

Nordic Flanges Group AB (publ.) and ESG control

Nordic Flanges Group AB has developed a group-wide framework that in a uniform way regulates how Nordic Flanges handles activities related to corporate governance as well as definitions of roles and responsibilities for the area at all levels.

Corporate governance includes the structures and processes according to which the company is managed. The goal is to increase the company's value for the owners and ensure long-term value development and responsibility through sufficient and relevant transparency, traceability and communication. The structure and processes define the division of responsibilities between the company's owners, board, CEO and management team, with the intention of clarifying and following up responsibilities. Management must also identify and take into account the impact on other stakeholders, such as customers, employees, suppliers and society at large.

The information for the company is determined by applicable law, articles of association and by the company's Corporate Governance Policy as decided by the Board.

The Board of Directors and the President (CEO) are responsible for the management of the company. The management team supports the CEO in the management work.

Good Corporate Governance is an important goal for Nordic Flanges. The owners and players in the financial markets must perceive that decisions are made on rational grounds, which leads to better decisions and thereby higher value for the company. By informing about conditions and decisions as well as valuing risks in an open way, the market's trust in Nordic Flanges and its processes increases, which also increases the value. A clear control aspect is also important for trust, as well as that it is a matter of course to follow laws and regulations.

The subsidiary Nordic Flanges AB has a quality management system and is third-party certified according to the standard ISO 9001 and ISO 14000 through DNV.

The subsidiary Nordic Flanges OY has a quality management system and is third-party certified according to the standards ISO 9001, ISO 14000 and ISO 45001 through KIWA. The subsidiary Ferral Components OY has a quality management system and is third-party certified according to the standard ISO 9001, ISO 3834-2, ISO 14001, ISO 45001, EN 764-5: 2014 and EN 1090-2: 2008 + A1: 2011, EN 1090-1: 2009+ A1: 2011 clause 6.3 by KIWA.

Guidelines for corporate governance

Owner

The Group's highest decision-making body is the Annual General Meeting. The Annual General Meeting decides on the Articles of Association and appoints the company's Board of Directors. The Chairman of the Board is appointed by the Board.

The Annual General Meeting also appoints the company's auditors and decides on the procedure for appointing the Nomination Committee for the forthcoming Annual General Meeting.

The shareholders shall be provided with information through four reporting occasions per year and documentation for and participation in the AGM. Notice routines follow the Articles of Association and ABL.

Board of Directors

The board consists of 3 - 9 ordinary members and a maximum of five deputies / members. The members are all appointed by the Annual General Meeting.

The Board monitors the Group's operations and management and makes decisions in important matters concerning strategies, investments, organization and financial issues.

The Board is responsible for appropriate management and organization of the Group's operations. It is nevertheless responsible for ensuring that there is correct accounting and that the financial control within the Group is good.

The board appoints the CEO. The Board approves the Group's organizational structure and decides on important governing documents such as policies, budget and business plan.

The Board's tasks are described in the Board's Rules of Procedure.

The board meets at least four times a year.

Audit committee and audit issues

The Board is ultimately responsible for ensuring that there is satisfactory control for risk management, accounting, financial reporting and similar matters. To assist in fulfilling the Board's supervisory role over audit issues, the Board may establish a special audit committee. The Board has decided that the entire Board constitutes the Audit Committee.

The board shall contribute to good financial reporting and ensure a qualified, efficient and independent external audit of the company. Accounting principles, risk management and the company's internal control must also be monitored.

The Nomination Committee shall finally prepare questions regarding the election of auditors and auditor remuneration.

To ensure that the Board's and the Audit Committee's processing takes place in a structured manner, and to meet the Board's information needs, the company's auditors report on at least one occasion per year directly to the committee and the Board.

Remuneration Committee

The Board constitutes a joint remuneration committee with the task of proposing an overall policy regarding salaries, remuneration and other employment benefits in general in the company and approving the CEO's proposal for salaries and remuneration for the management team within the framework of this policy. The Board decides on the salary and remuneration of the CEO.

CEO

The CEO is responsible for the day-to-day management of Nordic Flanges in accordance with the Board's instructions and regulations. It is the CEO's obligation to ensure that the company's accounting methods comply with the law and that the financial matters are handled in a reliable manner.

The CEO's duties are described in the Rules of Procedure's appendix "CEO instructions" approved by the Board.

To ensure that the Group complies with applicable laws, rules and regulations as well as the Group's values, Nordic Flanges has developed a number of Group-wide policies and governing documents.

Compliance

Management and all employees are responsible for compliance with applicable laws and governing documents within their respective areas of responsibility in accordance with the respective job description. Follow-up of compliance, policies and rules takes place through follow-up of the CEO and / or the person who has been assigned this responsibility in the CEO's place. To ensure an independent position, this person reports directly to the CEO and the Board. Reporting to the Board takes place in accordance with what is determined annually in the Board's annual plan.

Nordic Flanges has documented routines for internal audits of the management system. These are carried out at least once a year and the results are documented and saved. These are followed up at least once a year in the "management review."

Business processes

Nordic Flanges has identified 5 main processes for its daily operations. By working in joint processes, the delivery to the customer is quality assured. The processes describe a flow where all requirements from stakeholders are taken into account in order to deliver the right service in the right way, the same every time. Stakeholders are, for example, customers, authorities, users and owners.

The processes also clarify which activities are dependent on each other and where decision points are located.

Each process is divided into sub-processes with a description of which activities take place in each part. What input parameters are needed and what is the expected outcome of the sub-process. This also takes into account the regulations and other requirements that govern the work.

Process description enables scalability, as they reduce personal dependence and clarify for everyone how all parts of the business interact with each other.

The processes have a process owner who, in addition to ensuring that they are followed, is responsible for improving their process.

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