

Document / Subject				
1.1 Code of Conduct				
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1.1 Code of Conduct

Short description:

Munters' mission is to be a global leader in energy efficient air treatment solutions and our brand promise is to deliver Your Perfect Climate to our customers.

This code of conduct sets the principles for how we all must act as individuals and as a company. By acting in accordance with this policy we ensure that we comply with relevant laws and regulations and that we conduct socially, ethically and environmentally responsible business.

We should all feel empowered to ask questions or express concerns regarding unethical behavior directly through a manager or through the reporting channels described in our Whistle blower policy.

Revision	Revision date	Author	Policy owner
1.0	2013-03-13	P-A Håkansson	CEO/Lars Engström
1.2	2013-12-12	P-A Håkansson	CEO/Lars Engström
1.3	2018-04-24	Sara Punkki	CEO/John Peter Leesi
1.4	2019-04-30	Sofia Gellar	CEO/Johan Ek
1.5	2020-04-28	Sofia Gellar	CEO/Klas Forsström



Team,

At Munters we conduct business ethically, honestly and in full compliance with applicable laws and regulations. Making good decisions and ethical choices in our work builds trust in each other and with our customers and partners. You should never compromise your personal integrity or the company's reputation and trust in exchange for short-term gain.

Each one of us shapes our culture through our words and actions. At Munters, we strive to build a diverse and inclusive culture that embraces learning and fosters trust. We believe that we can achieve business success if we all live our core values every day; sustainable value creation, team spirit, there is always a better way and passion for results.

All of us have the responsibility to be familiar with, and to act in accordance with, the principles of our Code of Conduct. It is also a responsibility to raise concerns if you have knowledge about a possible violation of our policies. I expect leaders and managers to foster a culture where employees feel free to ask questions and raise concerns when something doesn't seem right.

A handwritten signature in black ink that reads "Klas Forsström". The signature is written in a cursive, flowing style.

Klas Forsström
President and CEO

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1. Background

This Code of Conduct policy is based on internationally agreed regulations and standards, such as the ten principles of the UN Global Compact, UN's declaration on Human Rights and the International Labour Organisation's Core Convention on Labour Rights.

2. Purpose

The Code of Conduct policy is a clear statement that if any wrongdoing by the Company or any of its employees, consultants, contractors or suppliers is reported, Munters will deal with it promptly, thoroughly investigate, and correct it. We will further examine means of ensuring that such wrongdoing is prevented in the future. We also encourage our customers to alert us about any wrongdoings

3. Scope

This Policy applies to all employees and business partners working for Munters. It also applies to all of the company's operations, including those conducted by any of Munters' subsidiaries, agents, distributors, or other representatives and any joint venture in which Munters is a participant.

A separate Supplier Code of Conduct applies to Munters' suppliers and sub-contractors.

4. Legal and ethical business practices

We believe our partners must fully comply with all applicable local, national and international laws, rules and regulations including, but not limited to, those relating to wages, hours, labour, health and safety and immigration. Munters and our partners will take necessary steps to verify, evaluate and address the risks of forced labour and human trafficking in our workforce and that of our suppliers.

Partners must be ethical in their business practices.

5. Labour

Munters prioritizes the respect for human rights, good working conditions and sound business practice. Our local Human Resource representatives support and successfully maintain positive relationships with their respective unions and workers councils. Munters strive to ensure that this Code of Conduct and all other policies and procedures are reviewed on a regular basis and where necessary updated and amended to reflect best practice.

a. Child Labour

Children or minors under the minimum working age established by local law or fifteen (15) years, whichever is greater, will not be used. Workers under eighteen (18) years of age shall not be used in hazardous work or on night shifts.

b. Forced Labour and Human Trafficking

Munters does not tolerate any form of forced labour or modern slavery. Modern slavery takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by

another in order to exploit them for personal or commercial gain. Munters will take necessary steps to verify, evaluate and address risks of forced labour and human trafficking within our workforce and our supply chains.

Munters will undertake training of key personnel to ensure that they are aware of the provisions of national and international laws relating to forced labour and human trafficking and will give guidance to those personnel on how to recognize signs of abuse among those working for or carrying out services on behalf of Munters in whatever capacity. Munters will provide guidance on how to respond to and escalate concerns and encourages anyone, including colleagues, sub-contractors, suppliers, customers and clients to report in good faith any issue or concerns about potential unethical business practices, such as forced labour or human trafficking that they are aware of or suspect.

c. Retaliation and Protection (Whistle Blower)

Munters will protect whistle blowers who disclose information in relation to modern slavery and human trafficking in accordance with our Whistle blower policy. Additionally, the Whistle blower policy protects any employee who come forward with information that violates any policy and/or right of another employee at Munters (e.g. Discrimination and Harassment). Any form of retaliation will not be tolerated.

6. Health and Safety

Partners' working environment shall be safe and healthy and partners shall take adequate steps to prevent accidents and injury to health by minimizing the causes of hazards inherent in the working environment.

7. Freedom of Association

Partners shall recognize and respect the rights of workers to freely associate and to bargain collectively in accordance with the laws of the countries in which they are employed.

8. Discrimination and equal treatment

Partners shall not engage in, or support, discrimination based on ethnicity, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, maternity, marital status or age.

9. Physical abuse

Partners may not subject employees to corporal punishment, physical, sexual, psychological, or verbal harassment or abuse.

10. Working Hours

Partners shall not require their workers to work more than the limits on regular and overtime hours allowed by the law of the country in which they are employed. Workers shall be compensated for overtime hours at the legally required rate.

11. Wages and benefits

All workers and employees shall be paid at least the minimum total wage required by national applicable law, including all mandated wages, allowances and benefits. All workers and employees shall have the right to equal pay for equal work as well as periodic holiday with pay.

At Munters, compensation should be awarded through fair and transparent processes and all employees should know how they can impact their compensation. The main components to rewarding our employees include:

- A total compensation approach
- Transparency in how compensation is determined and offered
- Alignment between performance, competence development and compensation
- Market linked compensation
- Gender neutral compensation

12. Environment

Partners shall comply with all environmental laws and regulations applicable to the local surroundings and its business. Practices that minimize the impact on the environment shall be encouraged and care must be taken with any environmentally sensitive substance or process.

13. Corruption

Partners should work against all forms of corruption, including extortion and bribery. Corruption can take many forms that vary from a minor use of influence to institutionalized bribery. This can mean not only financial gain but also non-financial advantages.

14. Specific rules applicable to Munters employees

Employees cannot engage in any behaviour that could impact their judgment regarding the best interest of the company or their ability to give full attention to Munters business, including but not limited to:

- Accept personal gifts or entertainment of substantial monetary value. This obviously includes any kick back arrangement.
- Any gift that has a substantial monetary value shall either be returned or turned over to Munters.
- Conduct private business that in any way could interfere with their duties at Munters, either because of time required, or because of similarity between the businesses.

Employees will not accept bribes or kick-backs in exchange for business with Munters.

Employees are not permitted to conduct business with relatives or other external parties where a conflict of interest could be possible without prior written management approval.

Employees are not allowed to have ownership interests in suppliers or customers of Munters, with which they may have any interaction without written management approval

Failure to adhere to this policy may result in significant disciplinary actions, including termination of employment.

15. Monitoring and compliance

Munters' nominated representatives are entitled to visit the partners at any time in order to inspect conditions therein and investigate whether or not the Code of Conduct is being complied with.

16. Whistle Blowing

Munters is committed to the highest possible standards of openness, honesty and accountability. We expect our employees and business partners who have concerns about the Company's behaviour to communicate those concerns to us.

Employees are often the first to discover that there may be wrongdoings in the Company. However, the employee may decide not to express these concerns because of feeling that speaking up would be disloyal to colleagues or the Company.

There may also be fear of harassment. In these circumstances, it may be easier to ignore the issue rather than reporting it.

Purpose of Whistle Blowing aims to:

- Encourage employees to report matters without the risk of victimization or discrimination.
- Enables employees to raise serious concerns they may have about matters occurring within or pertaining to the Company, rather than overlooking a problem or seeking a resolution of the problem outside Munters.

Definitions

- **Whistle blowing** - Whistleblowing is attracting management's attention to information about potentially illegal and/or unethical practices, also known as wrongdoings.
- **Wrongdoing** - Wrongdoing involves any unlawful or illegal behaviour and can include:
 - An unlawful act, which may be civil or criminal
 - Failure to comply with any Company policy
 - Forced labour and human trafficking either within Munters' workforce or one of its suppliers or partners
 - Knowingly breaching local laws or regulations of any country
 - Unprofessional conduct
 - Questionable accounting, fraud or auditing practices
 - Practices likely to cause physical harm or damage to a person or to property
 - Failure to rectify, or take reasonable steps to report a matter likely to cause a significant and avoidable cost or loss to the Company
 - Abuse of power or authority
 - Unfair discrimination such as discrimination based on age, race, gender, religion, sexual orientation, marital or maternity status, political opinion, ethnic background, disability or other legally protected characteristics in the course of the employment or provision of services
 - Conflicts of interest.

This is not an exhaustive list but rather examples of the kind of conduct, which might be considered wrongdoing.

- **Protection** - Any employee who makes a disclosure or raises a concern under this Policy will be protected if the employee:
 - Discloses the information in good faith
 - Believes it to be substantially true
 - Does not act maliciously nor makes false allegations
 - Does not seek any personal or financial gain.

Additional information is detailed in the Whistle Blower Guideline.

17. Anti-Bribery

Munters aim to conduct company business in a legal and ethical manner. Munters must not use illegal payments, bribes, kickbacks or other questionable inducements to influence any business transaction.

Munters specifically prohibits its employees and agents from giving, offering, or promising a bribe or other benefit in order to exert undue influence over a person's decision making in the course of their employment. It also prohibits its employees and agents from receiving, requesting, or accepting a promise of a bribe or other improper benefit designed to unduly influence their own decision making in the course of their employment

Additional information is detailed in the Anti-Bribery Guideline.

18. Acceptance/Giving of gifts, corporate hospitality and promotional expenditure

Gifts, Corporate Hospitality and Promotional Expenditure

While Munters management appreciates that gifts, corporate hospitality and promotional expenditure may often be considered part of a usual business relationship (particularly in countries which have a reputation for bribery and corruption), these might - in some circumstances - amount to bribes and therefore be illegal.

Consequences of non-compliance

If you violate this policy or local laws, you and / or Munters can face legal consequences or you can face disciplinary action or dismissal.

Additional information is detailed in the Guidance on gifts, corporate hospitality and promotional expenditure Guideline.

19. Conflict of Interest

All decisions and actions taken by employees of Munters in the conduct of our business shall be made in a manner that promotes the best interests of Munters. Employees of Munters have an obligation to address both the appearance of conflicts of interest and, if they arise, to disclose them to the appropriate Munters manager and to withdraw from any decision-making process where a conflict of interest exists or might arise.

A conflict of interest may take many forms but arises when an employee of Munters might be able to use the authority of his or her position in Munters to

- A. influence the company's business decisions in ways to give improper advantage or financial benefit to oneself, a family member or associate, or
- B. obtain for oneself, a family member, or an associate a financial benefit beyond the compensation he or she is authorized to receive for performing his or her responsibilities within Munters.

Personal relationships in the workplace: No employee of Munters may participate in decisions involving a direct benefit (e.g., initial employment, salary, work assignments, performance evaluations, etc.) to family members. If a personal relationship develops between two employees, it is not permitted for one employee to be the manager of the other employee. The company will in these cases assist in finding an organizational solution.

Business decisions: Employees of Munters must not make or influence business decisions, including executing purchasing agreements or other types of contracts, from which they, a family member, or an associate may personally benefit. Employees of Munters who stand to gain from a particular contract must report the situation to their manager and obtain approval.

Use of company resources and name: Usage of the Munters name and logotype by employees of Munters other than in the context of their responsibilities at the company is prohibited.

20. Sanctions

International trade control (ITC) laws affect the transmission of goods, services and technology across national borders. These laws apply to many aspects of Munters' operations — not just shipping products. Exchanges of information across national boundaries, including e-mail and web access, are subject to trade controls. The United States also controls the release of technical information to non-U.S. nationals **within** the United States. It is important that we carefully observe ITC laws in connection with these activities.

Munters must:

1. Follow relevant ITC regulations of all countries in which an employee operates as well as Munters' own ITC procedures as they relate to importing and exporting goods, technology, software, services and financial transactions.
2. Report all relevant information to the import manager to ensure accurate and complete import declarations. Ensure Munters or its agent provides accurate and complete information to government authorities.
3. Check the export classification of the product, software or technology prior to export to determine whether special authorization is required.
4. Screen transactions against all applicable rules that restrict transactions with certain sanctioned countries, persons and prohibited end uses.
5. Screen business partners, suppliers and parties involved in an employee's international transactions against government-provided watch-lists.
6. Not cooperate with any restrictive trade practice or boycott that is prohibited or penalized under U.S. or applicable local laws.

Requirements to ensure compliance

Any employee should consult with the appropriate business manager if a transaction may involve a conflict between U.S. law and applicable local laws, such as the laws adopted by Canada, Mexico and the members of the European Union blocking certain U.S. restrictions. All decisions regarding doing business in foreign countries will be made by Group Management.

Indications that this may be the case are:

1. Any facts, sometimes known as "Red Flags" that suggest a customer may be attempting to evade ITC laws.

2. Evasive, reluctant or otherwise unsatisfactory answers by a customer to questions about end use, end user, delivery dates or delivery locations.
3. Involvement of parties suspected of any connection with the development of biological, chemical or nuclear weapons, or ballistic missiles.
4. Transactions involving an embargoed country, a citizen or representative of an embargoed country or an individual or entity subject to government sanction.
5. Invoices on imported goods where the price shown does not reflect the full value, the description of the goods is not complete, or the country of origin is not correctly identified.
6. Payment to the exporter or benefiting the exporter that is not included in the invoice price or otherwise reported.
7. Transfer prices between related parties that fail to cover appropriate costs and profits.
8. Use of an import tariff classification that does not seem to describe the imported goods accurately.
9. Designation of Munters as the importer of record (party responsible for an importation) without maintaining necessary processes to comply with import laws.
10. Entry of goods under a preferential duty program (GSP, NAFTA, etc.) without supportive procedures assuring compliance with the program's requirements.

Consequences of failure to remain compliant

The consequences if Munters or one of the Munters subsidiaries fail to comply with ITC laws and regulations can be severe. This includes large fines and export prohibition.

Any employee found by Munters to have failed to meet with the demands of this policy will be disciplined. The nature of the action taken will depend upon the severity of the offense. Disciplinary actions will range from written reprimands to immediate discharge.

Trade Sanction Manual

Additional detailed information will be provided in the separate Trade Sanction Guideline.

21. Adherence to Code of Conduct

Munters reserves the right to take necessary measures to ensure future compliance with the Code of Conduct. Failure to comply with the Code of Conduct may ultimately result in termination without compensation of the relationship between Munters and the partner.

22. Related documents

Document	Contents
1.1.1 Whistle Blower Guideline	This guideline provides the definition of wrongdoings in Munters and the process an employee can use to make executive management or the BoD aware of such wrongdoings.
1.1.2 Anti-Bribery Guideline	This guideline describes how and why it is important that all employees and business partners of Munters comply with all applicable anti-bribery laws and regulations in any location in which we transact business.
1.1.3 Guidance on gifts, corporate hospitality and promotional expenditure Guideline	This guideline details the acceptable levels of gifts, etc. to and from Munters business partners and officials. This guideline also relates directly to the Anti Bribery Guideline
1.1.4 Trade Sanction Guideline	This guideline presents basic trade sanctions compliance practices in a generally applicable manner and defines the controls and behaviours for Munters, the Munters subsidiaries and everyone at Munters.