

# Business Partner Code of Conduct



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Mölnlycke is determined to revolutionise care for people and planet. Mölnlycke is transforming our business to become a global leader in sustainable healthcare. Sustainability is a strategic priority at Mölnlycke, and ethical business practices are essential. We look for business partners with the same level of commitment.

## About the Code

This Business Partner Code of Conduct serves as a combined document to include Mölnlycke's Supplier Code of Conduct and Mölnlycke's Distributor Code of Conduct. This Code covers Mölnlycke's requirements on our business partners when it comes to protecting working conditions and human rights, minimising environmental impact, and doing business with integrity. It represents Mölnlycke's view on healthy business conduct and is a pre-requisite for a successful partnership with Mölnlycke.

This Code applies to Mölnlycke's agreements with our business partners, such as purchasing agreements and distributor agreements. Thereby, the principles articulated in this document (or the equivalent principles of the business partner confirming a consistent approach) contractually apply to any business relationship between us and our business partners.

Mölnlycke fully supports the objectives of the UN's Paris Agreement on climate change, and we are transforming our business to reach Net Zero by 2050 at the latest, decoupling our growth from resource constraints. Furthermore, Mölnlycke is a signatory of the UN Global Compact and is committed to comply with internationally recognised Human Rights<sup>1</sup>, the OECD Due Diligence Guidance, and relevant legislations.

If principles in this Code of Conduct differ from local law or customs in a particular country, the higher standards shall always apply, unless this results in illegal activity.



## Words from our CEO

*"Sustainability is a strategic priority at Mölnlycke, and ethical business practices are essential. We look for business partners with the same level of commitment."*

Zlatko Rihter  
Chief Executive Officer

<sup>1</sup>When referring to Human Rights Mölnlycke takes into consideration, at a minimum, the International Bill of Human Rights. It includes the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. We endorse the Ten Principles of the UN Global Compact, UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

## Scope

This Code applies to relevant business partners, throughout the evaluation of the business partner prior to engagement and during the business relationship with Mölnlycke. The term “business partner” covers any person or entity doing business with Mölnlycke either (i) upstream, involving the supply of goods or services to Mölnlycke, or (ii) downstream, involving the purchase of products or services from Mölnlycke or acting on behalf of Mölnlycke.

This Code also articulates responsibilities that aim to secure that the principles are communicated and implemented not only with our business partners but also with their respective business partners, to promote responsible business across the full value chain of Mölnlycke’s products and services.

## Governance and allocation of responsibilities

Mölnlycke recognises that each enterprise in a business relationship has its own responsibility to ensure compliance with relevant regulations and identify and address possible sustainability risks, sanctions risks, corruption risks, or other risks that the business partner might be exposed to. Mölnlycke uses external systems and/or partners to screen relevant business partners, and business partners exposed to a high level of risks may be requested to demonstrate their compliance.

Mölnlycke regularly conducts risk assessments and reserves the right to conduct on-site audits and impact assessments of its business partners, its business partners’ business partners and sub-contractors (such as sub-suppliers or sub-distributors). Audits and impact assessments may be conducted by Mölnlycke or by an independent third party if required according to Mölnlycke

policy. Mölnlycke aims to identify, prevent, mitigate, and if possible, remediate any potential or actual adverse impacts related to Mölnlycke’s operations and activities. If potential or actual adverse impacts are identified, Mölnlycke expects all business partners to take part in meaningful engagement to address relevant impact.

Mölnlycke reserves the right to share general information and/or results from such audits or impact assessments with relevant parties, to ensure compliance with regulatory or contractual obligations. Business partners are expected to manage any business partner and sub-contractor, retained in relation to Mölnlycke business, with appropriate due diligence by e.g. communicating the principles in this Code (or equivalent) and upholding procedures to follow-up compliance (such as a risk-based assessments and prioritisation).

## Mandatory reporting and remediation of Code breaches

Business partners are required to report any suspicion of a material breach of their (or their sub-contracts) obligations under this Code to Mölnlycke. Should a business partner (or any of its sub-contractors) fail to comply with the obligations under this Code, the business partner must take appropriate action to remediate the breach and prevent its recurrence. Mölnlycke reserves the right to terminate the business relationship with any business partner who materially breaches or persistently deviates from this Code.

# Governance

Each business partner is responsible for conducting business in compliance with law and in accordance with the principles stated in this Code (or equivalent principles expressed in the business partners' own policies).

## Trade compliance

Mölnlycke's business partners shall conduct their commercial operations in accordance with international trade regulations, including sanctions, export controls, anti-boycott laws, and customs regulations. Our business partners should possess adequate knowledge of their procurement network, transnational operations, and risk management strategies to ensure compliance with prevailing international trade laws.

## Fair competition

Mölnlycke's business partners shall respect and comply with all applicable fair trade, competition and anti-trust laws and regulations. Our business partners shall not have anti-competitive discussions, enter into anti-competitive agreements, or engage in any other illegal restrictions on fair competition, such as illegal price-fixing, market sharing, customer allocation and/or abuse of market power.

## Conflicts of interest

Mölnlycke's business partners shall avoid, identify, and report any existing or potential conflicts of interest when dealing with Mölnlycke. Mölnlycke shall be notified in writing of all potential conflict-of-interest situations in a timely manner.

## Books, records, and fraud

Mölnlycke's business partners shall ensure that accounting records and supportive documents incurred on behalf of Mölnlycke are accurate, authentic, and maintained with honesty and in accordance with generally accepted accounting principles.

Fraud is incompatible with Mölnlycke's values and culture, and all allegations will be investigated. Any Mölnlycke business partner shall report fraudulent acts when detected.



## Intellectual property rights

Mölnlycke's business partners shall ensure that Mölnlycke's intellectual property rights ("IPRs") are not misused or improperly disclosed. Business partners are expected to take appropriate measures to safeguard Mölnlycke's IPRs, and to comply with Mölnlycke's brand guidelines. Any suspected violations or infringements of Mölnlycke's IPRs shall be reported immediately.

## Confidential information

Mölnlycke's business partners shall ensure that confidential information, even if such information is not specifically identified as confidential, regarding Mölnlycke's business and products is handled with extreme care and only used for legitimate purposes. Business partners shall implement suitable measures to safeguard such information, including trade secrets, from intentional or unintentional misuse and from disclosure to any unauthorised internal- or external third party. Mölnlycke's trade secrets shall remain confidential at all times. Intentional misuse and negligent handling/use of confidential information will be investigated and referred to law enforcement or possibly subject to civil action.

## Data privacy

Mölnlycke's business partners shall process, and shall ensure that any processor acting on their behalf processes, personal data in compliance with all applicable data privacy and data protection laws and regulations. In addition, they shall operate in a manner that is consistent with relevant industry and ethical standards with regards to data privacy.

## Business integrity including bribery and corruption

All business partners must uphold the highest ethical standards when doing business. Mölnlycke's business partners are expected to work actively to prevent bribery and corruption. No business partner, or anyone acting on behalf of Mölnlycke, may offer or pay a bribe, kickback, facilitation payment or other improper payment. Business partners are also not allowed to provide anything of value that is intended to improperly influence a decision, gain an unfair business advantage, or win business. All business partners must maintain complete, transparent, and accurate records supporting all transactions undertaken on behalf of or for Mölnlycke.



All business partners must uphold the highest ethical standards when doing business

## Responsible sourcing of minerals

Business partners that supply electrical components and parts must pay specific attention to the use of conflict minerals (tin, tantalum, tungsten, and gold). Such business partners must be able to share with Mölnlycke relevant data, policy, and result of a management system to promote responsible sourcing aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.





## Dealing with government officials, healthcare organisations and healthcare professionals

A business partners' relationship with a government official ("GO"), healthcare organisation ("HCOs") and/or healthcare professional ("HCP") shall be in strict compliance with applicable laws and regulations including industry codes. Business partners shall never offer GOs, HCOs or HCPs anything that could be perceived as an attempt to inappropriately influence their decisions to purchase, use, prescribe or recommend Mölnlycke's products or be perceived as an offer in exchange for any promise of influence or outcome or in any other way inappropriately influence their business activity.

### Consultancy

Any consultancy arrangement related to Mölnlycke and/or Mölnlycke products shall be based on a legitimate need for the service, documented in a written agreement, any fee shall be based on fair market value for the services provided and, if applicable under relevant laws and industry codes, appropriate employer notification shall be given.

### Hospitality

Any hospitality to GOs, HCOs and HCPs must observe local regulation, including transparency regulation, and shall always be kept modest in amount, be incidental to the main purpose of the meeting and in accordance with local standards.

### Transparency principle

Full transparency and proper documentation are required when interacting with GOs or HCPs. The overall objective of engagement with HCPs must always be to serve the patients in the best possible way and interactions must respect the independent decisions of the HCPs regarding treatment. Business partners must also adhere to any applicable HCP transparency regulations.

### Samples

Business partners may only provide free products and samples in accordance with local laws, and any free products and/or samples must be properly recorded in books and records. The conditions applicable to the supply (including a clearly specified no-charge) must be disclosed to any HCP and HCO in writing. The provision of samples must not improperly reward, induce and/or encourage HCPs and/or HCOs to purchase, lease, recommend, prescribe, use, supply or procure Mölnlycke products or services.

### Educational support to HCPs

If permissible under national laws and relevant industry codes, business partners may organise or sponsor events to inform HCPs about Mölnlycke products, or to provide scientific or educational information relating to Mölnlycke care areas and products. However, such educational support shall always be provided in compliance with local laws and industry codes and shall never be offered to inappropriately influence any decision.

## Raising concerns

Business partners' employees are encouraged to report concerns, misconduct, and human rights grievances without the threat of retaliation. All business partners shall implement systems that allow for their employees to raise such concerns, have established processes to investigate reported concerns, implement relevant corrective actions if applicable and provide remediation.

All employees of Mölnlycke's business partners may report their concerns related to Mölnlycke's activities including human rights related grievances through Mölnlycke's reporting channel, the Ethics Hotline. If human rights related grievances related to Mölnlycke's activities are detected, Mölnlycke and the business partner shall cooperate to implement corrective actions and provide remediation.



Ethics Hotline

# People

A sustainable workplace not only meets the fundamental needs of employees at present – such as a fair wage and healthy and safe working environment – but also goes beyond to contribute to the needs and objectives of society. As a Mölnlycke business partner, we encourage you to create policies and measures that will protect your employees, your communities and to act as good corporate citizen.

It is expected that business partners implement due diligence in their own operations and their supply chain to identify, prevent, mitigate and remediate potential and actual risks of adverse Human Rights impacts. They are also expected to collaborate and support, when reasonably practicable, Mölnlycke's initiatives that aim at improving the wellbeing and rights of their employees and other rights holders.

## Human rights and labour rights

Business partners are expected to respect and implement actions to protect Human Rights and Labour Rights and to respect the rights of their employees and of their other stakeholders. Mölnlycke expects its partners to treat their employees fairly and with dignity and to refrain from using physical punishment or degrading punishment. Disciplinary actions against employees can only be applied in accordance with applicable processes, in compliance with relevant local labour legislation, and should always be fair and proportionate to the misconduct of the employee. Deductions from wages as a disciplinary measure shall not be permitted.

## Child labour and young employees

Mölnlycke does not tolerate child labour and is committed to fighting the worst forms of child labour as defined by the ILO convention no. 182. Mölnlycke expects its business partners to endorse the same commitment. In the event that business partners employ young workers, they must do so in strict compliance with local laws and ensure:

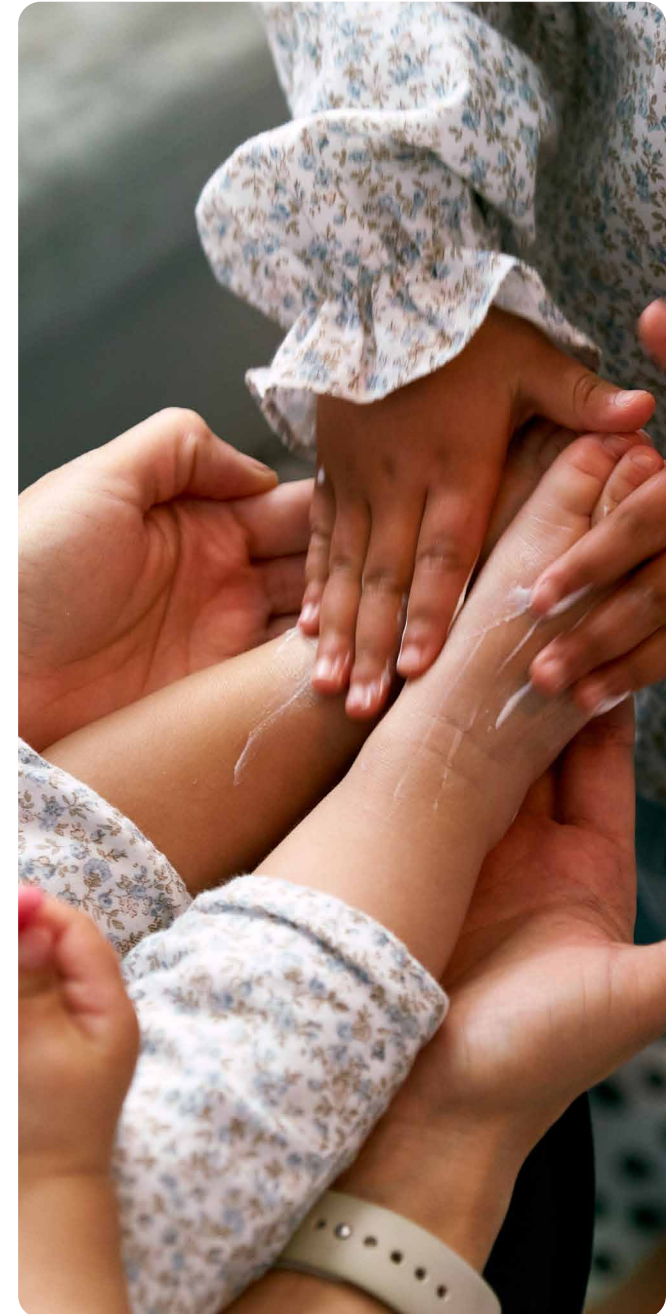
- the young workers safety and wellbeing;
- that young workers are not employed in hazardous work; and
- that the employment does not compromise the young workers' possibility to pursue their education.

## Forced and compulsory labour and modern slavery

Forced labour, bounded labour (including debt bondage, trafficking and other forms of modern slavery), work performed under the threat of a penalty or coercion, involuntary work, unpaid work, or any similar practices are never tolerated. Employees must not be required to pay deposits, lodge identity papers or other possessions, or have their salary withheld by the employer. Employees must also be free to leave without penalty after giving reasonable notice. Vulnerable groups such as, but not limited to, migrant employees and indigenous peoples are recognised as facing a higher risk of being exploited and should receive additional protection from the business partner.

## Fair and equal treatment

Mölnlycke's business partners must treat all employees with respect and dignity and protect their right to personal integrity and their right to privacy. All workers shall receive equal pay for equal work and qualification. Business partners must never discriminate against employees or job applicants based on sex, race, colour, nationality, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation. Any form of psychological, physical, sexual or verbal abuse, intimidation, threat, or harassment shall never be tolerated.



## Health and safety

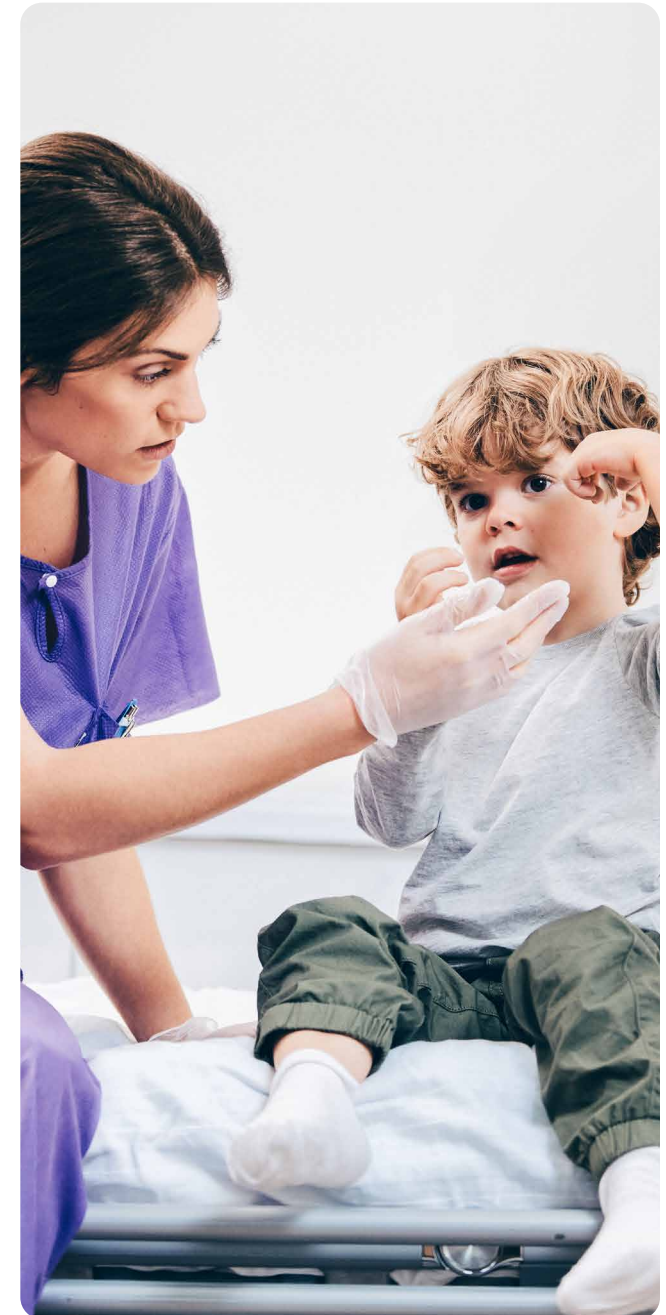
Mölnlycke expects its business partners to provide a safe and healthy work environment for all their employees. This could be demonstrated by following an occupational health & safety (OH&S) management system, such as the ISO 45001 standard, to help the business partner promote and protect physical and mental health of its employees and to reduce occupational injuries and diseases.

### Business partners must be prepared to demonstrate their commitment and ability to meet external expectations, such as through:

- an occupational health and safety and/or sustainability policy;
- documented investigations of incidents, including the identification of corrective actions to prevent a recurrence;
- defining and documenting responsibilities, and available resources;
- identification of, and evaluation of compliance with, all applicable compliance obligations;
- consultation and participation of employees;
- hazard identification, and identification of risks and opportunities; and
- setting objectives and a process for monitoring, measurement, analysis, and performance evaluation

### The business partner shall:

- ensure that the responsibility for health and safety is assigned to a senior management representative;
- provide all employees with effective health and safety training and instructions on a regular basis;
- provide all employees with appropriate personal protective equipment at the expense of the business partner;
- provide all employees with access to clean toilet facilities and drinking water;
- ensure that any employee transport is fit for purpose, safe, maintained, and operated by competent persons;
- ensure that any dormitory facilities provided for employees are clean, safe, and meet the basic needs of the employees; and
- ensure that there is a suitable process for preparing for and responding to potential emergency situations including adequate, working fire extinguishers, clearly marked exit doors and evacuation plans in the local language and adequate provision of first aid throughout the facility.





## Freedom of association and the right to collective bargaining

Mölnlycke's business partners must ensure that their employees are not prevented from associating freely or negotiating collectively. In situations where the right to freedom of association is restricted under local law, the business partner must allow employees to freely elect their own representative.

## Working hours

A normal working week must not exceed 48 hours. Overtime must be voluntary and not exceed 12 hours per week, resulting in a working week of maximum 60 hours. All employees are entitled to at least one full day (24 hours) off every seven days. Working hours may only exceed the above if allowed by national law, allowed by a collective agreement, appropriate safeguards are taken to protect the workers' health and safety, the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies and/or that progress towards reduction of normal hours of work is made.

## Terms of employment

Mölnlycke's business partners must ensure that employment terms are fair and transparent. Employees should receive clear documentation outlining their conditions of employment before starting work, in a language they understand, and in compliance with national laws.

# Planet

Mölnlycke fully supports the objectives of the UN's Paris Agreement on climate change and is transforming its business to reach Net Zero by 2050 at the latest, decoupling its growth from resource constraints. Furthermore, Mölnlycke measures and reports our greenhouse gas scope 1, 2 and 3 emissions according to the Greenhouse Gas Protocol, using a full cradle-to-grave life cycle assessment. This reporting forms the basis of our emissions key performance indicators and our commitment to Net Zero by 2050 at the latest.

In 2024, the Science Based Target initiative ("SBTi") validated Mölnlycke's near-term GHG emission reduction targets. Mölnlycke's objective is to collaborate with suppliers who are committed to the SBTi, aiming for 63% of our suppliers<sup>2</sup> to have committed to science-based targets by 2028.

<sup>2</sup>% suppliers by emissions covering cat 1 purchased goods and services, cat 2 capital goods and cat 4 upstream transportation and distribution.

## Environment

All business partners must apply a precautionary approach to environmental challenges by considering the impact on the environment when conducting their business. This could affect, but is not limited to, factors such as the materials used, end-of-life treatment, energy sources, and resource consumption. Mölnlycke's business partners should strive to use and develop sustainable solutions and strive to minimise their negative impact on the environment and public health while conducting business.

## Climate change

Business partners must strive to minimise the greenhouse gas emissions (measured in CO<sub>2</sub>-eq) caused by their operations directly or indirectly. Mölnlycke believes successful companies strive to improve their energy efficiency and opt for low-carbon energy and recycled and/or biobased materials.

## Resource efficiency and circularity

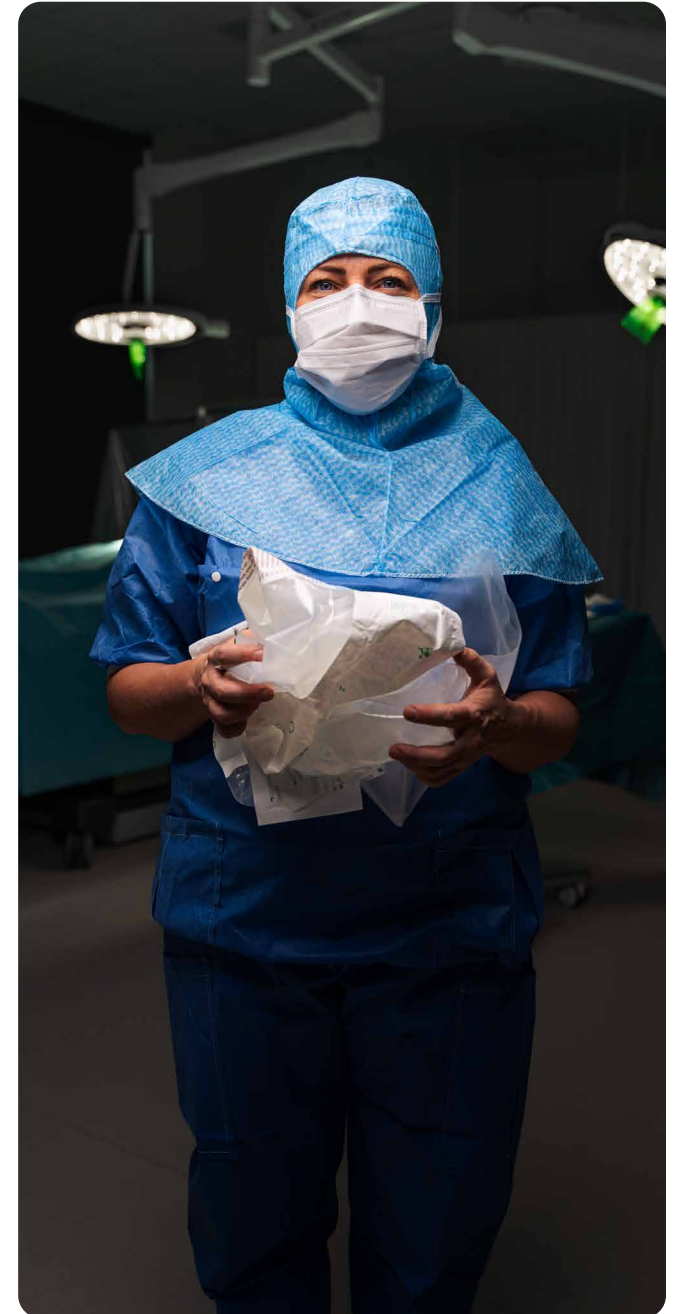
Mölnlycke' is committed to decouple our growth from resource constraints by embracing a circular economy business model that extends beyond recycling. Mölnlycke adopts a Circular Economy approach by minimising the need for recycling and committing to zero waste through the "right first-time" principle and material repurposing. The journey toward zero waste includes both materials and water, with ambitious goals to achieve zero waste to landfill and closed water-loop at our most water-intense sites by 2030. Every Mölnlycke business partner is expected to prioritise reducing, reusing, and recycling resources to the fullest extent possible.

## Environmental management system

Mölnlycke expects its business partners to work systematically to minimise their impact on the environment. This could be demonstrated by following an environmental management system, such as the ISO 14001 standard, to enhance its environmental performance. Business partners must be prepared to demonstrate their leadership, commitment, and ability to meet external expectations, for example through:

- an environmental and/or sustainability policy,
- documented investigations of their current environmental impact, including analyses and prioritisations which can be used as a basis for planning actions to reduce environmental impact,
- identification of, and evaluation of compliance with, all applicable compliance obligations,
- defining and documenting responsibilities and available resources,
- a suitable process for preparing for and responding to potential emergency situations, and
- setting objectives and a process for monitoring, measurement, analysis and evaluating its environmental performance and actions for continual improvement.

Furthermore, Mölnlycke expects its business partners to calculate and disclose emissions according to internationally recognised standards (such as the Greenhouse Gas Protocol) and develop a transition plan outlining clear goals, timelines, and actionable steps for reducing emissions and enhancing sustainability.



## Hazardous substances and chemical legislation

As far as is reasonably practicable, the use of chemicals and hazardous substances should be eliminated or kept to an absolute minimum. Business partners using such chemicals or hazardous substances must ensure safe handling, storage, and disposal, according to applicable standards and local laws.

Mölnlycke requires business partners operating within or selling to the EU to take full responsibility for pre-registering, registering, notifying and/or applying for authorisation as and when required. To support Mölnlycke in maintaining compliance to ISO Standards and other regulatory and technical requirements, business partners might be requested to provide the following information about their products: Material or product composition, including Chemical Abstract Service number (CAS number) and Safety Data Sheet (SDS).

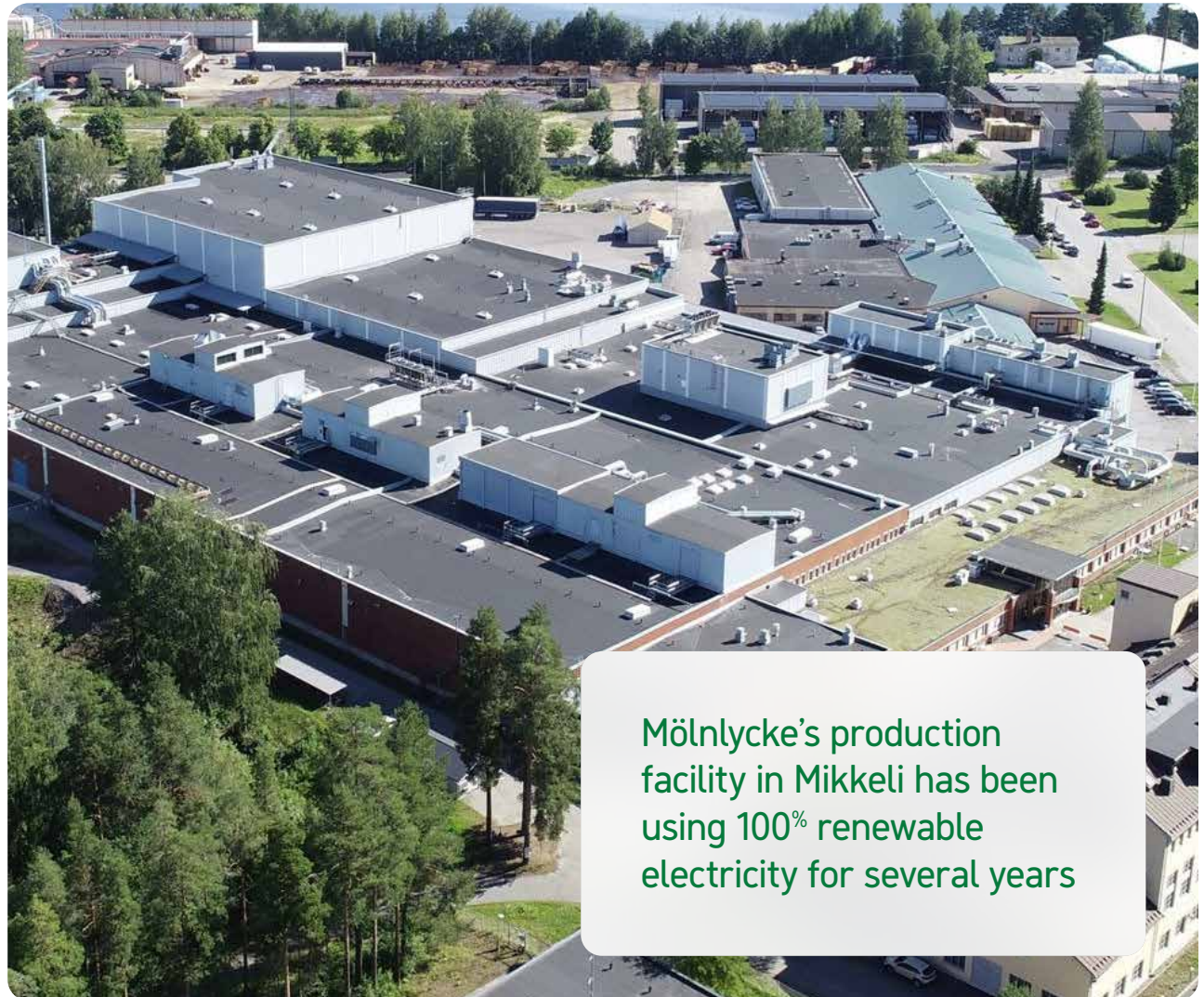
## Lifecycle assessment

Mölnlycke's lifecycle assessment ("LCA") programme is based on ISO 14040-44 requirements. When conducting an LCA, business partners should apply the latest version of Mölnlycke LCA and Carbon Footprint-guidelines for suppliers and clearly state the scope, indications, assumptions, methodology used to retrieve the data and data sources to facilitate the comparison of LCA results from different organisations.

As part of our innovation process, life cycle assessment guides the development of more innovative, sustainable solutions as we continuously strive to reduce the overall environmental footprint of our product value chains. We are also developing Environmental Product Declarations (EPDs) for selected products. Business partners will be expected to support with measurements, data and LCA upon request.



Business partners using such chemicals or hazardous substances must ensure safe handling, storage, and disposal, according to applicable standards and local laws



Mölnlycke's production facility in Mikkeli has been using 100% renewable electricity for several years

Find out more at [www.molnlycke.com](http://www.molnlycke.com)

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