

Conflict of interest policy

1. PURPOSE

Mölnlycke is committed to conducting business in an ethical way. The purpose of this Policy is to ensure that Personnel do not create or appear to create a situation of Conflict of Interest which could lead to unethical situation harming Mölnlycke and its reputation.

2. APPLICATION

This Policy applies to entities controlled by Mölnlycke AB and Personnel working for or on behalf of such entities. This Policy does not apply to entities governed solely by entity board of directors (namely, Tamer Mölnlycke Arabia - TMC).

3. PRINCIPLES

- 3.1. Mölnlycke recognises that personal interests of Personnel do not prevent them from fulfilling their duty. However, when there is interference or perceived interference between professional and personal interest, Personnel are at risk of placing their personal interests above the interests of Mölnlycke. Conflict of Interests (such as nepotism and misuse of corporate assets) can violate laws and result in fines, penalties, or prison.
- 3.2. The existence of a Conflict of Interest is not an offense in itself but can lead to an offense and/or damage Mölnlycke's reputation. Therefore, Mölnlycke expects its employees to declare any situation of Conflict of Interest (actual or potential), as soon as they become aware of it, by writing to their immediate manager with copy to their People Partner. Use the below steps to handle a Conflict of Interest:
 1. Declare the potential Conflict of Interest immediately and in writing;
 2. Step-back from the decision making;
 3. Explain the situation to the counterpart; and
 4. Be transparent.
- 3.3. While most Conflict of Interest situations can be managed if they are declared properly, there are non-acceptable Conflict of Interest situations:
 - Close Relatives of ELT members and Board Members of Mölnlycke Health Care shall not be employed by Mölnlycke.
 - Ownership by Personnel of business partners will require prior written approval but will usually NOT be accepted by Mölnlycke.

4. ABOUT CONFLICT OF INTERESTS

A Conflict of Interest can be of different natures:

- 4.1. A **personal relationship** occurs when a member of Personnel has a personal relationship with someone they are (i) managing/promoting/recruiting (directly or indirectly) or (ii) selecting/overseeing as a business partner. This can arise by for example:
 - having a romantic relationship between colleagues or manager/employee;
 - hiring a Close Relative or someone with whom you have a strong friendship.
- 4.2. A **financial interest** occurs when a member of Personnel has financial interest in a company that has a business relationship with Mölnlycke or is competing with Mölnlycke. Having a financial interest can arise by for example:
 - holding shares or ownership in such company; or

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- having a Close Relative that is employed by or has shares or ownership in such company.

4.3. A **professional engagement** occurs when a member of Personnel has or seeks to have professional engagements that would conflict with their engagement at Mölnlycke. For example:

- having additional employment,
- being a member of another company's board; or
- having a role as consultant/advisor to another company.

4.4. A **personal interest** occurs when a member of Personnel accepts a gift or hospitality that could influence their decision or give the impression to influence their decision towards a business partner. For example, if a member of Personnel working in quality conducts a supplier audit and the supplier offers to cover the employee's hotel bill, this would create a Conflict of Interest.

5. RESPONSIBILITIES

- 5.1. All Personnel shall comply with this Policy. Personnel shall promote compliance with this Policy and act in such a way that Mölnlycke's professionalism cannot be questioned.
- 5.2. The Chief Business Ethics & Governance Officer is responsible for
 - over-seeing compliance with this Policy, and
 - supporting the Business Areas, EVPs and Functions in their implementation of this Policy.
- 5.3. The EVPs are ultimately responsible for implementing this Policy in their respective Business Areas. The EVPs are also responsible for establishing the objectives for the implementation and organising adequate/regular follow-ups to ensure compliance with this Policy and relevant due diligence/screening processes. The EVPs shall report results from the follow-ups to the Chief Business Ethics & Governance Officer, who in turn shall report to the ELT and propose changes to the Policy if required.
- 5.4. Business Ethics & Governance is tasked with overseeing the assessment and management of Conflict of Interests at Mölnlycke.
- 5.5. Managers at all levels are responsible for creating a culture of conversation about Conflict of Interests. They should encourage their teams to report actual or potential Conflict of Interests and must take appropriate remedial measures without delay and document these in writing. When needed, they should seek help from People and Business Ethics & Governance.
- 5.6. Personnel having questions about specific conduct or this Policy in general should obtain additional guidance from their manager or Business Ethics & Governance.
- 5.7. If you believe this Policy has been violated, please notify Business Ethics & Governance or contact the Ethics Hotline. Mölnlycke will not retaliate against Personnel or any other who, in good faith, report an actual or suspected violation of this Policy.
- 5.8. Non-compliance with this Policy can lead to disciplinary and other actions including termination of employment.

6. DEFINITIONS

In this document, the following words and expressions have the following meaning:

"Close Relatives" means the members of one's family. This includes spouses, romantic partners, children, parents, and siblings. For avoidance of doubt, Close Relatives may also include children, parents, in-laws and siblings of a spouse or romantic partner.

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“Conflict of Interest”	any situation of interference between a person’s duty within an organisation and their personal interest that could influence or appear to influence the independent, impartial and objective performance of their duty on behalf of the organisation.
“Personnel”	means all individuals working for or on behalf of entities controlled by Mölnlycke AB, including full-time and part-time employees, officers, volunteers, trainees, interns, temporary workers, and contingent workers (e.g. consultants, contractors, and freelancers), as well as board members.
“Third Party”	means any person or entity including but not limited to agents, consultants, vendor, suppliers or other business partners working for, with or on behalf of Mölnlycke.