

# CODE OF CONDUCT

2020

**Mekonomen Group**

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## CEO COMMENTS

Mekonomen Group is growing rapidly as a company and we are gradually establishing a presence in new markets. This means that the manner in which we conduct ourselves in relation to the world around us is becoming increasingly important, both as a company and individual employees.

The Group's foremost assets are its committed employees and managers as well as its strong brands and concepts. Our business is built on individual cultures and values, which is a strength we nurture and will maintain. Throughout the Group, our actions are to be based on respect, commitment and customer focus.

The Code of Conduct, also referred to as the Code, clarifies what can be expected of our company. It also defines the behaviour expected of everyone working under any of our brands.

Our journey has just begun. We aim to play an active role in driving sustainable development in our industry, with the utmost of respect for our stakeholders, our industry and the outside world.

**Pehr Oscarson**  
President and CEO Mekonomen Group

# WHY WE HAVE A CODE OF CONDUCT

The Code of Conduct has been adopted to emphasise the values and principles that govern our relationship with our employees, customers, business partners, investors and other stakeholders. It serves as a starting point for all of the Group's relevant policies and rules. To make things easier for our employees and other stakeholders, a number of policies are included in the Code:

- Policy on equality, diversity and inclusion
- Health and safety policy
- Traffic safety policy
- Environmental policy
- Quality policy
- Information security policy
- Anti-corruption policy

Should the laws of an individual country be more restrictive than the regulations in this Code, the individual country's laws shall obviously apply.

The Code of Conduct is based on the Brundtland Commission's original definition of the term "sustainable development" from 1987: "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." The Code is founded on internationally agreed regulations, primarily the Ten Principles of the UN Global Compact. According to the Ten Principles, all companies must support a number of basic guidelines pertaining to human rights, labour, the environment and anti-corruption within their sphere of influence.

The Code encompasses all employees in all countries where Mekonomen Group conducts business. It also encompasses employees working under any of the Group's brands.

**Mekonomen Group has signed the UN Global Compact's principles regarding human rights, labour, environment and anti-corruption.**

As a manager, you have a particular responsibility to always set a good example and ensure compliance with the Code. Accordingly, all Mekonomen Group managers have a responsibility to inform their organisation about the Code and present its content. Managers must ensure that their employees comply with the Code and report any behaviour that is not compliant. Each individual employee also has a reporting responsibility. Non-compliance may lead to disciplinary action.

The Group employs a whistleblowing system for reporting behaviour that is not compliant with the Code of Conduct.

The Code is to be applied immediately and on an ongoing basis. It is reviewed regularly to ensure it is kept up to date. The Code has been adopted by the Board of Directors of Mekonomen AB and can only be suspended or amended by the Board of Directors.

# THIS IS MEKONOMEN GROUP



Mekonomen Group consists of the leading car service chains in northern Europe with proprietary wholesale operations, as well as own and affiliated stores and workshops. The Group is active in the aftermarket for passenger cars in Sweden, Norway, Denmark, Finland and Poland.

The business model comprises the entire chain, from purchasing and storage of spare parts and accessories to sales aimed at both consumers and companies. Mekonomen Group creates value for its customers through affordable and innovative products and high-quality services.

## **Vision**

We are the car owner's first choice and strive for a simpler and more affordable car life.

## **Our approach**

The Group's foremost assets are its committed employees and managers as well as its strong brands and concepts. The Group's operations are built on individual cultures and values, which is a strength we nurture and will maintain. Throughout the Group, it is important that we as a company, our managers and all of our employees base our actions on respect, commitment and customer focus.

## *Respect*

We show respect for our employees, colleagues, business partners and other stakeholders. We respect human rights, have zero tolerance of corruption and assume responsibility for the world in which we operate.

## *Commitment*

We demonstrate our commitment and assume responsibility in our role as employees of the Group. We are proud of our colleagues, our company and what we deliver. A willingness to listen, learn and help one another permeates our work. Cooperation improves job satisfaction and contributes to a workplace where everyone thrives.

## *Customer focus*

Our focus is always on the customer and we develop our business according to the customer's needs and requirements. In pace with the developments and trends in society, we are a step ahead in creating solutions for the future.

# SOCIAL RESPONSIBILITY

## BASIC HUMAN RIGHTS AND WORKING CONDITIONS

Basic human rights must be recognised, respected and applied equally for all employees, regardless of their form of employment. All employees have the right to join trade unions and organisations as they choose and to engage in collective bargaining through the trade union organisations with which Mekonomen Group has agreements.

We do not tolerate any forms of modern slavery, such as forced labour, bonded labour or human trafficking. We respect children's rights to personal development and education, and we do not use child labour.

We do not countenance the purchase of sexual services and other activities that could entail support of human trafficking, regardless of whether it occurs during or after working hours in conjunction with business travel. This includes all involvement in sexual trade, including payment for sexual services or visits to pornography or strip clubs. This applies regardless of the country in which it occurs or whether such conduct is permitted or prohibited in that country.

If an infringement of human rights has occurred within Mekonomen Group's operations, we must always correct the specific problem and ensure that it is not repeated.

### **How you are affected:**

- You are entitled to support and guidance from recognised trade union organisations and employee representation bodies.
- As a manager, you are not permitted to interfere in employees' decisions regarding representation by or membership in trade union organisations.
- You are entitled to receive written confirmation of your terms of employment.
- Your salary must meet or exceed the statutory or agreed national minimum standards in the industry.
- We must ensure that neither we nor our suppliers or other business partners use or support modern slavery.
- You may never purchase sexual services or visit pornography or strip clubs during or after working hours in conjunction with business travel.





## DIVERSITY, EQUALITY AND INCLUSION<sup>1</sup>

Our view of diversity and equality is based on the understanding that people's differences contribute to an attractive and dynamic workplace. We aim to offer a workplace where differences are respected and appreciated. Our employees and customers must feel a sense of inclusion.

We endeavour to ensure that our workplaces reflect the diversity among our customers and society as a whole.

All existing and potential employees must be treated fairly and without prejudice, regardless of gender, transgender identity or expression, sexual orientation, religion or other beliefs, ethnicity, disability or age. This means that we do not discriminate in conjunction with recruitment, the setting of salaries, promotions, termination of employment or in our daily interactions with each other.

Customers and other stakeholders are also to be treated fairly and without prejudice.

No employee is to be subjected to victimisation, such as bullying, psychological abuse, social exclusion, sexual harassment or other forms of harassment.

Recruitment, development activities and promotions are conducted on the basis of competence, qualifications, skills and performance.

### **How you are affected:**

- You are to demonstrate good judgement in your interaction with your colleagues, our customers and other external stakeholders. This entails, for example, not displaying an attitude, a language or behavior that can be perceived as offensive, sexist or exclusionary.
- If you discover that another employee is victimising, harassing or discriminating against a colleague or external contact, you have a responsibility to act. If necessary, you must inform your immediate manager. You can always use the whistleblowing system and can choose to remain anonymous. You can request the support of HR if you are unsure how to act.
- If, as a manager, you receive a report that an employee has been victimised, you are responsible for ensuring the case is investigated impartially and confidentially.
- As a manager, you must set an example and take a proactive approach to diversity, equality and inclusion.
- We help each other combine work, leisure time and family life, and respect each other's right to free time after the end of the working day.
- We adapt our working conditions on the basis of religious and ethnic requirements insofar as the nature of the business permits.

## HEALTH, WORK ENVIRONMENT AND SAFETY<sup>2</sup>

A positive and safe work environment is strategically important for Mekonomen Group's development and for its employees. As an employer, we bear the main responsibility for the work environment and we take a systematic approach to health, safety and fire safety issues. The objective is to create a physically, psychologically and socially healthy workplace that offers development opportunities for all employees and where the risk of work-related injuries and sickness is prevented.

Each manager is responsible for ensuring that active health and safety work is conducted. All employees have a health and safety responsibility, which involves following safety regulations and reporting risks and deficiencies in the work environment to their immediate manager.

Our managers are responsible for employee safety and, in addition to providing instructions and ensuring that they are followed, they must also create an understanding of the necessary safety measures. All employees in the company are responsible for their own safety when performing work tasks and must therefore comply with all safety regulations and take any relevant precautionary measures to help prevent accidents.

Work adaptation and rehabilitation issues are to be included as an important and natural part of the health and safety work.

Mekonomen Group has an uncompromising approach to drugs. Our objective is for the company to be free of substance abuse. An alcohol and drug-free workplace is a necessary requirement for our employees' security, work climate, health and safety.

### **How you are affected:**

- As an employee, you will be involved in the company's health and safety efforts by reporting risks and deficiencies in the work environment to your immediate manager as well as reporting incidents and accidents.
- You must comply with safety regulations and use protective equipment.
- You must participate actively in your rehabilitation and work adaptation.
- You may not be under the influence of alcohol or drugs during working hours.
- If you notice that someone is under the influence of alcohol or other drugs, you must immediately report this to your immediate manager, who is responsible for ensuring that the necessary measures are taken.

<sup>1</sup> Mekonomen Group's policy on equality, diversity and inclusion.

<sup>2</sup> Mekonomen Group's health and safety policy.

## TRAFFIC SAFETY<sup>3</sup>

Many of Mekonomen Group's employees operate vehicles as part of their work. We must act in accordance with the applicable legislation in the country in which the vehicle is operated, have an awareness of safety and environmental issues and cooperate with our fellow road users. This applies regardless of whether we are travelling in our own vehicles or the company's vehicles during working hours.

### **How you are affected:**

- Follow the applicable traffic regulations.
- Set a good example when in traffic.
- Adapt your speed to the traffic situation.
- Wear your seatbelt.
- Use hands-free.
- Be sober and free of drugs.
- Ensure that the vehicle is safe for operation and have the necessary traffic safety equipment.
- Immediately repair any damage/faults to the vehicle.
- Plan your travel time so that you have good margins.

## PARTNERSHIPS, SOCIAL COMMITMENT AND SPONSORSHIP<sup>4</sup>

We aim to make an active contribution to the development of society, the industry and the Group through partnerships with other companies, foundations, organisations and other operations. The Group's partnerships must always contribute to generating business and/or customer value. Our cooperation partners must work in accordance with applicable legislation and this Code of Conduct. Managers and employees who are directly or indirectly connected with one of our cooperation partners may not participate or influence any decisions regarding the cooperation or financial transactions. Nor may they authorise any financial transactions.

### **How you are affected:**

- Evaluate whether a partnership benefits the Group in terms of customer or business value.
- Evaluate any risks associated with a cooperation partner, such as ensuring that partner acts in accordance with legislation, rules, standards and this code.
- Ensure that you do not have a conflict of interests when deciding on a partnership or a transaction.



<sup>3</sup> Mekonomen Group's traffic safety policy.

<sup>4</sup> A partnership may be defined as serving as a reference, guaranteeing quality and properties or other benefits associated with a consulting company, a supplier or another cooperative partner in relation to the Group's companies or brands.

# ENVIRONMENTAL RESPONSIBILITY<sup>5</sup>

Mekonomen Group's largest environmental impact is in the areas of transportation, energy use in premises, and chemical and waste management.

Environmental issues are to be an integrated part of the business operations and contribute to creating value for our stakeholders. Mekonomen Group works actively to reduce energy consumption and to limit emissions of pollutants.

We must meet the requirements of applicable legislation as well as customer demands. Routines for ensuring compliance with legislation and regulations are to be communicated and made available within the operations. We are to coordinate Group-wide work by using the same standards and methods in this area whenever possible.

By providing information and training, we aim to increase knowledge of environmental and energy issues among all of our employees.

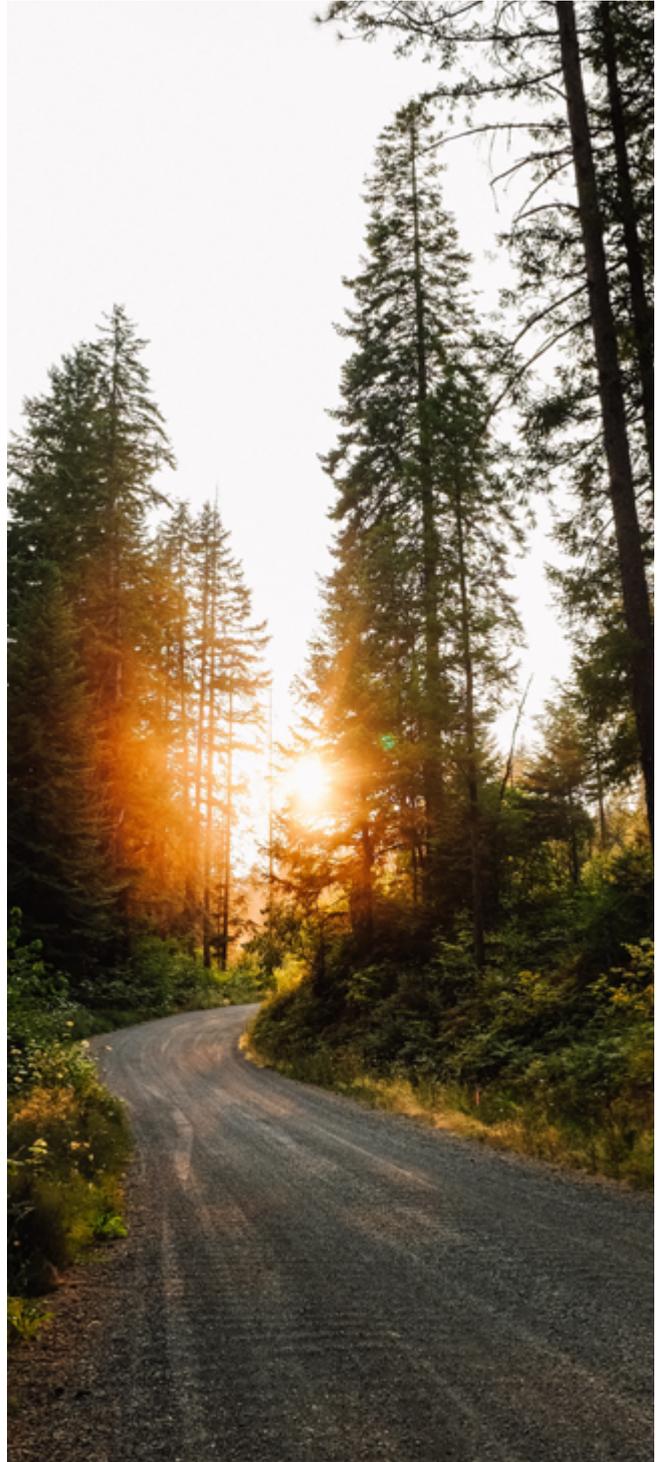
We must ensure that chemical products and goods are handled safely. As far as possible, we must market and sell chemical products and goods that have a minor impact on the environment.

Where justified, we will also impose environmental demands on the products and services that we buy based on a life-cycle perspective.

We will work systematically by continuously measuring, following up, revising and improving our operations from an environmental and energy perspective. We report our environmental impact and the action being taken in the area of the environment.

## **How you are affected:**

- Do what you can to reduce the environmental impact of your own work.
- Everyone must be familiar and comply with the relevant legislation and internal rules.
- Chemical products are to be used cautiously, and the safety regulations in the relevant safety data sheets are to be followed.
- When purchasing a chemical product, an environmental impact assessment must always be conducted.
- As a manager, you must ensure that you and your employees receive relevant environmental training.



<sup>5</sup> Mekonomen Group's environmental policy.

# FINANCIAL RESPONSIBILITY

## BUSINESS AND ACCOUNTING POLICIES<sup>6</sup>

We shall act as a reliable and honest Group that lives up to its obligations. We only become involved in business activities that comply with national laws, international conventions, signed agreements and our Code of Conduct. We respect and comply with competition rules, environmental legislation, labour market laws, agreements, safety requirements and other rules that govern our operations.

The Group believes in long-term business relationships that allow us to work with our business partners to create a platform for achieving strong financial results.

All financial transactions are to be recorded in accordance with the Group's accounting policies and comply with applicable laws, rules and standards. Our accounting records should show all types of transactions in a correct and non-misleading manner and our external financial reporting should be reliable and comprehensive.

### **How you are affected:**

- All employees are responsible for carefully maintaining accounting records and documentation to enable the efficient running of our business.
- The Group's managers are responsible for ensuring that they and their employees have the relevant knowledge and information about the content of Mekonomen Group's Financial Handbook.

## CUSTOMER AND QUALITY<sup>7</sup>

As a company, all of our customers have expectations of us. Maintaining a high quality of our products and a good level of service for our customers is crucial for the company's continued positive development. We fulfil our promises and are an exemplary partner that develops together with our customers and partners.

We comply with applicable legislation, agreements and internal rules and processes. Products and services must be delivered at the right time, to the right place and with the level of quality promised in order to maximise the value and benefits for our customers.

We conduct a continuous dialogue with our customers regarding their requirements and we listen to their views. We are flexible and receptive to what they require and want of us.

We must have effective procedures in place for handling complaints in order to ensure that the end-customer is treated properly and that our suppliers receive the right information.

By continuously measuring customer satisfaction and working systematically, we can identify and correct deficiencies in the business.

### **How you are affected:**

- Everyone should consider quality and customer satisfaction as interrelated.
- Based on your role, you must contribute to fulfilling customer promises.
- You have a responsibility to react to errors and faults.
- As a manager, you must establish goals, follow them up and set a good example.

<sup>6</sup> Mekonomen Group's Financial Handbook contains further information and guidelines.

<sup>7</sup> Mekonomen Group's quality policy.

## RELIABLE AND SECURE INFORMATION MANAGEMENT<sup>8</sup>

Information security is to be an integrated part of the business operations and contribute to creating value for our stakeholders.

### **Information security involves ensuring that:**

- The information is available as required.
- The information is accurate, meaning current, correct and complete.
- The information is only accessible to those who need it.
- The information is traceable. This means that it is possible to identify who has had access to the information, the changes that have been made and who made them.

We shall comply with applicable legislation, such as GDPR, as well as other requirements from customers and suppliers.

We respect people's fundamental right to a private life. Personal data is to be collected in a correct and lawful manner, be relevant for the purpose for which it was collected and be processed with the utmost caution.

The risks to which we are exposed in information management shall be carefully considered and accepted by the individual or individuals who will be impacted if the risk occurs.

We are to coordinate Group-wide work by using the same terminology, standards and methods in this area whenever possible.

We are to include information security in our processes, services and systems based on the risks to which we are exposed.

We shall be prepared and ready to handle incidents related to IT operations. Accordingly, we shall have plans in place to resume normal operation as quickly as possible.

We shall continuously follow up, revise and improve our operations from an information security perspective.

### **How you are affected:**

- Everyone must be familiar and comply with internal rules.
- As a manager, you shall ensure that you and your employees receive relevant training.
- Each decision that entails a major impact on information management must be preceded by a documented risk assessment.

## PURCHASES

Purchasing within Mekonomen Group must always be conducted responsibly. Through responsible purchasing, we can ensure reliable and long-term business relationships.

We expect our suppliers to comply with national legislation and to respect international conventions. We take a risk-based approach and impose sustainability requirements on our suppliers as well as the services and products we purchase. These requirements are imposed using various tools, such as a specific supplier code of conduct.

Mekonomen Group's combined purchasing strength is leveraged and synergies are created through a central purchasing function that is responsible for central agreements.

We shall have a clearly communicated purchasing process and cooperate actively with our suppliers to achieve improvements.

We shall always have written agreements, follow up on the requirements imposed and take action in the event of deviations.

Since Mekonomen Group primarily sells products within the automotive industry, product quality and safety are a prerequisite for being considered as a supplier. It must be clear that the supplier assumes full product responsibility. We are to conduct our own independent quality tests for relevant products.

### **How you are affected:**

- You have an obligation to notify the company if there are deficiencies in terms of suppliers, products or product information.
- Central agreements are to be used and the Group's interests shall always be prioritized.
- Orders must be placed in accordance with internal rules and be approved by an authorised decision-maker.
- If there is uncertainty about how a certain purchase is to be made, contact your immediate manager.

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<sup>8</sup> Mekonomen Group's information security policy.

## ANTI-CORRUPTION/FAVOURS, GIFTS AND BRIBERY<sup>9</sup>

Corruption distorts the market, disrupts free competition and contravenes legislation. This damages the brand and destroys the reputation of the company and of individuals. Corruption refers to behaviour that has an inappropriate impact on people's decisions and actions. This includes conflicts of interest, embezzlement, bribery, blackmail, fraud, nepotism and cronyism.

No form of corruption is tolerated, including money laundering, offers of or acceptance of kickbacks, bribery, gifts or business entertainment that is regarded as extravagant or so called "facilitation payments"<sup>10</sup>. Neither directly nor indirectly, such as through a third party.

Mekonomen Group conducts regular risk analyses to assess the risk of corruption.

No employees are permitted, through their position or role in the business, to demand, accept or make personal gain in the form of gifts, offers or goods from a supplier.

All business entertainment is to be moderate in nature and characterised by good judgement, so that the parties retain full credibility and an independent position in relation to each other.

We have clear rules for the types of gifts and business entertainment that are permitted<sup>11</sup>.

All payments and transactions must be reported correctly.

### **How you are affected:**

- Do not give or accept anything that could be perceived as a bribe. A bribe is defined as cash, gift certificates or anything that could correspond to cash. Services, travel and promises of debt relief are also classed as bribes, as are gifts and entertainment that contravene the law or Mekonomen Group's special anti-corruption guidelines.
- Employees are not permitted to request favours/gifts from partners or suppliers.
- Never accept anything from a supplier, business partner or anyone else if it could impact, or be perceived as impacting, your ability to be objective when business decisions are to be made.
- Gifts and participation in events that have more than a symbolic value are not to be accepted or provided without the approval of your immediate manager.
- Lunches and dinners with a relevant and clearly stated business purpose are acceptable. The scope must be reasonable and appropriate – in terms of both value and frequency.
- If you are unsure, contact your immediate manager or legal counsel.

## INFORMATION AND COMMUNICATION<sup>12</sup>

The purpose of the information activities carried out within the Group is to support the company's vision, business concept and strategies. Such activities are to strengthen people's confidence in the company and the brand, and create business and customer value. We must comply with the marketing legislation and regulations in the countries in which we operate. We must also work to achieve clear and honest communication.

As a public, listed company, we have an obligation to supply the capital market with relevant, reliable, correct and up-to-date information in accordance with the listing agreement as well as other applicable laws and regulations. Our information and communication is based on openness, clarity, relevance, availability and a proactive approach.

### **How you are affected:**

- Read and comply with the company's communication policy and the Code of Conduct.
- As a manager, you are responsible for ensuring that your employees are well informed regarding the Group's communication policy, business, vision, goals, strategies and core values.
- The spokespeople for the Group are defined in the communication policy. Do not make any statements in an external context until your manager or the head of communications has been consulted.
- Do not disclose inside information or other information that is not intended for communication to the market, other external parties or internally within the Group.
- Establish a communication strategy prior to communication taking place, meaning purpose, target group, and adapted message.
- As employees of the Group, we are ambassadors for our brands. We behave with respect toward our colleagues, stakeholders and our business environment in all channels, such as social media, journalistic media and in our dialogues with other stakeholders.

## WHISTLEBLOWING

The Group's whistleblowing system is a channel for the Group's employees, customers, suppliers and other stakeholders to report suspicions of serious irregularities and violations of the law.

The whistleblowing system can be accessed through the Group's investor website mekonomen.com and on the Group's intranets.

The whistleblowing system protects the integrity of the person reporting the incident, meaning that the information provided is handled confidentially.

<sup>9</sup> Mekonomen Group's anti-corruption policy.

<sup>10</sup> Facilitation Payments are unofficial, irregular, small payments made to a lower-level salaried employee to ensure or accelerate routine or necessary measures to which the person paying the facilitation payment is entitled to by law. For example, a customs official who expedites a matter in exchange for payment of an additional fee.

<sup>11</sup> Special anti-corruption guidelines containing additional rules on gifts and business entertainment are available on the Group's intranet.

<sup>12</sup> Mekonomen Group's communication policy contains special rules and guidelines for the Group's communication procedures.