parties. To ensure responsible trade, Mölnlycke has procedures in place to ensure relevant screening and due diligence prior to initiating trade in high-risk markets or with certain third parties.

We are aware of changes

International trade law, sanctions and trade restrictions can be very dynamic and are subject to regular and even sudden changes, often depending on political developments. Please note that such changes can be of immediate effect. Mölnlycke personnel shall consult with the Global Legal and Compliance function if any doubt exists regarding the most recent sanctions situation regarding a particular country or associated company or individual.

07 Fair competition

What is the purpose?

Mölnlycke and Mölnlycke personnel are subject to various competition laws, which include EU competition law, US antitrust law, Russian and Chinese anti-monopoly laws, or any other applicable local competition laws around the world.

These laws are designed to protect competition and they prohibit business behaviour that has the objective or the consequence of preventing, restricting or distorting competition.

Violating these laws and regulations could carry significant fines and penalties of up to 10% of Mölnlycke Group revenues world-wide and may also result in convictions of involved Mölnlycke personnel.

Mölnlycke promotes and protects competition. Mölnlycke personnel shall comply with all competition laws and demonstrate fair and correct behaviour in competition.

Competition law is a very complex legal subject and it is difficult to understand all the requirements in the countries where Mölnlycke operates. Therefore, we encourage Mölnlycke personnel to seek advice from the Legal function regarding any anti-competition or anti-trust issue that arises.

How does this apply to you?

Question:

During a meeting, you heard your GM colleague responsible for the Mölnlycke affiliate in your neighbouring EU country complaining that one of the big distributors within your country is apparently supplying hospitals in that neighbouring country. The distributor benefits from its high volume discounts and consequently, there is a price difference between the two countries. You know that this is a somewhat sensitive topic. In order to realign this, you reach out to the distributor. **Are there any issues?**

Answer:

Any action restricting the distributor's business activities can be a violation of EU competition laws. It does not make a difference whether your actions are a conversation only or made in writing.

How we follow our guiding principles

We do not discuss commercially sensitive information

We do not discuss commercially sensitive information with our competitors. Nor do we discuss any market sharing or allocation with competitors. We are aware that sharing, receiving, or exchanging this type of information could be prohibited even when it is informal, such as in conversation with a former colleague or friend who now works for a competitor or in conversations at industry association meetings (e.g. of MedTech or Advamed). If you have questions about whether a conversation is appropriate, discuss it with the Legal or Compliance department in advance. Also make sure to contact the Legal function if you plan to negotiate an agreement with a competitor on a joint venture, development or manufacturing.

The following information constitutes commercially sensitive information:

- Information on prices, surcharges, costs, margins or discounts;
- Terms of sale or profitability
- Distribution, business plans, market forecasts, aftermarket strategies or product development plans.

We respect fairness

Vertical agreements affect business partners that are not acting at the same level of the value chain, for example as the Mölnlycke relationship with a distributor or a supplier. We do not impose any resale prices on distributors. For example, in the EU, we do not prevent distributors from accepting orders from outside the designated territory and we do not refuse orders from distributors exporting the products with the argument of territorial restrictions. Furthermore, in the EU, we also do not impose export bans or agree on an exclusive agreement if one of the parties is dominant.

We follow best practice in tender processes

In tender processes, transparency must be maintained throughout the procurement cycle by adhering to all applicable procedures. Decision makers must be provided with correct and transparent data. We do not exert any improper influence on the content of the tender documents and Mölnlycke personnel must not 'ghostwrite' tender documents. And of course, Mölnlycke personnel must not influence or have undue contacts with decision makers.

08 Fraud and conflicts of interest

What is the purpose?

It is in the best interest of Mölnlycke that all decisions on behalf of Mölnlycke, or within the scope of employment or any other contractual engagement, are independent of any personal or financial conflicts of interest.

Fraud is willful deception to secure financial or personal gain. Mölnlycke does not accept any form of fraud – a global organisation such as Mölnlycke needs to be aware of the risk factors.

At Mölnlycke, we do not use assets, resources, knowledge or information belonging to Mölnlycke for personal gain or the gain of a family member or a relative.

We shall all avoid any situation that would impair our ability to make an objective decision on behalf of, or for Mölnlycke. Therefore, we proactively address situations that may put your individual interest in possible conflict with Mölnlycke's interests and we are required report any kind of potential conflict of interest situation that we may encounter. A conflict of interest situation does not always mean that the activity or situation must be completely avoided. Sometimes such situations can be managed after an assessment.

We shall all make proper use of Mölnlycke's assets and safeguard assets from loss and damage, misuse, theft, fraud, embezzlement and destruction. We must never engage in fraudulent or any other dishonest conduct involving the assets, expense claims or accounting and reporting.

How does this apply to you?

Question:

Your department has initiated a vendor selection process for consultancy services. You work with the Procurement function which is coordinating the process. One of the vendors was founded by your son who is still one of the main shareholders. Of course, you are one of the people evaluating the different vendors at the end of the process.

What do you do?

Answer:

You should refrain yourself from participating in the vendor selection process. You should also proactively report the fact to the Procurement function in order to be transparent and simply avoid the appearance of a conflict of interest situation. The Procurement function then undertake appropriate steps to mitigate the situation.

How we follow our guiding principles

We make decisions objectively

At Mölnlycke, we conduct business based on Mölnlycke's interests rather than on personal interests. This means that we do not enter into any agreements whatsoever, on behalf of Mölnlycke, with a family member or a friend or with a company controlled by a family member or a friend. This also means that Mölnlycke Personnel who hires shall consult with their manager or with their manager's manager in case they receive a job application from a family member or from a friend. Conflicts of interest could extend to anyone that you are related or close to, including your spouse, partner, children, grandchildren, children of your partner, parents, siblings, relatives in marriage and close friends.

We work proactively to avoid conflicts of interest and we take action if a conflict of interest occurs

If we so much as suspect that there is a risk that a conflict of interest might occur or a risk that a situation might be perceived as a conflict of interest by a third party, we report the situation to our manager or to our manager's manager and consult with him/her to resolve the potential issue. Although we work proactively to avoid conflicts of interest, we still need to know how to act if a conflict of interest occurs. If you find yourself in an actual conflict of interest, it is of utmost importance that you disclose the conflict of interest to your manager or to your manager's manager and refrain yourself from the relevant business activity. Your manager or your manager's manager will ensure that Mölnlycke investigates the situation and you should work with Mölnlycke to resolve the issue.

We ensure lawfulness

We do not accept or make payments unless they are governed by a duly authorised contract or otherwise authorised by the Legal and Compliance function and Accounting.

We ensure transactions are between the right organisations

We do not make a payment to a third party or accept a payment from a third party that is not a party to the transaction as per the contract.

We respect and protect the property of the company

We only use tangible or intangible company assets for legitimate purposes and take reasonable precautions to protect assets from any form of losses. This means that we do not use tangible or intangible company assets such as inventories, buildings, furniture, vehicles, computers, mobile devices and proprietary information for private purposes unless it is allowed by Mölnlycke policy.

09 Accounting and finance

What is the purpose?

Mölnlycke must ensure the financial statements, regulatory reports and publicly filed documents comply with all applicable accounting standards and statutory rules. Mölnlycke prohibits all forms of accounting fraud including misstatement of revenues, expenses, assets or liabilities.

Mölnlycke must ensure that the company's financial information is accurate, complete and reported in a timely manner. The Group reporting should be made in accordance with the International Financial Reporting Standards (IFRS) as stated in the Mölnlycke Group Accounting Manual and statutory reporting should follow applicable local statutory rules.

All records must be maintained with honesty. Mölnlycke prohibits falsification or alteration of records and intentional misapplication of accounting rules in order to influence financial targets.

All accounting records and reports must be complete and retained in accordance with each local entity's records retention regulation or any other applicable laws.

How we follow our guiding principles

We ensure everything is correct

Our accounting records and supporting documents must be authentic and reflect the true nature and actual occurrence of underlying transactions. Mölnlycke Personnel must never pay for expenses that lack adequate description or supporting documentation, or appear to be improper. The purpose of any payment, gift, hospitality or similar items must be clear, appropriate, and transparent. It is prohibited to hide or delay recording of transactions or events or record incorrect, incomplete or misleading information.

We are all responsible

Even personnel that are not directly involved in the reporting of transactions or events should be aware that you can have information that should be reflected in the accounting records to comply with the accounting standards, such as knowledge about a litigation or a product's deficiencies that could lead to future cost or the signing of a new leasing agreement. Please inform your Finance partner if you get information that you believe should be reflected in the accounting records.

We keep proper records

Accounting and reporting records, as well as supporting documents, must be properly maintained. There should not be any premature disposal or removal of documents that is not in accordance with local entity records retention regulation or any other applicable laws.

10 Intellectual property rights (IPRs)

What is the purpose?

Mölnlycke's intellectual property rights ("IPRs") are significant assets for Mölnlycke. These highly valuable assets may be lost if misused or improperly disclosed. Violations of our IPRs may further harm Mölnlycke's company assets as well as our reputation. While focus is on strengthening our IPR position, respecting the IPRs of third parties is equally important to avoid lawsuits or damage to Mölnlycke's reputation.

IPRs can be seen as a return on investment, provide competitive advantage and can be used to defend a market position. IPRs can also be used as leverage in relation to third parties, such as suppliers and collaboration partners.

How we follow our guiding principles

We protect our IPR

At Mölnlycke we are proud of our IPR portfolio and we safeguard it carefully. We protect our IPR not only through applications, registrations and renewals but also through infringement litigations. Mölnlycke expects Mölnlycke Personnel to safeguard Mölnlycke's confidential information, to assure strengthening of our IPR portfolio and to respect the IPRs owned by third parties.

IPRs are normally generated by our employees or in collaboration with third parties. Be aware when working with third parties that IP ownership resides with the individual creator or its employer, which means that agreements are needed for Mölnlycke to gain ownership and control.

We respect intellectual property owned by others

Equally as we want our IPRs to be respected, we respect IPRs owned by others. We strive to be proactive and identify potential conflicting rights as early as possible by performing availability searches and freedom to operate analysis. When we become aware of third parties IPRs of relevance for our business, the Legal function makes a risk assessment and proposes a recommendation on next steps.

11 Data protection

What is the purpose?

In the course of doing business Mölnlycke collects and stores personal data about its employees, business partners, clinical data subjects, Healthcare professionals and others. It is our responsibility to protect the privacy of those who entrust us with personal data. As such, personal data should be collected only for legitimate business reasons, shared only with those who have a valid need to access, protected in accordance with security policies and retained only for as long as necessary. When we collect and process personal data, we must comply with local laws and company policies.

Mölnlycke has the privilege of doing business in many countries and regions across the world. While there are varying requirements relating to data protection, we use our core corporate Privacy Principles as a baseline applicable to all our operations that process personal data.

Adherence to these principles allows us to implement a consistent approach to compliance with relevant privacy laws and regulations. In addition, we consistently monitor the regulatory landscape and update our company Data Protection Policies in accordance with new requirements or changes in the laws of the countries in which we operate.

How does this apply to you?

Question:

You are part of a team tasked with looking into an innovative way to enhance lead generation for the company; the team would like to use personal data collected by other business units to compile a robust list of leads.

What do you do?

Answer:

You explain to the team that due to the Privacy Principles, personal data collected for one purpose by a business unit (e.g., to process a complaint about a product or for clinical investigations) cannot be used for a new, incompatible purpose (e.g., creating a database of business leads.) It might be possible, however, to achieve the team's objective by taking additional steps and discussing with Mölnlycke's Chief Privacy Officer.

How we follow our guiding principles

We only use data when justified

Use of personal data must always be justified by a legitimate business reason and in accordance with the law.

We collect data for specific reasons

Personal data must be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes. Personal data must also be relevant and limited to what is necessary in relation to the purposes for which it is processed.

We limit storage

Personal data shall be accurate and, where necessary up-to-date. Personal data shall also be kept for no longer than necessary for the purposes for which the personal data is processed and in accordance with Mölnlycke's records retention policies.

We respect integrity and confidentiality

Personal data shall be processed in a manner that ensures appropriate security of it, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damages, using appropriate technical or organizational measures.

We are accountable

All business functions at Mölnlycke must complete data privacy risk/impact assessments when necessary, maintain a record of activities in which personal data is processed and comply with all applicable company policies and procedures when processing personal data.

What is personal data?

Personal data is any information that can be used, either directly or indirectly, to identify an individual. Personal data can be a name, a personal identification number, contact information, a photograph, information about a person's health, location data or any combination of information that might identify the individual.

12 IT security and confidential information

What is the purpose?

Mölnlycke is obligated and committed to protect its confidential information, intellectual property, employees' data and partner's information from illegal or damaging actions.

Mölnlycke's confidential information is a highly valuable asset for Mölnlycke. All confidential information shall be kept confidential and may not be disclosed to third parties without prior authorisation. Unauthorised disclosure or misuse of confidential information may result in substantial damages to Mölnlycke's business.

While working, Mölnlycke personnel might come across information that relates to Mölnlycke's listed debt securities, i.e. information that could be considered inside information. Mölnlycke personnel who has access to such information may not make any investment decisions based on the information, or engage in any other action to take advantage of the information, without prior approval from the Legal function. Mölnlycke personnel are prohibited to pass on non-public information relating to Mölnlycke or to any other company that Mölnlycke does business with to others.

IT tools (including but not limited to the internet, intranet, application, data and computer equipment) are the property of Mölnlycke. These tools are to be used for business purposes in serving the interests of the company, and of our clients and customers in the course of normal operations. Effective information security is a team effort involving the participation and support of every Mölnlycke employee and third parties who deal with information and/or information systems of Mölnlycke.

How does this apply to you?

Question:

You receive a call from Mölnlycke IT Service Desk, telling you that Mölnlycke is under a Cyber attack. They ask for your current password and want to change it for you right away.

What do you do?

Answer:

You will hang up the phone and report this as a security incident. Mölnlycke IT Service Desk never calls or sends emails to the users asking them to share their credentials.

You are not allowed to share your password with anyone!

How we follow our guiding principles.

Mölnlycke personnel and third parties that are using Mölnlycke's IT systems, data or other information assets should follow Mölnlycke's applicable IT policies. Mölnlycke personnel should also comply with applicable insider trading laws.

We do not disclose confidential information

Mölnlycke personnel are not allowed to discuss confidential information in public places or to leave confidential material unattended, not even in the office. Mölnlycke personnel are further not allowed to post company confidential information on social media.

We always ensure that we have a proper purpose related to Mölnlycke's business and that we have a confidentiality agreement in place before sharing any confidential information. If we are in possession of confidential information that might be considered inside information (i.e. information that could affect the value of Mölnlycke's listed debt securities), we consult with the Legal function before making any investment decisions based on such information.

We are proactive

All employees, consultants and third parties that are using Mölnlycke IT systems, data or any other information asset should take all reasonable steps to protect Mölnlycke's confidential information and prevent unauthorised access to Mölnlycke computerised systems.

We do not share passwords

Employees are not allowed to share their Mölnlycke passphrase with anyone, not even to Mölnlycke's IT Service Desk. Employees are not allowed to re-use their Mölnlycke passphrase on any private account such as LinkedIn, Facebook, Yahoo or Gmail, or to use their Mölnlycke email address when registering on non-work-related sites.

We are careful not to open suspicious files

Employees must use extreme caution when opening email attachments received from unknown senders. Do not click on suspicious links and attachments in emails from unknown senders. All IT security related incidents must be reported immediately to IT support via the IT self-service portal.

Definitions

"Confidential information"

Confidential information can include, for example, non-public information regarding our products, processes, innovation, research and development, financial information or strategic plans or position. For the avoidance of any doubt, we assume that all non-public information constitutes confidential information.



Our helpline – how to raise a concern

<https://secure.ethicspoint.eu>

Contact:

Please find your local phone number by following the above link and entering the country where you are based and work.

Our Mölnlycke Code of Conduct provides you with an overview of our standards and principles. You can find more information and details in the respective functional policies, procedures and other guidance documents. Depending on your role and position, relevant policies and procedures are assigned to you via our learning management system, iLearn, or you will learn directly about them through live training and other means of communication by the various functions. In addition, you are able to find our policies and procedures on our Intranet.

Our helpline

If you believe that there is a concern regarding a potential violation of our Code of Conduct, any policies, procedures or applicable laws and regulations, you should report this to either your manager, HR, Compliance or our helpline which is accessible via www.ethicspoint.com. If you choose the latter please select 'File A New Report.', enter Mölnlycke. You can then select Mölnlycke Health Care to continue.

This will bring you to the Mölnlycke page on which you can choose to file a concern online, by phone or follow up on a previous report. For filing a concern, you will need to select the relevant country in order to obtain your applicable language or phone number to call.

Every concern is handled in strict confidentiality and taken seriously. Mölnlycke has procedures that ensure that any concern will be effectively investigated and any finding shall be adequately remediated. The final decision regarding any disciplinary or other corrective actions is taken by the applicable Mölnlycke Compliance Committee.

Mölnlycke Personnel raising a concern shall be protected from any form of retaliation for a concern reported in good faith.

Proving it every day

At Mölnlycke, we deliver innovative solutions for managing wounds, improving surgical safety and efficiency, and preventing pressure ulcers. Solutions that help achieve better outcomes and are backed by clinical and health-economics evidence.

In everything we do, we are guided by a single purpose: to help Healthcare Professionals perform at their best. And we're committed to proving it every day.

Find out more at www.molnlycke.com

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