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HYDROSCAND GROUP AB

Human Rights Policy

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Introduction

In today's globalized business environment, Hydroscand Group, its customers, suppliers and partners worldwide play a crucial role in upholding human rights standards. A robust human rights policy serves as a guiding framework for us, ensuring that Hydroscand operations align with principles of dignity, equality, and justice.

By integrating these principles, stakeholders can work together to create a more inclusive and respectful society.

In respect of Hydroscand Group AB and all its subsidiaries

This Human Rights Policy establishes the key principles applying to the entire Hydroscand Group and shall govern the behavior of all employees of Hydroscand. Employees shall report any suspected breach of the rules in this Policy to their immediate supervisor or manager.

Hydroscand aims to integrate human rights considerations into all decision-making processes, policies, and practices throughout the organization, across every function and level.

Basic principles and commitments

Hydroscand recognizes the importance of respecting human rights in all aspects of our operations, from supply chain management to partnerships with stakeholders across the globe. Our Human Rights Policy emphasizes the following components:

Commitment to universal human rights: We affirm our dedication to upholding the universal principles of human rights as outlined in international treaties and declarations.

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Non-Discrimination: We reject all forms of discrimination based on race, ethnicity, gender, sexual orientation, religion, disability, or any other characteristic in our interactions with employees, suppliers, and partners.

Accountability and transparency: We establish mechanisms for accountability and transparency to ensure that our actions align with human rights principles and that any violations are addressed promptly.

Partnerships and collaboration: We collaborate with our suppliers, partners, and relevant stakeholders to promote human rights collectively and foster a culture of respect and responsibility.

Education and awareness: We provide education and awareness programs to our employees and partners to ensure understanding of human rights issues and responsibilities.

Continuous improvement: We commit to continuous learning, adaptation, and improvement in integrating human rights considerations into our policies, practices, and decision-making processes.

Employee Health & Safety

The health and safety of our employees are paramount. Comprehensive measures will be implemented to ensure a safe and healthy working environment. This includes the identification, assessment, and management of potential hazards in the workplace.

Working Conditions

We are dedicated to providing working conditions that are conducive to the well-being of our employees. This encompasses fair compensation, appropriate working hours, adequate rest periods, and a safe physical environment.

Social Dialogue

Open communication and dialogue with employees are vital for creating a collaborative and inclusive work environment. We encourage ongoing discussions regarding workplace conditions, employee concerns, and opportunities for improvement.

Career Management & Training

Career development and training opportunities will be provided to employees, ensuring that they are equipped with the necessary skills and knowledge to thrive in their roles and advance their professional growth within the organization.

Child Labor, Forced Labor, and Human Trafficking

The organization strictly prohibits any form of child labor, forced labor, or human trafficking in its operations. We are committed to upholding the highest standards of human rights and ensuring that all employment practices are ethical and in compliance with relevant laws and conventions.

Diversity, Equity, and Inclusion

We strive to foster a diverse, equitable, and inclusive workplace, where all employees are treated with respect and dignity. This includes the promotion of equal opportunities, the elimination of discrimination, and the encouragement of diverse perspectives and backgrounds in all aspects of the organization.

Rights to Land, Forests, and Water, and Forced Displacement

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We commit to respecting the rights of individuals and communities regarding land, forests, and water resources. Any activities involving land, forest, or water usage will be conducted with due consideration for human rights and in accordance with local and international regulations. Forced displacement, where applicable, will be avoided and addressed in a manner consistent with the principles of justice and equity.

Stakeholders and community engagement

Hydroscand prioritizes community and stakeholder engagement in its operations. We value respecting the rights of local communities. Stakeholder engagement, involving employees, customers, investors, civil society organizations, and affected communities, is integral in developing, implementing, and reviewing the human rights policy.

Labor Rights and Supply Chain responsibility

Hydroscand promotes fair labor practices across the organization. That includes respect for workers' rights, such as freedom of association, collective bargaining, fair wages, safe working conditions, and protection against forced labor and child labor. This is something that is mirrored in our supply chain where it is our responsibility to ensure that human rights are respected throughout our supply chain. We have systems and processes in place to monitor and control this.

Diversity, equity, and inclusion

Hydroscand Group is committed to fostering, cultivating, and preserving a culture of diversity, equity, and inclusion. Hydroscand aspires to become a more diverse and inclusive company to reflect all sections of society and our customers.

Our Diversity, Equity & Inclusion Policy provides a framework for new and existing diversity and inclusion-related initiatives and policies across Hydroscand Group. This policy guides our Board of Directors, management, employees, subcontractors, and partners in developing an inclusive culture. Hydroscand's commitment to diversity extends to all areas of our business, including recruitment, job assignment, compensation and benefits, talent development, skills enhancement, promotions, employee retention, flexible work arrangements, forms of leave available to employees, policies, and procedures, Board appointments, and succession planning.

Hydroscand Group believes that, with an organization reflecting the world we operate in, we get the best opportunities for profitable growth and to sustainably fulfill our mission in the long term. Therefore, we focus on diversity and highlight actions to further build an inclusive workplace and an inspiring and respectful business culture where everyone feels belongingness and can contribute fully.

To Hydroscand Group, diversity means that we employ and promote the existence of variations of different characteristics in a group of people. Discrimination grounds such as gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, and age are examples of such characteristics, but in principle, diversity relates to everything that constitutes a significant difference and makes a person unique in relation to their surroundings.

To Hydroscand Group, inclusion means that all employees feel and are, respected and valued, allowing them to reach their full potential while contributing to the success of the business.

Basic principles

- Engage all employees in diversity & inclusion through digital training developed by Hydroscand Academy.

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- Talent attraction, recruitment, and promotion – *When a seat becomes available, we are committed to running an inclusive recruitment process, ensuring balanced representation.*
- Respectful company culture
- Inclusive behaviors – *Build inclusion capabilities in all business units. Equip leaders and employees to be inclusive in practice and to follow up when employees experience exclusion and discrimination.*
- *Em*powering leadership with performance management training and working systematically with the Great place to work employee survey results.
- Zero tolerance towards harassment – *Our Code of Conduct, whistleblower system, and whistleblower guideline as supporting tools.*
- Diverse and inclusive communication – *both internally and externally.*
- Product and service development – *Strengthen innovation and development of range and offers for possible new customer groups.*
- Community involvement - *Collaborations and new initiatives to reduce exclusion in society.*

Unbiased recruitment process

At our organization, we are dedicated to fostering diversity, equity, and inclusion in every facet of our operations, including recruitment. Our commitment to fair and unbiased hiring practices ensures that all candidates have equal opportunities.

We craft job descriptions that are clear, inclusive, and centered around essential job requirements, free from bias. Through diverse sourcing strategies, we leverage various recruitment channels to attract a wide range of candidates.

Our interview process is structured and standardized, focusing on job-related criteria. Within the global HR organization, the recruitment process is regularly evaluated to ensure that our process and practice supports our overall diversity, equity, and inclusion vision. We aim to implement blind recruitment practices, removing personal information from resumes during initial screenings to minimize bias.

We continuously train ourselves to raise awareness around unbiased decision-making within the recruitment process. Interview panels comprise individuals with diverse backgrounds to offer varied perspectives and reduce bias.

Candidates should receive constructive feedback, and we maintain transparency throughout the recruitment process. Regular evaluation helps us identify areas for improvement and ensure fairness. Our leadership is fully committed to fostering a culture of diversity and inclusion in recruitment practices.

Equal promotion opportunities

At Hydroscand, we prioritize fairness, equity, and meritocracy in promotions. Our commitment is to provide all employees with equal opportunities for advancement based on their performance, skills, and qualifications.

Promotion opportunities will be communicated transparently to all eligible employees, along with clear criteria for advancement. Decisions will be made objectively, without bias or favoritism. Hydroscand conduct thorough performance evaluations using standardized criteria to ensure consistency and fairness. These evaluations assess employees' contributions, achievements, and potential for growth.

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We offer training and development opportunities to support employees' career advancement, regardless of their background or identity. We believe in providing equal access to resources that enhance skills and competencies.

Diversity and inclusion are integral to our promotion processes. We ensure diverse representation on promotion committees and provide bias awareness training to decision-makers.
Throughout the promotion process, employees will be treated with fairness, dignity, and respect. Any concerns or complaints will be addressed promptly and impartially through established grievance procedures.

Senior leadership is accountable for upholding the principles of fairness and equity in promotions. They lead by example, promoting a culture of meritocracy and diversity within the organization.
We regularly review our promotion policies and practices to identify and address potential biases or barriers to advancement. Our goal is continuous improvement to create a more equitable and inclusive workplace.

Employees receive timely and constructive feedback on their performance and promotion potential. We maintain open communication channels to ensure employees understand the promotion process and can provide input.

By adhering to this unbiased promotion policy, we aim to create a workplace where all employees have equal opportunities to advance based on their abilities and contributions.

Monitoring, reporting and continuous improvement.

Hydroscand commits to robust monitoring and reporting mechanisms, including regular assessments, audits, and performance reporting, to evaluate the implementation of its human rights policy.

It establishes procedures for conducting human rights due diligence to identify, prevent, mitigate, and remedy risks associated with its activities, products, and services. Additionally, plans are outlined for training and awareness programs on human rights issues, policies, and responsibilities for employees and relevant stakeholders.

The organization emphasizes continuous improvement through regular review and updates of the human rights policy to align with legal requirements, best practices, stakeholder expectations, and lessons learned. Clear procedures are provided for addressing human rights violations, emphasizing remediation, accountability, and continuous improvement.

Our whistleblowing scheme is an early warning system to reduce risks. It is an important tool for safeguarding our high corporate governance standards and maintaining customer and public confidence in our operations. Any concern or issue that you report will be treated seriously, fairly, and promptly. Hydroscand will handle inquiries discreetly and confidentially. If you wish to submit an anonymous report, use our whistleblower hotline, hydroscand@cfhlaw.se, and remain completely anonymous. Hydroscand does not tolerate retaliation. You do not risk losing your job or suffering any sanction or personal disadvantage because of whistleblowing. It does not matter if you are mistaken, provided you act in good faith.

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Reference to International Standards and Guidelines

Hydroscand's Human Rights Policy is grounded in internationally recognized human rights principles and global best practices. We align our efforts with the following international frameworks:

United Nations Universal Declaration of Human Rights (UDHR)
United Nations General Assembly, 1948

UN Guiding Principles on Business and Human Rights (UNGPs)
United Nations Human Rights Council, 2011

OECD Guidelines for Multinational Enterprises
Organization for Economic Co-operation and Development (OECD), 2011 (updated edition)

ILO Declaration on Fundamental Principles and Rights at Work
International Labor Organization (ILO), 1998 (with subsequent updates)

UN Global Compact – Ten Principles
United Nations Global Compact

International Bill of Human Rights
Comprising the UDHR, International Covenant on Civil and Political Rights (ICCPR), and International Covenant on Economic, Social and Cultural Rights (ICESCR)

UN Sustainable Development Goals (SDGs)
United Nations, 2015

Children's Rights and Business Principles
United Nations Children's Fund (UNICEF), UN Global Compact, and Save the Children, 2012

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