



OVAKO CODE OF CONDUCT

2017

This document is an extract of Ovako's Code of Conduct. The complete policy includes references to other Company documents not intended for external use.

For access to the full version of Ovako's Code of Conduct policy, please contact Johan Ryrberg, CFO.

Ovako is committed to full compliance with all applicable laws, regulations and practices and to following the requirements of good citizenship in each jurisdiction where Ovako operates. In the event that laws and regulations are less restrictive than our own standards, we will always apply the Ovako standard where possible.

Core Values and relationships

As a leading steel manufacturer, Ovako takes responsibility for conducting its business in a sustainable manner in all aspects, encompassing everything from quality and customer/business partner relations to employees, safety and the environment. It also means acting responsibly in the communities where we operate.

Sustainability is an important component of Ovako's long-term strategy, and these issues are set out in the Group's policies on the environment, health, energy and industrial safety (which can be found in Appendix 1), and are also reflected in the three values which define the Ovako Spirit:

- **Innovative**
We contribute to progress and new ways of thinking.
- **Responsible**
We take responsibility for our tasks and for each other and act with respect for our society.
- **Skilled**
We use knowledge and collaboration to provide our customers with better solutions.

Ovako's overall strategy is intended to create an attractive position in the long-term steel market by being the leader in engineering steel, continuously developing the product offering and strengthening the company's relationships with stakeholders across the business.

Ovako has four key stakeholder groups:

- Employees
- Customers & Business Partners
- Shareholders & Bondholders
- Society & the Environment

The Code of Conduct will deal with each of these groups in turn, highlighting some of the key policy areas that affect the business when interacting with each stakeholder group. Although certain policies are referred to in relation to a particular stakeholder group, Ovako understands that all of its policies directly and indirectly affect all of its stakeholders. The aim of the Code of Conduct is to act as guidance only, and it is not intended to be exhaustive. Ovako acknowledges that the Code of Conduct cannot cover all ethical dilemmas that may arise; its intention is to guide employees and other stakeholders in how to act with integrity and good judgement at all times.

"Innovative steel for a better engineered future"
Ovako's Vision

Employees

Our aim is to be the preferred employer for both current and potential employees. Our focus is to attract, develop and keep qualified and motivated people working in a safe and professional environment.

Discrimination

- We believe in equal opportunities, fairness and diversity and have a zero-tolerance policy towards any kind of discrimination, harassment or victimization of any member of our workforce.
- We recruit and promote solely on the basis of qualifications for the work to be performed, regardless of race, religion, gender, age, nationality, disability, sexual orientation, union membership and opinion.

Working Conditions & Terms of Employment

- We are committed to offering safe and healthy workplaces, and fair working conditions for all employees, including controlling hazards and taking precautionary measures against accidents and occupational injuries. We have a zero-tolerance policy towards alcohol and drug use.
- We continuously offer training and development opportunities to our employees in health & safety issues and in various other "best practice" areas.
- Ovako is committed to providing fair remuneration to its employees and to guarantee the applicable national statutory minimum wage according to law/regulation or agreed with local trade unions.

Data Protection

- Ovako is committed to the privacy of employees' data. Personal information must be used in accordance with the purpose for which it has been obtained. To request access to the personal data stored about you, i.e. a SAR (Subject Access Request) please contact the Compliance Officer.
- From May 2018, employee data must be processed in accordance with the new General Data Protection Regulations (GDPR). Ovako is dedicated to ensuring compliance with the GDPR, and a GDPR training program will be available to all employees as of May 2018.
- Should you have any concerns regarding Ovako's compliance with applicable Data Protection laws or regarding the way personal data is handled, please contact the Compliance Officer. You also have the right to lodge a complaint with the appropriate Data protection authorities in your country, e.g. The Swedish



Data Inspection Board (Sw *Datainspektionen*), in case of any violation or suspected violation of any relevant laws or regulations by Ovako.

Whistleblowers

- Ovako wishes to encourage and enable employees to raise any concerns they may have regarding Ovako's working practices so that Ovako can address and correct inappropriate conduct and actions.
- It is contrary to the values of Ovako for anyone to retaliate against any whistleblower who, in good faith, reports an ethics violation or a suspected violation of law/regulation.
- Ovako has an open-door policy and encourages its employees to speak out at any time. All reports will be taken seriously, treated confidentially and investigated accordingly.

Customers & Business Partners

In our relations with our customers and our business partners, Ovako's business integrity is our most important consideration. We recognize that our reputation is a most valuable asset and it is determined by how we act.

Business Ethics

- We compete fairly and honestly and are committed to the principles of fair competition.
- We always compete for business based on the solution and quality of our products and services.
- Ovako has a zero-tolerance approach to bribery and corruption, including facilitation payments and price fixing/cartels of any sort. Strict action will be taken against any violation.
- The zero-tolerance approach applies to Ovako's customers and business partners, who we make aware of our commitments and expect them to adhere to our policies.

Quality

- Ovako continuously works at developing, producing and marketing products and services that meet our customers' needs whilst, at the same time, seeking to ensure that they are safe for the intended application.
- Ovako applies Quality Management Systems to all company processes. The system is certified according to ISO 9001. In order to also meet the high standards of the automotive industries, some Ovako units have included the ISO/TS 16949 requirements in their quality management systems and are third-party certified.
- Whenever possible, Ovako also actively participates in our customers' development work to optimize the environmental benefits offered by our steels.

Procurement

- Ovako strives to ensure that its responsible sourcing activities are conducted in a professional and business-like manner that ensures the right quality, right delivery performance and lowest overall cost for all purchased goods and services.
- For Ovako, integrity, honesty and ethical behavior are vital values that Ovako's employees live by. It is equally important that our business partners commit to the same level of integrity, honesty and ethical behavior.
- The basic requirements placed on Ovako's business partners are laid out in the Supplier Code of Conduct covering basic requirements such as compliance with the law as well as ethical principles.

- Ovako strives to provide a safe and healthy working environment in our facilities and expects the same from our suppliers. Our Code of Conduct for Suppliers, therefore, includes specific requirements on our suppliers, including a requirement that our suppliers submit to the Ovako procedure of alcohol control to ensure safe driving.

Shareholders & Bondholders

We strive to create and continually increase shareholder & bondholder value whilst adhering to our core principles.

Governance & Financial Reporting

- Ovako understands that good corporate governance is not only about following the system of rules, practices and processes by which a company is directed and controlled, it is also about doing what is right to achieve the overall goal of sustainability, productivity, profitability and good governance.
- Ovako has implemented a robust matrix of policies, procedures and guidance for the operations of its CEO, board of directors and committees (including its audit and remuneration committees).
- Financial reporting is conducted in accordance with a stringent set of rules ensuring consistency and accuracy in the relevant periodic reports.

For further details, please see the Procedural Rules for the Board of Directors and the Financial, Internal Control, Risk Management, Remuneration and Conflict of Interest policies in Appendices 15, 10, 11, 12, 16 and 17 respectively.

Insider information

- As the Group has listed securities on a public exchange, Ovako is subject to various laws governing trading in its securities.
- By virtue of their role, Ovako's employees, senior management and executives may become an "insider", i.e. someone who, by virtue of his/her relationship with the Group, may possess material, non-public information regarding the business of the Group.
- In accordance with applicable national and European laws and regulations, Ovako has a zero-tolerance approach to insider trading, which includes: (i) trading in public securities on the basis of material, non-public information regarding the business of the Group, (ii) disclosing or "tipping" material, non-public information to others or recommending the purchase or sale of securities on the basis of such information or (iii) assisting someone who is engaged in any of the above activities.

Information & Transparency

- Within the limits of commercial confidentiality and Data Protection law, Ovako is committed to open and transparent communication with its stakeholders.

Society & the Environment

Our aim is for Ovako to be a good corporate citizen, taking the surrounding society and environment into account in our business operations. As the leading Nordic recycler of steel scrap, Ovako is committed to sustainability. The main international initiatives supported by Ovako are:

- the Worldsteel Sustainable Development Charter
- the Electronic Industry Citizenship Coalition
- the Global e-Sustainability Initiative

Sustainability

- We firmly believe in conducting our business in a manner that preserves the environment for future generations, and we recognize that our commitment to financial success must also be cognizant of the broader economic, environmental and social impact of our operations.
- We support fundamental human rights such as the 30 Articles of the UN Universal Declarations of Human Rights and respect those rights in conducting the Group's operations throughout the world.
- We are committed to responsible mining and we support the sustainable development policy established by the World Steel Association in 2009 (and updated in 2015) to meet the UN's 17 sustainable development goals.
- Ovako's major sites are certified in accordance with the ISO 14001 International Environment Management System.

Environment

- By making investments that minimize environmental impacts, Ovako ensures that it meets the strict requirements placed on it by legislation and by its customers. Examples include closed water pipeline systems, water purification, efficient energy use, flue gas purification and heat recovery to reduce greenhouse gas emissions.
- Ovako is involved in a number of research products aimed at increasing and improving the use of the residual products created from its processes.



Corporate Social Responsibility

- We are committed to "giving back" to the community and have a number of corporate social responsibility programs in place at any given time.
- We are firmly against child labor and are committed to ensuring that we do not, and that our suppliers do not, use any child labor as part of their business processes.

This document is an extract of the full policy that was approved by the Ovako Board of Directors, and is valid from October 19, 2017.

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Document preparer is the EVP Group HR. Document owner is the CFO