

Code of Conduct

Guidelines for Employees and Business Partners



Version 1. 2019



Table of contents

Foreword	03
Code of Conduct governance and objectives	04
The heart of Mölnlycke® – our vision and values	06
Where it matters – our policies	10
01 Avoiding Bribery and Corruption	12
02 Accounting and Finance	14
03 Conflict of Interest	16
04 Sanctions, Export Controls and Customs	18
05 Data Protection	20
06 Fair Competition and Anti-Trust	22
07 Health Care Compliance	24
08 Insider Trading	26
09 IT Security	28
10 Quality and Regulatory Affairs	30
11 Workplace	32
12 Intellectual Property Rights (IPRs)	34
13 Fraud	36
14 Media Communications	38
Our helpline – how to report a concern	40
Definitions	42

Dear Mölnlycke® employees and stakeholders

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®. It also serves you as a reference guide if you require 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. To ensure this, our Code of Conduct also sets out the high standards we expect from ourselves, for 3rd Parties¹ we collaborate with.

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 3rd Parties¹. 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!

Yours,



Richard Twomey
CEO



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



Code of Conduct governance and objectives

Our objective is to ensure compliance with all applicable laws, regulations and industry standards where Mölnlycke® does business.

Failure to comply with laws, regulations or our principles, policies, or procedures may result in disciplinary action up to and including termination of employment.

**How do we ensure this
– Compliance Governance**

We aim for a robust risk-based Compliance Program under which our employees understand their responsibilities and managers demonstrate accountability. Overall accountability for the effectiveness of the Compliance Program is with the Global Compliance Committee (GCC) that consists of the CEO (chairman of the committee), the EVPs and the Chief Compliance Officer. The GCC defines our Compliance Program framework and related principles as promulgated in our Code of Conduct, policies and procedures. The GCC is complemented by regional as well as local affiliate Compliance Committees. The Compliance Committees promote a compliant culture and maintain the standard of compliance governance across Mölnlycke. Through this structure, we ensure a consistent top-down and bottom-up flow of compliance program related information and clear direction.



The heart of Mölnlycke® – our vision and values

As an international company, we feel that our personnel has a particular duty to promote and comply with applicable laws, regulations, medical device industry standards as well as other principles including voluntary principles such

as the ones defined by the United Nations Global Compact initiative that advances social sustainability goals such as human rights, labour, environment and anti-corruption.

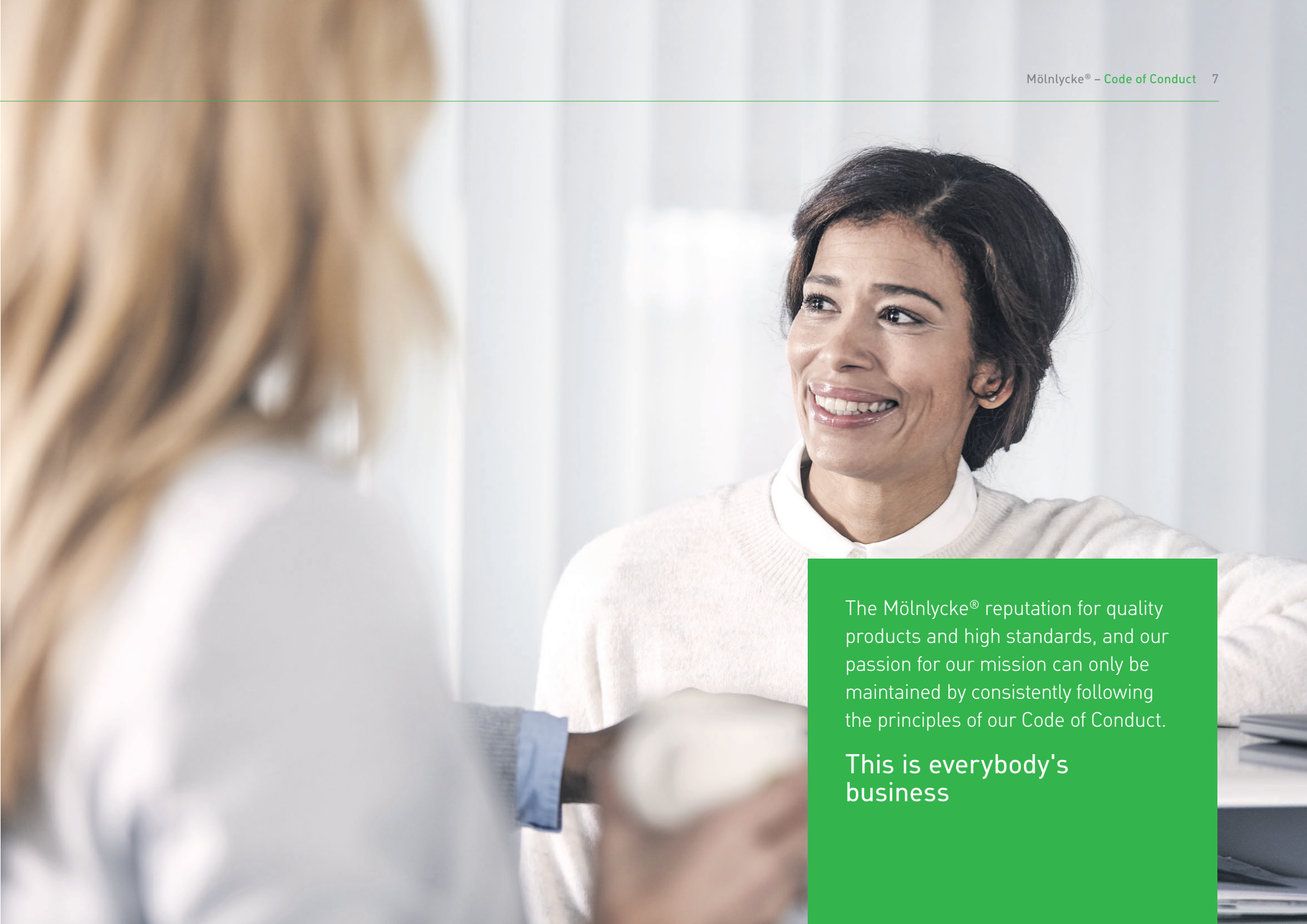
In order to guide Mölnlycke® personnel how to achieve this, the Board of Directors has adopted the Code of Conduct to govern the behaviour of permanent and temporary employees, temporary workers and consultants (collectively 'Mölnlycke Personnel'). Everyone who represents Mölnlycke has a responsibility to be familiar with and comply with our Code of Conduct. Mölnlycke Managers have an additional responsibility. They shall promote compliance with the Code of Conduct! Hence, 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, policies and procedures can address every possible business situation that may arise in the complex

regulatory environment in which Mölnlycke operates. But still, Mölnlycke considers compliance with the principles of our Code of Conduct to be vital. The company's reputation for quality products and high standards, and our passion for our mission can only be maintained by consistently following these principles.

3rd Parties¹

Additionally, we also expect our business partners such as suppliers or vendors adhering to our Code of Conduct or similar principles and guidelines. Therefore, 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 suppliers' factories. And we actively work with our suppliers to ensure this.

A woman with dark hair, wearing a light-colored sweater, is smiling and looking towards another person whose back is to the camera. The background is a bright, modern office environment with large windows.

The Mölnlycke® reputation for quality products and high standards, and our passion for our mission can only be maintained by consistently following the principles of our Code of Conduct.

**This is everybody's
business**



In how we do things
our Code of Conduct
complements our
high performance
behaviours:





Customer at heart

We listen carefully to our customers, actively learning what they need to perform at their best. We respond with the right solutions to delight and exceed their expectations. Above all, we are focused on achieving the best outcomes for our customers.



Appropriate urgency

We prioritise and execute with an appropriate sense of urgency, maintaining a clear focus on outcome. We are constantly improving and proactively finding new ways, whilst continuously learning. We are passionate about our work. We have a winning spirit and take the lead in establishing better standards in all we do.



Own the outcome

We are empowered to make decisions, prioritise and take calculated risks. We keep our promises, act with integrity and are accountable for what we do as individuals and in teams. We strive to do the right thing for the organisation, beyond our role or area – taking personal ownership for overall business performance.

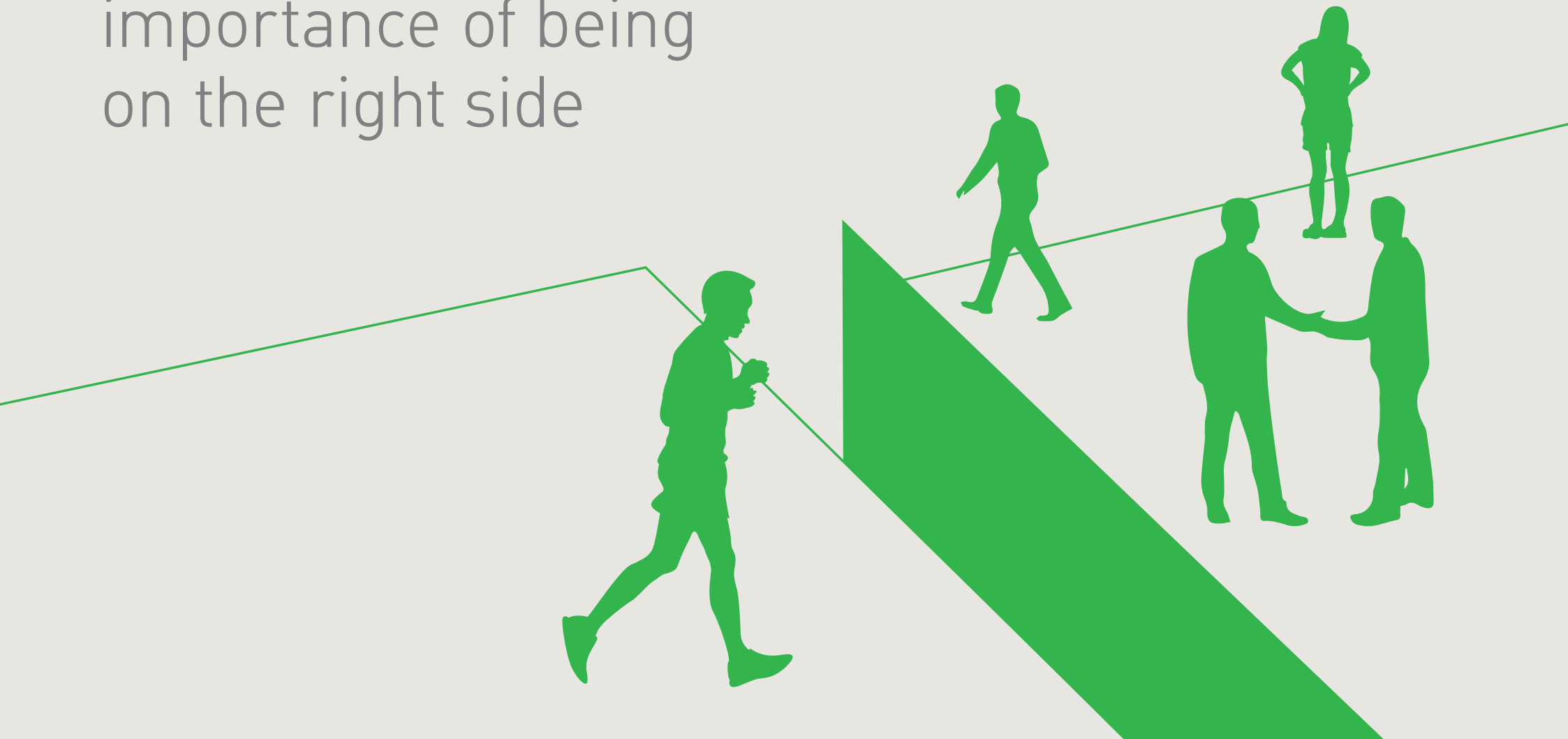


Teamwork

As part of the Mölnlycke® global family, we foster teamwork and collaboration, working openly and generously with each other. We respect and support each other, encouraging individuals to be themselves and develop their full potential. We nurture relationships because we get better results from working together than alone.



Where our policies
matters and the
importance of being
on the right side



Our policies

01

Avoiding
Bribery and
Corruption

02

Accounting
and Finance

03

Conflict
of Interest

04

Sanctions,
Export Controls
and Customs

05

Data
Protection

06

Fair
Competition
and Anti-Trust

07

Health Care
Compliance

08

Insider
Trading

09

IT Security

10

Quality and
Regulatory
Affairs

11

Workplace

12

Intellectual
Property
Rights (IPRs)

13

Fraud

14

Media
Communications

01 Avoiding Bribery and Corruption

What is the purpose?

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 Mölnlycke brand. Mölnlycke prohibits all forms of bribery and corruption related to our business or the business of 3rd Parties¹ that work for us or on our behalf.

Mölnlycke prohibits any offer, payment, promise of payment or authorization of the payment of any money, gifts, loans or anything of value, whether given directly or indirectly, to any person, including any Government Official² (GOs) 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.).

We also prohibit any 3rd Party¹ from making corrupt or improper payments on Mölnlycke behalf in connection with our business. Mölnlycke could be liable for corrupt or improper offers, promises, or payments by 3rd Parties¹ if Mölnlycke Personnel had “knowledge” that such improper activity would occur. Hence, working with 3rd Parties¹ requires conducting a risk-based due diligence on these 3rd Parties¹. Mölnlycke also prohibits facilitation payments

irrespective of whether some local laws permit facilitation payments. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a Government Official².

We must be particular thorough in our dealings with Government Officials² (GOs) and Health Care 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.

How does this policy apply to you?

Question:

You are looking into entering into a contract with a new distributor partner in an emerging market; when your manager gets to hear the name of this potential partner, he tells you that a due diligence process can be waived as he was working 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 only Legal/Compliance can provide a waiver; in addition, there may have been changes or developments since when he was working with the distributor.

Guiding principles

1. 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.
2. Interaction between Mölnlycke Personnel and 3rd Parties¹ such as Health Care Professionals³ or other 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.
3. Books, records, and accounts must accurately and fairly reflect all transactions and dispositions in reasonable detail. 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 and similar items must be clear, appropriate, and transparent. Transparency is particularly important for any such payments to Government Officials². Mölnlycke Personnel shall not make, disguise, or arrange to have made or disguised, or fail to correct or report, any false or artificial entries in any Mölnlycke books or records, or in any books or records of other persons or companies with whom Mölnlycke does business. Cash and gifts that are cash equivalent (e.g. shopping coupons) shall never be given.
4. 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 rate and consistent with industry standards.

“Navigating in a global business environment is complex and it is not always obvious where practices cross the line. Clear principle-based guidance helps me to navigate this complexity.”

Anders Hestner,
General Manager Topical Oxygen Therapy



02 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.

Accounting and Reporting Compliance

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 IFRS as stated in the Mölnlycke Group Accounting Manual and statutory reporting should follow applicable local statutory rules.

Integrity of Records

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.

Records Management

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 does this policy apply to you?

Question:

You received few invoices during year end of consultancy services that have already been performed and are being instructed to post these invoices only in following financial year to meet financial target since these costs were not include when the budget was set.

What do you do?

Answer:

You explain that it is **not in accordance with accounting standards** to intentional delay recording of transactions or events, even if the cost was not budgeted for. If you receive any instruction to intentional delay recording of transactions or events, please report it immediately to Corporate Controller.

Guiding principles

1. Even personnel that is not directly involved in the reporting of transactions or events should be aware that you can have information that is to be reflected in the accounting records to apply with the accounting standards. This could for instance relate to knowledge about a litigation or a product deficiencies that could lead to future cost, a change in the plans for how long an asset (tangible or intangible) will be in use or the signing of a new leasing or rental agreement. Please inform your Finance partner if you get information about any such or similar event.
2. Our accounting records and supporting documents must be authentic and reflect the true nature and actual occurrence of underlying transactions. It is not allowed to hide or delay recording of transactions or events or record incorrect, incomplete or misleading information.
3. 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.

03 Conflict of Interest

What is the purpose?

It is for 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 conflict of financial or any other kind. Even the appearance of a potential conflict of interest might damage the business or reputation of Mölnlycke.

The work activities of family members or relatives can also create conflicts of interest.

Principles

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

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 your management.

Proactively address situations that may put your interest in possible conflict with Mölnlycke interests. Employees shall report any kind of potential conflict of interest situation that they may encounter with regard to their employment with Mölnlycke.

Employees shall try to avoid any situation that would impair their ability to make an objective decision on behalf of, or for Mölnlycke.

A conflict of interest situation must not always mean that the activity or situation must be completely avoided. Sometimes such situations can be managed after an assessment by Legal and Compliance and HR.

How does this policy 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.

Should you do anything at this stage?

Answer:

You should **pro-actively report** that fact to the Procurement function in order to be transparent and simply avoid the appearance of a conflict of interest situation. The Procurement can then undertake appropriate steps to mitigate the situation.

“I found myself in an awkward situation and a tricky decision when a friend of the family worked as manager for a supplier competing for a Mölnlycke contract. Our guidelines helped me recuse myself from it.”

Undisclosed employee



04 Sanctions, Export Controls and Customs

What is the purpose?

Mölnlycke® and Mölnlycke Personnel are subject to (economic) sanctions and export controls laws, regulations and administration orders ('Sanctions') as well as customs laws and regulations ('Customs Laws') around the world that are applicable to our business.

Sanctions are policy tools used by countries, international organizations, e.g. the UN, or supranational bodies, e.g. the European Union 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.

Customs Laws govern the importation and exportation of goods into and out of a country.

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

Principles

Especially Sanctions can be very dynamic issue that is subject to regular and even sudden change often depending on political developments. These 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.

How does this policy apply to you?

Question:

You are about to export surgical trays to Switzerland. In order to benefit from duty relief in Switzerland an export- and import declaration with stated country of origin must be submitted to the customs authorities. Due to backorders and lack of EU components, you wonder whether to just replace EU component with components from China and ship trays to the final customer?

What do you do?

Answer:

This is likely a so called Country of Origin issue with consequential impact on related customs. **You should contact the Global Customs Manager** in order to obtain guidance establishing the Country of Origin.

Import, Export and Customs

Mölnlycke® as a global manufacturer and trader interacts with customs authorities all around the world. Our cross-border trade activities result in necessary customs formalities such as Import and Export Declarations.

Mölnlycke Personnel shall consult with the Global Customs function if there are any questions regarding Customs Laws and related procedures in connection to Mölnlycke products.

05 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, Health Care professionals³ 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 reason, 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 law of the countries in which we operate.

How does this policy 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.

Guiding principles

1. **Lawfulness, Fairness and Transparency:** Use of personal data must always be justified by a legitimate business reason and in accordance with the law.
2. **Purpose Limitation:** Personal data must be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.
3. **Data Minimization:** Personal data must be relevant and limited to what is necessary in relation to the purposes for which it is processed.
4. **Accuracy:** Personal data shall be accurate and, where necessary up-to-date.
5. **Storage Limitation:** Personal data shall 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.
6. **Integrity and Confidentiality:** Personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorized or unlawful processing and against accidental loss, destruction or damages, using appropriate technical or organizational measures.
7. **Accountability:** 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.

06 Fair Competition and Anti-Trust

What is the purpose?

Mölnlycke® and Mölnlycke Personnel are subject to various competition laws, which include EU competition law, US antitrust law 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 department regarding specific anti-competition or anti-trust issue that arises.

Given the complexity and variation around the world below is only a limited list of guiding principles:

How does this policy apply to you?

Question:

During a meeting, you heard your GM colleague responsible for the Mölnlycke® affiliate in your neighboring EU country complaining about one of the big distributors within your country is apparently supplying hospitals in that neighboring country. The distributor benefits of its high volume discounts and consequently, there is a price difference between the two countries. You know that this is a somewhat sensitive topic. However you will have verbal communication with the distributor in order to re-align this. **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 as to whether your actions are a verbal conversation only or made in written.

Guiding principles

1. Coordinated practices or agreements between competitors which affect the conditions on which they do business may cause competition law concerns (i.e. horizontal agreements):
 - a. Do not fix price-related conditions with competitors.
 - b. Never discuss any aspects of costs or pricing with competitors.
 - c. Do not discuss any market sharing or allocation with competitors.
 - d. Seek legal advice if you plan to negotiate an agreement with a competitor on JV, development or manufacturing.
 - e. Do not exchange sensitive information with competitors at industry association meetings of e.g. MedTech or Advamed.
2. Vertical agreements affect business partners that are not acting at the same level of the value chain such as the Mölnlycke relationship with a distributor or a supplier.
 - a. Do not impose any resale prices on distributors.
 - b. (Within EU) Do not prevent distributors from accepting orders from outside the designated territory.
 - c. (Within EU) Do not refuse orders from distributors exporting the products with the argument of territorial restrictions.
 - d. (Within EU) Do not impose export bans.
 - e. (Within EU) Do not agree on an exclusive agreement if one of the parties is dominant.
3. In markets where Mölnlycke is in a dominant position, this places additional responsibilities upon us. Dominance is determined by various factors. A good first indicator is market share; if a market share is below 30%, dominance is unlikely. However, please be aware that the market is not necessarily defined as the entire industry or business area but can be limited to a product or group of products. In markets where Mölnlycke may be dominant:
 - a. Do not discriminate between similar customers.
 - b. Never abuse your market power.
 - c. Seek legal advice (by contacting the Legal Department) for any kind of fidelity, target or aggregated rebate, tying or bundling model.
4. In Tender processes:
 - a. Transparency must be maintained throughout the procurement cycle by adhering to all applicable procedures.
 - b. Decision makers must be provided with correct and transparent data.
 - c. No improper influence on the content of the tender documents must be exerted.
 - d. Mölnlycke Personnel must not 'ghostwrite' tender documents.
 - e. Mölnlycke Personnel must not influence or have undue contacts with decision makers.

07 Health Care Compliance

What is the purpose?

Interactions with Health Care 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 therefore not only follow all the applicable laws and regulations but also these industry standards both in our country and in the country where the HCP practices when we interact with HCPs.

Principles

Specific standards apply to the following activities:

- Research
- Advertising and Promotion
- Sample and Demonstration Products
- Educational Items and Gifts
- Grants and Donations
- Congresses and Events
- Fee-for-Service engagements

The overall principles of how we interact with HCPs are the same as our principles concerning Avoiding Bribery and Corruption.

More specifically:

Congresses and Events

Congresses and event shall take place in or near a city or town recognized as a scientific or business centre.

How does this policy 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 touristic destination. If the location is reasonably accessible via airports and considered a business location, it may be acceptable.

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.

Grants and Donations

Grants and Donations are unsolicited, non-commercial activities of monetary or non-monetary support for a legitimate charitable, philanthropic, educational, scientific and non-political purpose.

Grants shall always be provided to qualified recipients under local laws and regulations and never to individuals. Grants shall always be paid directly to a qualified recipient and be made in the name of Mölnlycke (not on behalf of any 3rd Party).

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.

Educational Items and Gifts

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

There are more specific Mölnlycke Policies and Business and Standard Operating Procedures (BPs/SOPs) that apply to the HCP-related activities and that Mölnlycke Personnel shall adhere to.

08 Insider Trading

What is the purpose?

Mölnlycke's parent company is Investor AB ('Investor'). Investor is a publicly traded company. Mölnlycke® has also listed debt securities. As an issuer of listed securities, Mölnlycke is subject to certain specific requirements under the EU Market Abuse Regulation (MAR).

That makes Mölnlycke Personnel subject to insider trading laws.

Violations of insider trading laws, inadvertent or otherwise, can result in civil and criminal penalties for the individuals involved, as well as for Mölnlycke and its management.

Violations, or even the allegation or appearance of an improper transaction, can also damage Mölnlycke's reputation for integrity and professionalism.

Principles

It is Mölnlycke's policy that no Mölnlycke Personnel who has inside information⁴ relating to Investor or Mölnlycke may buy or sell securities of Investor or Mölnlycke or engage in any other action to take advantage of that information or pass it on to others. For the avoidance of doubt, there is no general prohibition for Mölnlycke Personnel to buy or sell Investor shares; the restrictions apply when in possession of inside information⁴.

This provision applies equally to inside information⁴ relating to any other company that Mölnlycke does business with, including customers, suppliers and other business partners, obtained by Mölnlycke Personnel during the course of their employment by Mölnlycke.

How does this policy apply to you?

Question:

In your role, you were asked to provide some specific business information to a project team that consist of some very senior people. It has been indicated that this is a very confidential project. And someone else indicated that this was a transaction bringing the company to the next level. Since, you were considering investing in Investor AB stocks for a while, this provides you with the last piece of confidence: if Mölnlycke® does well, Investor AB does!

Could there be an issue?

Answer:

Yes, given your role in providing apparently confidential business information that may relate to a potential transaction, this can qualify as insider information, in case this rumour turns out to be accurate. You should not make any stock purchasing decision based on such information, not speculate on rumours and potentially remind people about the sensitivity of such information.

Until inside information⁴ has been released by Investor or Mölnlycke (as the case may be), it must not be disclosed to anyone, except persons within Investor, Mölnlycke or 3rd Party¹ agents of Investor or Mölnlycke (such as outside counsel and auditors) whose positions require them to know it and provided that they have made appropriate confidentiality undertakings or are otherwise obliged to keep the information confidential.

Insiders may be liable for communicating or 'tipping' inside information⁴ to any outside party or for recommending that the tippee buy or sell Investor or Mölnlycke securities based on such information. Tippees are not limited to related persons, they can be friends, neighbours or acquaintances.

09 IT Security

What is the purpose?

Mölnlycke® is obligated and committed to protect its intellectual property, employees data and partners information from illegal or damaging actions.

IT tools (including but not limited to 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 3rd Parties¹ who deals with information and/or information systems of Mölnlycke. It is the responsibility of every user to know and follow the Acceptable Use of IT Policy, other relevant

IT Policies and to conduct its activities accordingly. Mölnlycke employees, contractors, consultants, temporaries, and other workers at Mölnlycke must comply with the terms and conditions set forth in these policies. Access to or use of corporate IT tools implies consent to these policies.

How does this policy 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!**

Guiding principles

1. All employees, consultants and 3rd Parties¹ that are using Mölnlycke IT systems, data or any other information asset should follow Mölnlycke's 'Information Security', 'Acceptable Use of IT' and 'Access and Passphrase Controls' Policies.
2. All employees, consultants and 3rd Parties¹ that are using Mölnlycke IT systems, data or any other information asset should take all reasonable steps to protect Mölnlycke's information and prevent unauthorized access to Mölnlycke computerized systems.
3. Employees are not allowed to share their Mölnlycke passphrase with anyone, not even to Mölnlycke IT Service Desk. Employees are not allowed to use their Mölnlycke email address when registering on non-work-related sites. Employees are not allowed to re-use their Mölnlycke passphrase on any private account such as LinkedIn, Facebook, Yahoo or Gmail.
4. Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain malware⁵. Don't click on suspicious links and attachments in emails from unknown senders.

All IT security related incidents (e.g. Social Engineering⁶ and Ransomware⁷) must be reported immediately to IT support via the IT self-service portal.

10 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®. Through our process-based Quality Management System (QMS), we constantly check, analyse, and review quality throughout the product life cycle and always seek to continuously improve.

Our passion for quality drives the culture and behaviour that delivers great results. Our QMS describes how Mölnlycke operates to ensure safe and effective products and services are delivered to our customers.

The goal of our QMS is to assure customer needs are met by product quality, efficacy, and patient safety for which we systematically apply risk management to the design, development, and (post) production processes for our products. Our quality, environmental, health, and safety systems interact to achieve our management system objectives and to be compliant with relevant regulations and standards.

Mölnlycke has established, documented, and implemented a process-based QMS as a means of providing a structure for maintaining effectiveness and driving continual improvement. The QMS is defined and managed as a series of interlinked processes.

The systematic approach gives us a high level of transparency, allowing us to view and analyse the way we work in detail. This provides a solid foundation for improvements and change management. Mölnlycke operates a global QMS and our sites have complimentary local QMS and staff who are responsible for local quality management and compliance.

How does this policy apply to you?

Question:

What are ISO Standards/Good Manufacturing Practices and how do they relate to me and the Quality Management System?

What do you do?

Answer:

ISO Standards/Good Manufacturing Practices (GMPs) are a set of Regulatory and Quality requirements to define the requirements for a Quality Management System. Today there are many different QMS standards and regulations around the world. ISO/GMPs guide how every employee within a regulated company works day to day through documented policies, procedures, and work instructions.

Guiding principles

1. 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.
2. The Mölnlycke® quality manual describes the quality management system in practice. 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.
3. Mölnlycke processes are defined and documented in our policies, procedures, and work instructions. Documented records demonstrate compliance, effectiveness, and the results of these processes.
4. 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.
5. 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.
6. You own quality and share responsibility for maintaining the effectiveness of our quality management system together with every Mölnlycke employee.

Manufacturing healthcare products in a global business is continuously evolving due to periodic revisions of standards and regulations. Our QMS facilitates our actions and decisions to satisfy both patient safety and business expectations. Our Code enables us to structure our behavior for achieving such objectives.▀

Frédéric Bouvier,
Global Quality Director
Operations & Supply



11 Workplace

What is the purpose?

Mölnlycke® is a company where strong relationships with our employees, is built on mutual respect and trust.

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 labor and social security laws and regulations. We promote sustainable conditions through which employees earn

fair salaries in a safe and healthy workplace. We are furthermore committed to work actively to promote equality in the workplace and prohibit any kind of discrimination.

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

Mölnlycke provides fair and understandable employment conditions. Pay, terms and working hours shall comply with applicable laws and industry standards.

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.

Every employee shall be treated with respect and no employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

How does this policy apply to you?

Question:

You experience, observe or hear about a situation where employees in our company weren't treated fairly, were discriminated or Mölnlycke® didn't protect employee rights and working conditions according to applicable laws and regulations.

What should you do?

Answer:

You should report any kind of non-compliance with our workplace Code of Conduct to your manager, any other manager you trust or to HR.

Mölnlycke strictly prohibit child labor and forced labor.

Mölnlycke shall at any times comply with:

- the United Nations' Declaration on Human rights
- United Nations' Global Compact and Agenda 21
- the OECD Guidelines for multinational companies
- relevant International Labor Organisation conventions

Guiding principles

1. Make sure all employees, in countries required, have a written, and legally binding contract.
2. Don't require employees to work more than the regular and overtime hours allowed by the law of the country where the workers are employed.
3. Allow employees at least 24 consecutive hours of rest in every seven-day period.
4. Employee salaries shall be reviewed regularly to ensure equity based on experience and performance for like positions within the same country.
5. Never withhold governmental documents like passport and identity cards in order to force labor.
6. Validate that age of employees in our premises are minimum 15 years and that children aren't employed for any hazardous work.

12 Intellectual Property Rights (IPRs)

What is the purpose?

A lot of companies' value nowadays is intangible, such as Intellectual Property Rights (IPRs), and that is the case also for Mölnlycke®. While focus is on strengthening our IPR position, respecting the IPRs of 3rd Parties¹ is equally important to avoid lawsuits or creating badwill.

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 3rd Parties¹, such as suppliers and collaboration partners.

Principles

Intellectual Property Rights ("IPRs") can be registered or non-registered, eternal or temporary. For example, a patent is a registered right with approximately 20 years of life length that protects a technical idea or invention. A trademark is another important IP right that is registered with approximately 10 years of life length but can be continuously renewed. A trade secret is non-registered and nonpublic and can therefore live forever (e.g. the Coca Cola recipe) provided confidentiality is retained through proper agreements and compliance. Other examples of trade secrets are customer lists, product road maps, and manufacturing know-how.

IPR Governance at Mölnlycke®

Legal is responsible for managing the IP portfolio. A key element is deciding what to protect, how and in which countries or territories. IP Committees including members from Global Marketing, R&D and

Legal are initially responsible for these decisions. In regards to trademarks, Legal works very closely with Global Marketing and local markets to ensure that strategies are aligned.

The decision to file an IP related law suit is made at the ELT level with a board approval and based on a recommendation from Legal.

Patent and trademark filings are executed and overseen by the IP team in Legal. Domain registrations and social media accounts are under the responsibility of Global Marketing Communications. IPRs are normally generated by our employees or in collaboration with external parties (e.g. suppliers, health care professionals, technical and marketing consultants). Be aware when working with external parties that IP ownership resides with the individual creator or its employer, which means that

How does this policy apply to you?

Question:

In the development of a new product, the project team meets with a potential supplier. The aim with the meeting is to show the prototypes Mölnlycke® is working on and discuss some material issues with the supplier. What do you need to consider prior to the meeting?

What do you do?

Answer:

A confidentiality agreement needs to be signed to safeguard Mölnlycke's plans for launching a new product, the details of the product itself and the material issues we are experiencing. **The Mölnlycke legal team will assist you** in getting a suitable agreement in place.

agreements and written contracts are needed for Mölnlycke to gain ownership and control.

What to do if suspecting infringement by 3rd Parties¹?

For local markets, contact Global Marketing and Legal Affairs. Example of evidence that can be used to prove infringement are product samples, copies of receipts, marketing material, IFUs, and print screens of online marketing material. Save the material at hand and send it across to your Global Marketing contact and Legal Affairs. For our key brands Mölnlycke has a system in place to automatically detect and enforce trademark infringement online. In case of suspected patent infringement, a thorough analysis has to be carried out taking into account IPR enforceability and likelihood of proving infringement which analysis in turn leads to a recommendation from Legal. During a law suit, as well as when preparing for it, confidentiality and document retention is essential.

How to deal with 3rd Party¹ IPRs

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 analyses. When we become aware of 3rd Party¹ IPRs of relevance for our business, Legal makes a risk assessment and proposes a recommendation on next steps. In extreme cases, such recommendation could be to stop selling a certain product, in other cases the recommendation could be to develop a new non-infringing product design or to get a license from the IP owner.

Mölnlycke expect all employees to safeguard its confidential information to assure strengthening of its IPR portfolio as well as to respect the IPRs owned by 3rd Parties¹.

“For successful innovations, it is crucial to navigate the IP landscape both to identify and mitigate risks, and to capture opportunities.”

Malin Andersson, Director R&D



13 Fraud

What is the purpose?

Fraud and money laundering are willful practices of deception, theft or embezzlement. There is a complex set of anti-fraud and anti-money-laundering laws and regulation that are applicable to Mölnlycke® and its personnel. Any form of fraud or money laundering is usually a crime. A complex and global organization like Mölnlycke needs to be aware of the various risk areas. Mölnlycke does not accept any form of fraud or money laundering.

Mölnlycke only conducts business with 3rd Parties¹ that are willing to provide us with appropriate information allowing us to understand whether the payments are appropriate.

Employees must never engage in fraudulent or any other dishonest conduct involving the assets, expense claims or accounting and reporting.

Employees should make proper use of Mölnlycke's assets and safeguard assets from loss, damage, misuse, theft, fraud, embezzlement and destruction.

How does this policy apply to you?

Question:

As a sales representative you came to know that your manager has been enjoying personal gains from selling samples at discounted price to customer. The manager told the team it is a common practice and no loss to company since samples are given out as free of charge goods. The manager also told the team he/she can do likewise.

What do you do?

Answer:

It is wrong to use any company assets (including samples) for personal gains. Sales personnel should report directly to Management, the Compliance function or make a report via our helpline they prefers to remain anonymous.

Guiding principles

1. We do not accept or make payment unless they are governed by a duly authorized contract or otherwise authorized by Legal and Compliance and Accounting.
2. We do not execute a payment to a 3rd Party¹ or accept a payment from a 3rd Party¹ that is not a party to the transaction as per the contract.
3. We do not use any 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.
4. We only use any tangible or intangible company assets for legitimate purposes and take reasonable precautions to protect assets from any form of losses.

14 Media Communications

What is the purpose?

At Mölnlycke® the Global Corporate Communications team is appointed to make a judgement on who is the best person to reply to a media enquiry, regardless the enquiry. A media policy is essential to ensure we protect our employees and our company. We want to avoid that an employee become a target or unintentional spokesperson for the company. Media should only be handled by people who are trained.

At Mölnlycke we handle relationships with media and media enquiries in one consistent manner and communicates one global message.

This policy covers all Mölnlycke sites globally. Mölnlycke shall maintain relations with media to support the company's reputation and brand. Mölnlycke shall secure a correct presentation in media, by always aiming to provide relevant information about the company. In order to send coherent and correct messages to the media, the Global Corporate Communications Team is responsible for handling media relations.

Unless otherwise has been agreed, all media requests must be handled by the Global Corporate Communications team. From time to time, the Global Corporate Communications team can authorise spokespersons to address specific media enquiries.

Should an employee want to contact the media in order to gain positive attention for Mölnlycke, the employee must always consult the Global Corporate Communications team prior to doing so.

How does this policy apply to you?

Question:

It has been discovered that two surgical glove manufactures in Malaysia contracts migrants and makes them subject to forced labour, withheld their wages and confiscated their passport. The journalist wants to know if Mölnlycke® is one of the companies.

What do you do?

Answer:

Tell the journalist that you are not the right person to speak to. Ask them to provide you with their contact details and tell the journalist you will make the right person calls back as soon as possible.

Guiding principles

1. If contacted by a journalist, ask for contact details and say that a designated spokesperson will get back to him/her.
2. If the journalist insist on your comment – always point to that you are not a spokesperson for the company.
3. If possible, ask what the request is about.
4. After the call, please contact someone in the Global Corporate Communications team with appropriate urgency. Journalists often have tight deadlines and we want to have the opportunity to get back in time.

Our helpline – how to raise a concern



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 in 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, Legal and 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 efficiently 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.

Thank you for your collaboration in upholding our standards and principles.

Helpline:

<https://secure.ethicspoint.eu/domain/media/en/gui/104034/index.html>

Contact:

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

Definitions

1. 3rd Party

Means any person or entity including but not limited to agents, consultants, vendor, suppliers or other business partners working for or on behalf of Mölnlycke.

2. Government Official (GO)

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 GO 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 organization, state-owned enterprise, or entity owned or controlled by a government unit.

3. Health Care Professional (HCP)

Means any individual (with a clinical or non-clinical role) whether a government official, or employee or representative of a government agency or other public or private sector Health Care organization; 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.

4. Inside information

Inside information is defined in EU rules as '[i]nformation of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers [of listed financial instruments] or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments'. Similar terms and definitions apply in other countries.

5. Malware

A malicious software which is intentionally designed to cause damages to a computer, server or network.

6. Social Engineering (exploitation of 'human factor')

Cyber criminals sending you email pretending to be your manager asking you to conduct a payment or share sensitive information.

Or posing as an IT support person asking you to share your Password.

7. Ransomware

A type of malicious software as embedded links or email attachments designed to block access to a computer system or encrypting files until a sum of money is paid.

Please find all policies and procedures as well as definitions in our Intranet or Quality Management System (QMS).

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 Health Care professionals perform at their best. And we're committed to proving it every day.

Find out more at www.molnlycke.com

Mölnlycke Health Care AB, P.O. Box 13080, Gamlestadsvägen 3 C, SE-402 52 Göteborg, Sweden. Phone + 46 31 722 30 00
The Mölnlycke trademarks, names and logos are registered globally to one or more of the Mölnlycke Health Care Group of Companies.
©2019 Mölnlycke Health Care AB. All rights reserved.

