

Beijer Alma's approach to corporate responsibility (CR) is based on the UN Sustainable Development Goals (SDGs) and other international agreements and guidelines. To clarify our values for our employees, business partners and customers, we have a Code of Conduct that describes how we take responsibility for the impact that our operations have on both the environment and society.

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Beijer Alma AB is an international, listed industrial group. Our business concept is to acquire, own and develop companies with strong growth potential. Beijer Alma's subsidiaries specialize in component manufacturing as well as value-added sales, manufacturing and niche technologies.

Our responsibility for people and the environment

IN ORDER TO GROW, OUR GROUP MUST ACT RESPONSIBLY.

This entails that we accept responsibility for people and the environment. We do this by maintaining sound business ethics with a distinct social commitment and through efficient use of resources with reduced climate impact. At the same time, our employees must feel that our workplaces are safe, provide equality and are conducive to personal growth. We must also establish a relationship of trust with our customers, business

Our Code of Conduct serves as a guide in this regard. The Code is linked to such initiatives as the UN Global Compact, which means that we follow its Ten Principles related to the environment and CR. We also have a whistleblower service. It is to be used by employees if they discover any improprieties that they find difficult to handle within their own organization.

partners and other stakeholders.

The requirement to take responsibility is clear. The Code of Conduct helps us to take this responsibility, both as individuals and as an organization. The Code supports our everyday work, providing clearly defined sustainability objectives and result-oriented initiatives to show what is to be achieved. Our corporate culture also serves as a support. At Beijer Alma, the culture is clear and characterized by openness, tolerance and access to information, thereby becoming another driving force in our sustainability agenda.

HENRIK PERBECK,

PRESIDENT AND CEO OF BEIJER ALMA



SUSTAINABILITY IS RAPIDLY BECOMING
MORE BUSINESS-CRITICAL and Lesjöfors
has the ambition of being at the leading
edge of this development. We understand the importance of being in a leading position to be an attractive partner
for our customers. Our corporate culture
is decentralized and the role of the
individual is key. A clear sustainability
agenda will also be decisive in attracting talent to our businesses. For us, it is
therefore important to have clear goals
and to proactively pursue sustainability

OLA TENGROTH,
PRESIDENT OF LESJÖFORS

issues in the Group.

our broad product offering and strong technical expertise contribute to increased productivity, which reduces our customers' environmental impact. To ensure that we have the best offering in the market, we work closely with our leading suppliers to set high standards for product quality and environmental impact. Our positive work environment and sound business ethics also contribute to employee and customer satisfaction. In this way, sustainability strengthens Beijer Tech's competitiveness.

STAFFAN JOHANSSON, PRESIDENT OF BEIJER TECH

Corporate responsibility

Beijer Alma's ultimate objective is to create added value for its customers, shareholders, business partners and employees. This involves contributing different forms of financial benefits, such as improved profitability and competitiveness for customers, attractive returns for shareholders and market-based salaries and conditions for employees. We must create added value without compromising our aspirations concerning quality and sustainable development. Accordingly, environmental responsibility, social responsibility and sound business ethics are natural elements of our daily operations and of the Group's long-term strategy.

Our approach to CR is based on the UN Global Compact and other international agreements. The standard for social responsibility (ISO 26000) also provided guidance in the formulation of our Code of Conduct. The Code describes how we take responsibility for the impact that our operations and products have on both society and the environment.

PEOPLE, THE ENVIRONMENT AND BUSINESS ETHICS

The Code of Conduct focuses on three areas: people and society, the environment and business ethics. It also summarizes the Group's approach with respect to business partners, quality and product liability, and thus outlines our efforts to create a sustainable value chain. The Code describes our approach to each area and the contributions that all employees must make in order to fulfill this vision. While the Code itself provides support, we are only able to truly clarify our aims and make a difference when it is applied in our daily operations. This is thus a responsibility that we must assume together.

Through our Code of Conduct:

- We comply with legislation, the UN Global Compact, the UN Convention on the Rights of the Child and other international agreements and guidelines.
- We take the financial expectations of our stakeholders into consideration, and create customer and shareholder value.
- CR is integrated throughout the Group and is practiced in relation to employees, customers, business partners, owners and other stakeholders.
- We contribute to sustainable development, including health and social welfare.

APPLIES TO EVERYONE

Alongside corporate governance regulations and the Group's other guidelines, the Code serves as a framework for us. It applies to all Beijer Alma employees, managers and Board members, regardless of where they are in the world. We expect our business partners to familiarize themselves with the Code of Conduct and apply similar guidelines in their own operations.



Sustainable Development Goals – a compass

The UN Global Compact refers to the 17 UN Sustainable Development Goals (SDGs) that were established in 1999. They aim to end poverty and hunger, realize the human rights of all, achieve gender equality and the empowerment of all women and girls, and ensure the lasting protection of the planet and its natural resources. Beijer Alma has chosen nine goals, which have the strongest connection with its sustainability work and function as a compass in the Group's activities.



Goal 4. Quality education – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

We offer our employees opportunities to develop their professional knowledge and skills and to participate in collaborations and projects with schools, universities, research institutes and industrial networks.



Goal 5. Gender equality – Achieve gender equality and empower all women and girls.

We do not distinguish between our employees on the basis of religion, gender, age, disability, sexual orientation, nationality, political opinion, social background or ethnic origin and we develop diversity.



Goal 7. Affordable and clean energy – Ensure access to affordable, reliable, sustainable and modern energy for all.

We use water, energy, materials and other natural resources efficiently, economically and with a focus on sustainable development.



Goal 8. Decent work and economic growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We treat all employees fairly and with dignity and respect, and we respect everyone's freedom of association. Our most important business objective is profitable growth, which ensures the long-term successful development of Beijer Alma and entails that we take responsibility for people and the environment.



Goal 9. Industries, innovation and infrastructure – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

We approach our operations from a life cycle perspective – raw materials, business partners, products, services and customers – and combine environmental and business benefits in an innovative manner, which contributes to the Group's development.



Goal 12. Responsible consumption and production – Ensure sustainable consumption and production patterns.

Our products are to meet agreed, statutory norms and health standards concerning use, and take into consideration all aspects regarding the quality and safety of our products. We offer products and solutions that contribute to reducing our environmental impact.



Goal 13. Climate action – Take urgent action to combat climate change and its impacts.

We do so by reducing our emissions of greenhouse gases and by evaluating how climate change affects our operations.



Goal 16. Peace, justice and strong institutions, in which Beijer Alma is focusing in particular on target 16.5 – Substantially reduce corruption and bribery in all their forms.

We impose demands on honesty and honorability throughout our operations and expect the same of all of our business partners. Bribes are prohibited. Gifts and other benefits may not exceed the amounts prescribed by local practices or legislation. All Group units and employees must comply with competition laws.



Goal 17. Partnerships for the goals – Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Our sustainability work is influenced by various stakeholders, who impose demands and have expectations of Beijer Alma. Our efforts to meet these expectations by a comfortable margin are a natural part of our sustainable development strategy.

The connection between the Group's objectives and the SDGs is presented in Beijer Alma's integrated Annual Report and Sustainability Report.

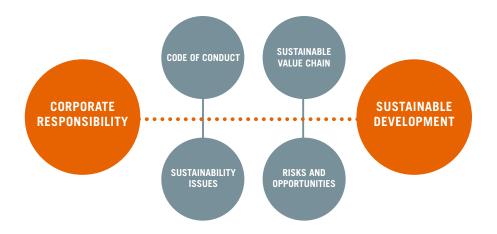
Sustainable development strategy

Beijer Alma is an international industrial group, listed on Nasdaq Stockholm. Our business concept is to own and develop companies with strong growth potential. The operations focus on component manufacturing (Lesjöfors) and value-added sales, manufacturing and niche technologies (Beijer Tech). Corporate responsibility is part of our business strategy and a requirement for us to be able to grow profitably. This responsibility is based on the Code of Conduct, our most important sustainability issues, the way in which we identify risks and opportunities and how we work with our value chain. Overall, this enables a sustainability agenda that contributes to a better world, creates new business opportunities, reduces risks and allows us to meet the demands and expectations of various stakeholders. The sustainable development strategy is based on the following components:

- CODE OF CONDUCT. The Code provides employees and stakeholders with guidance on how we regard issues pertaining to people, society, the environment and business ethics. It applies to everyone working at Beijer Alma, regardless of where they are in the world. The Code of Conduct is based on international and national legislation as well as support and respect for the UN Global Compact, the SDGs and other international ethical guidelines.
- SUSTAINABILITY ISSUES. Focus on sustainability issues that are important to the Group's business strategy and significant to our stakeholders.
- SUSTAINABLE VALUE CHAIN. A life cycle perspective on Beijer Alma's activities, products and services.
- RISKS AND OPPORTUNITIES. Risks are identified, managed and minimized. Sustainable development opportunities are leveraged and help to create business advantages.
- SUSTAINABLE DEVELOPMENT OBJECTIVES. Long-term Group-wide objectives in key areas. These are supplemented with detailed objectives and action plans in the various Group units.

WORK IN PRACTICE

- **RESPONSIBILITY**. Delegated responsibility, which entails that operational sustainability work is structured and executed by the Group companies' units.
- ISO 14001. Systematic approach to making continuous improvements, particularly within the framework of the ISO 14001 environmental management system.
- FOLLOW-UP AND COMMUNICATION. Regular follow-up of sustainability work and transparent communication with the Group's various stakeholders, mainly through our Sustainability Report, which is an integrated part of our Annual Report.



CORPORATE RESPONSIBILITY

Corporate responsibility is based on the Code of Conduct, important sustainability issues, the way in which we identify risks and opportunities and how we work with our value chain. Overall, this strategy contributes to creating profitable and sustainable growth for Beijer Alma.

People and society

RESPECT FOR HUMAN RIGHTS

- We treat all employees fairly and with dignity and respect.
- We do not distinguish between our employees on the basis of religion, gender, age, disability, sexual orientation, nationality, political opinion, social background or ethnic origin.
- We support and promote diversity.
- We do not tolerate harassment, threats or discrimination.
- We respect all employees' right to freedom of association.
- We do not accept child labor, illegal labor or forced labor and have zero tolerance for all types of human trafficking, including prostitution and other sex trafficking.

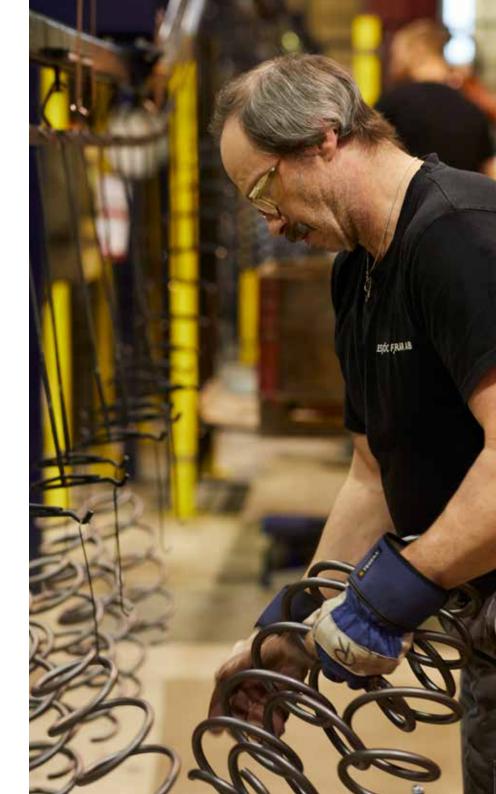
HEALTHY WORKING ENVIRONMENT

- Our operations are to be conducted so that environmental and work environment legislation is followed with an ample margin.
- We have a vision of zero tolerance when it comes to workplace accidents and do not compromise on workplace health and safety.
- We take a preventive and systematic approach in order to create a healthy, safe work environment.
- We offer our employees opportunities to develop their professional knowledge and skills.

CLEAR SOCIAL COMMITMENT

- Whenever possible, we become involved in the communities in which Beijer Alma operates. We also endeavor to recruit and develop local employees and managers.
- We prioritize support and sponsorship of organizations that share our values and benefit the communities in which we operate.
- We participate in collaborations and projects with schools, universities, research institutes and industrial networks.
- We take a neutral stance on political issues. The name of the company and Beijer Alma's financial resources are not to be used in political contexts.

The Ten Principles of the UN Global Compact help us to direct our focus to areas that are important to us and our stakeholders, such as reducing our environmental impact, safe workplaces, respect for human rights and sound business principles.





Environment

PREVENTIVE ENVIRONMENTAL ACTIVITIES

- Our operations are to be conducted so that environmental legislation is followed with an ample margin.
- We are to have suitable long-term planning in place for new legislation and identify requirements and requests from customers and other stakeholders well in advance.
- We take a preventive approach and focus on long-term objectives to reduce our impact on the environment. We use the prudence principle to guide this work.
- We endeavor to reduce our emissions of greenhouse gases. We assess how climate change affects our operations by performing regular analyses.
- We use water, energy, materials and other natural resources efficiently, economically and with a focus on sustainable development.
- We take environmental and health aspects into consideration when procuring raw materials, chemical products, packaging and distribution services.
- We remain well prepared in the event of an emergency by systematically identifying and assessing risks with respect to accidents, fires and uncontrolled emissions to the environment.
- We provide open, regular and factual information about our sustainability efforts.
- We take a systematic approach to environmental issues. Certified environmental management systems in accordance with ISO 14001 are to be in place at all relevant units.

By employing a systematic and targeted approach to environmental issues, we generate both business and environmental benefits.



Business ethics

SOUND BUSINESS ETHICS

- We impose demands on honesty and honorability throughout our operations and expect the same of our business partners.
- Bribes are prohibited. All forms of compensation to agents, suppliers and other business partners must only be for actual goods or services.
- Gifts and other benefits may comprise an element of conventional hospitality but may not exceed local customs and must be completely in line with local legislation.
- All Group units and employees must observe and comply with competition laws.
- All employees are to avoid conflicts of interest between private financial matters and the company's business activities.
- All business transactions conducted in a Group company must be clearly visible in the company's accounts, which must be managed in accordance with the Group's regulations and in line with international accounting standards.
- We have a whistleblower system in place to ensure that our employees are able to report major improprieties without a risk of reprisal.
- We apply sound business principles and are responsible and moderate in our advertising and marketing.
- We respect ownership and intellectual property rights.

RESPONSIBILITY TO SHAREHOLDERS

We protect shareholders' investments and strive to secure competitive returns that continuously improve. Our corporate governance is to provide the prerequisites for active and responsible ownership, a well-balanced delegation of responsibilities between general shareholder meetings, the Board, the CEO and the auditors as well as openness and transparency toward all stakeholders. The relationship between Beijer Alma and its shareholders is based on the following principles:

- The return on shareholders' invested money is always taken into consideration when making decisions on guiding strategies and various courses of action.
- We keep shareholders well informed of the Group's operations, earnings, risks and strategies. Such information is provided in accordance with the regulations for the stock exchanges on which the Beijer Alma share is listed.
- Information that is important to our stakeholders is to be provided as quickly as circumstances allow.

WELL THOUGHT-OUT COMMUNICATION

- Our communications should be straightforward and honest, and comply with the prevailing legislation, regulations and norms. We are to communicate openly and correctly within the framework of appropriate business confidentiality.
- We maintain close relationships with our stakeholders, with communication based on regular contact, clarity and a high standard of business ethics.
- We respect the right of our employees to speak freely about circumstances that concern them personally. With respect to issues regarding Beijer Alma's operations, only representatives of the management team in question are permitted to speak on behalf of Beijer Alma. Accordingly, inquiries about Beijer Alma's operations should be referred to local management, the management team for the subsidiary in question or Group management. All external information that could affect the share price is to be presented by the CEO or CFO.









Sustainable value chain

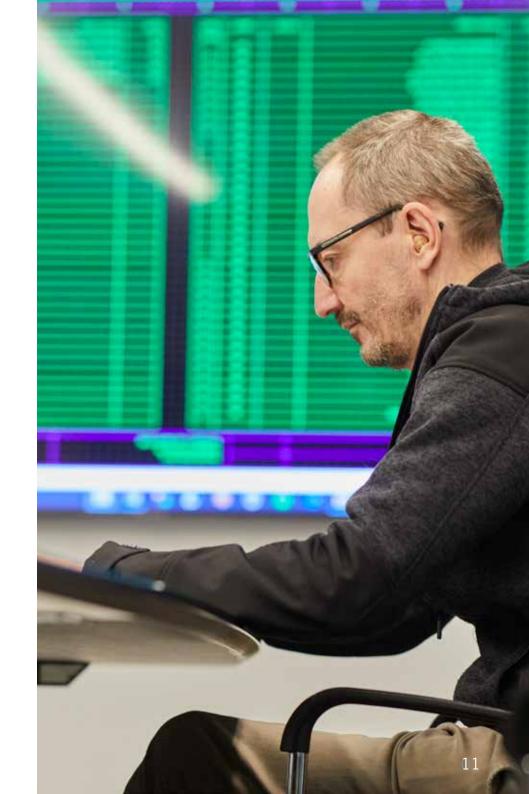
BUSINESS PARTNERS

- We value collaboration with our business partners, including suppliers, subcontractors, partners, agents and distributors.
- We expect our business partners to follow the social, business ethics and environmental principles outlined in our Code of Conduct and the international guidelines supported by Beijer Alma. We also expect that they apply the same regulations and values to their own business partners.
- We want our business partners to strive toward ensuring that their operations, products and services have no negative impact on the environment, people's health and society.
- We encourage our business partners to introduce certified management systems for quality, the environment and work environment.
- We regularly follow up our business partners' performance in terms of sustainable development. If they do not fulfill our requirements, improvement measures must be implemented or the collaboration is terminated.
- We undertake review procedures to determine with reasonable certainty that certain metals (conflict minerals) are not sourced from areas of armed conflict.

RIGHT QUALITY, PRODUCT SAFETY AND ENVIRONMENTAL ADAPTATION

- We aim to always meet our customers' requirements, needs and expectations by delivering services and products with the right quality.
- Our products are to meet agreed, statutory norms and health standards concerning use.
- Information on how our products are to be used must always be correct and clear in terms of, for example, safe and environmentally friendly installation, maintenance, storage and, ultimately, disposal.
- We take into consideration all aspects regarding the quality and safety of our products and offer products and solutions that contribute to reducing our environmental impact.
- We take a systematic approach. Certified quality management systems in accordance with ISO 9001 and/or industry-specific certification systems – are to be in place at all relevant units.

To ensure that our sustainable development activities are successful, we work together with and impose demands on our business partners. We also meet our customers' demands with respect to the quality of our products and services.



Corporate responsibility in daily activities

POLICIES PROVIDE GUIDANCE

The Code of Conduct reflects Beijer Alma's fundamental values. The Group companies are to prepare their own detailed policies for such areas as the environment, work environment, quality and communications. Such guidelines are to be formulated within the framework of the companies' management systems. The ambition level should match that of the Group's Code of Conduct.

ORGANIZATION AND RESPONSIBILITIES

The CEO assumes ultimate responsibility for the application of CR. The Group is also to hold training courses, distribute information and perform follow-ups to ensure a good understanding of the Code of Conduct. In daily business activities, responsibility for the application of the Code is delegated to the managers in the Group companies. The Code is to be included in the companies' internal training programs, which also includes a separate training course on business ethics. Managers are to act as role models when it comes to applying these guidelines.

CONTINUOUS IMPROVEMENTS

The Code of Conduct is largely based on the goal of making continuous improvements. Systematic activities enable us to reduce our environmental impact, improve our work environment and implement other improvement measures. Preventive measures and the application of the prudence principle are important to us.

ZERO TOLERANCE

In certain areas of the Code, we apply a zero-tolerance policy for deviations – for example, compliance with legislation, respect for human rights and issues regarding bribes, corruption and competition laws.

MANAGEMENT SYSTEMS

Environmental (ISO 14001) and quality (ISO 9001) management systems are to be in place at all production units and in other operations that may require certified management systems. The management systems at units with a small number of employees do not need to be externally certified.

FOLLOW-UP AND REPORTING

We regularly follow up our companies' work on sustainable development and CR. Follow-ups take the form of annual questionnaires, feedback and formal audits. The Group's performance is presented in the Sustainability Report, which is an integrated part of our Annual Report. Reporting complies with international guidelines and legislation on compulsory sustainability reporting for large companies. It also meets the requirements of the UN Global Compact with respect to regular reporting of the Group's measures and performance.

OPERATIONAL CONTROL

Efficient operational control, long-term ownership and CR are the tools used to pave the way for value creation. Such value creation is based on the delivery of products and services that have a high level of customer value, meaning that they improve, enhance the efficiency of, strengthen, generate savings for or otherwise develop the customer's operations. When our companies deliver such customer value, they can improve the margins on their products and services, which increases profitability and, ultimately, the value of the companies and the Group. Greater value is thus generated for Beijer Alma's shareholders.

Efficient governance is based on responsibility, openness, ethical behavior, respect for our stakeholders' operations and on the prevailing legislation. Our decision-making tools are based on the following:

- The efficient use of financial resources, natural resources and human resources.
- Safety and health are a clear priority.
- Striving to maintain a corporate culture in which environmental and social responsibility are applied and encouraged.
- Balancing our long-term strategy with the requirements and views of society and stakeholders.
- Communicating with our stakeholders regarding sustainable development and listening to their points of view.



SUSTAINABILITY IN PRACTICE

The strategy, objectives and follow-up of sustainability efforts are handled by Beijer Alma's management and a Group-wide team that includes the presidents and sustainability managers of Lesjöfors and Beijer Tech. This work is coordinated by Anna Haesert, our Chief Sustainability Officer, who heads up the Group's strategic sustainability work and supports and coordinates the efforts made by the Group companies.



Whistleblower service

The corporate climate at Beijer Alma must be transparent, with a high level of business ethics. This means that we want to identify any potential irregularities at an early stage. To that end, we have a whistleblower process where suspected improprieties can be reported. It is used when an employee or other individual observes potentially unethical or illegal behavior.

EXTERNAL HANDLING

To ensure anonymity, our whistleblower channel is handled through an external company that encrypts and password-protects both the initial reports and the subsequent follow-ups. At the same time, it is our hope that our employees and other stakeholders feel comfortable contacting us directly with any questions or allegations as a first step.

ONLINE

The whistleblower service is available at the following link (beijeralma.whistlelink.com) but can also be reached through a link on Beijer Alma's website. If someone wants to register a concern, they fill in a report and submit it. The external company then determines whether the report can be addressed within the framework of the Group's whistleblower channel and notifies the person who submitted the report.

Glossary

CLIMATE CHANGE: The Code of Conduct refers to climate change caused by emissions of greenhouse gases from Beijer Alma's use of energy. This includes the heating of buildings, transportation and purchased electricity.

CODE OF CONDUCT: A code of conduct comprises voluntary guidelines for how a company or an organization is to conduct its operations in an ethically, socially and environmentally sound manner. Beijer Alma's Code of Conduct is based on such documents as the core conventions on labor standards of the International Labor Organization (UN labor rights body), the UN declaration of human rights, the UN Convention on the Rights of the Child, and the Ten Principles of the UN Global Compact. We also gained inspiration from the ISO 26000 standard on social responsibility.

ENVIRONMENTAL MANAGEMENT SYSTEM: An environmental management system is used to realize an organization's environmental policy and to manage environmental aspects. The aim is to reduce the organization's environmental impact through continuous improvements. Beijer Alma applies ISO 14001 – an international standard for environmental management systems.

PRUDENCE PRINCIPLE: The prudence principle means that in situations where we suspect the existence of environmental and health risks but do not possess sufficient knowledge of these risks, we do not postpone or refrain from making decisions on suitable protective measures.

QUALITY MANAGEMENT SYSTEM: ISO 9001 is based on a number of fundamental principles and is used by millions of organizations worldwide. The standard recommends that organizations base their operations on the needs of their customers and review their internal work practices to reduce costs. An organization may be certified once all requirements are met. Many companies in Beijer Alma are certified in accordance with ISO 9001.

SUSTAINABLE DEVELOPMENT: Sustainable development can be seen as a balance between finances, social factors and the environment. Sustainable development is about satisfying current needs without jeopardizing the ability of future generations to satisfy their needs.

UN GLOBAL COMPACT: The Global Compact initiative was launched in connection with the World Economic Forum held in Davos, Switzerland in 1999. The aim of the Global Compact is to encourage companies to take an active responsibility for ten internationally recognized principles in four areas: human rights, labor rights, the environment and anti-corruption. Beijer Alma joined the Global Compact in 2015.

WHISTLEBLOWER SERVICE: A service that allows employees to report – or "blow the whistle on" – incidents in the Group. The service is to be used when serious improprieties are discovered and employees do not feel it is possible to report the incident through their own organization.



