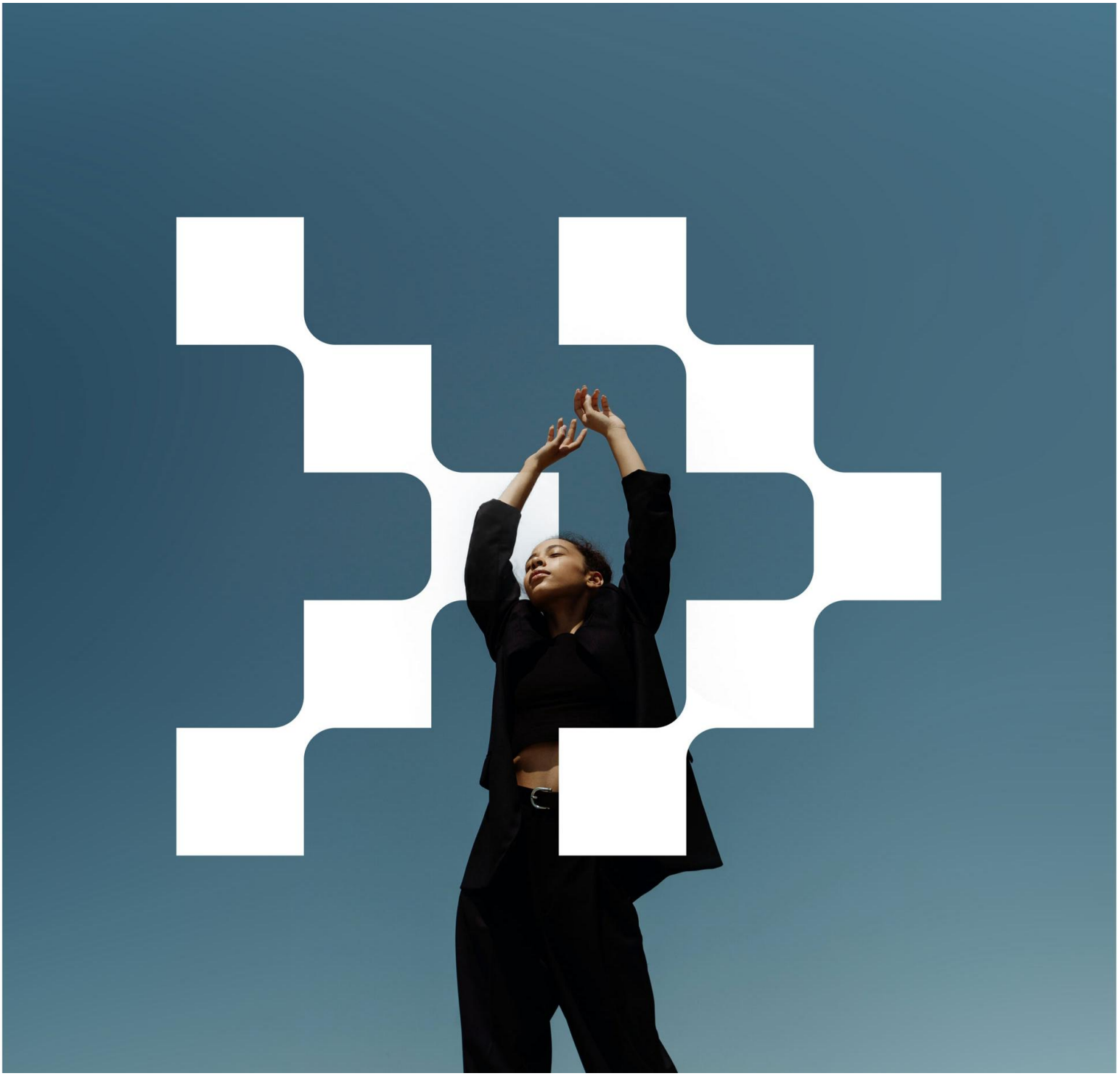
BICO group
Social and human rights policy



1. Introduction

Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. They include for example the right to life and liberty, freedom of opinion and expression, freedom of peaceful assembly and association, equal pay for equal work and many more. The respect for Human Rights is an essential part of good business conduct, and therefore an integral part of the BICO Group AB (”BICO”) sustainability due diligence.

BICO acknowledges the social and human rights challenges that the world is facing and the adverse impact that businesses can have on human rights. In order to address such impacts, BICO has developed this Social and Human Rights Policy to describe BICO’s social and human rights management.

This policy covers the EU ESRS directives S1 Own Workers, S2 Workers in the Value Chain, S3 Affected Communities, S4 Consumers and End-users.

2. Purpose

The purpose of this policy is to clarify BICO’s social and human rights position and social and human rights management.

3. Scope

The policy covers BICO’s investment processes, its own operations (BICO as a workplace) and its business partners, such as BICO’s value chain. This thematic policy shall be implemented in all parts of the BICO Group, taking local or sector-specific rules into account, when relevant. Branches and subsidiaries shall take necessary steps to implement this thematic policy.

4. BICO’s Social and Human Rights Management

BICO’s Social and Human Rights management rely on the commitment to respect all human rights. This commitment includes e.g. carrying out social and human rights due diligence, engaging with stakeholders and reporting on BICO’s social and human rights development and performance.

4.1. Commitment to respect all human rights

BICO is committed to the UN Guiding Principles on Business and Human Rights, the Children's Rights and Business Principles and, the OECD Guidelines for Multinational Enterprises. In its investment, value chain processes and its own operations, BICO will seek to respect human rights. In other words, BICO has the ambition to avoid causing or contributing to adverse social and human rights impacts through its own activities. BICO will also seek to prevent or mitigate adverse social and human rights impacts that are directly linked to its operations, products or services by its business relationships. If BICO causes or contributes to adverse social and human rights impacts, BICO will take the necessary steps to cease or prevent the impacts or BICO’s contribution to them.

4.2. Due diligence to identify, prevent and mitigate adverse impact

In order to identify, prevent and mitigate adverse social and human rights impacts, BICO carries out social and human rights due diligence of its value chain. BICO will screen for actual and potential adverse social and human rights impacts and will address findings according to the measures in this policy.

4.3. Stakeholder engagement, grievance mechanism, monitoring and reporting

BICO acknowledges the benefits of having an open dialogue with stakeholders to learn and draw on external expertise on issues and challenges of mutual interest and concern. Consequently,

BICO will engage with stakeholders on human rights issues and, when relevant, incorporate the stakeholders' feedback in relevant processes. Social and human rights grievances that are related to BICO's business activities and operations can be reported through BICO's digital external whistleblowing service. BICO's own operations and ways of working are covered by HR management processes and specific policies, such as BICO Code of Conduct. BICO's supply chain is covered by Code of Conduct for Suppliers to BICO. Therefore, these areas are not included in the due diligence process that is described in this policy.

BICO will respect and cooperate with state-based non-judicial and judicial grievance mechanisms if cases that are linked to BICO are brought to such a mechanism. BICO will communicate and report on its social and human rights development and performance in its Annual and Sustainability Report.

5. Due Diligence Process

BICO's social and human rights due diligence process takes a risk-based approach and is carried out in the below three steps to identify, assess and address actual or potential material adverse social and human rights impacts:

Identify – Screen to identify adverse impact

- Screening against specific expectations in Human Rights risk sectors
- Screening against certain markets/geographies

Assess – Assess the findings in the screening

- Reach an opinion on the risk of an actual or potential adverse social and human rights impact

Act (cease, prevent or mitigate) – Act on the assessment

- Set expectations on the BICO subsidiaries and partners in the value chain

5.1. Identifying adverse social and Human Rights impacts (screening)

The purpose of the screening is to identify risk for potential or actual adverse human rights impacts. This is done through a combination of screening against policies and processes in risk sectors, general controversy screening and transaction specific screening for transactions involving high human rights risk countries.

5.1.1. Screening against specific expectations in human rights risk sectors

Clients and portfolio companies that operate in human rights risk sectors are covered by specific expectations as described in BICO's respective sector policies. The following sector policies include specific social and human rights expectations:

(i) Animal welfare
(ii) Clinical trials
(iii) Mining and metals
(iv) Shipping

5.1.2. Screening against certain markets/geographies

When BICO in its value chain is involving cross border trade, there are specific expectations depending on what country the partner's trading counterpart is based in. If a country is defined as a high human rights risk country, BICO expects the partner, in relation to its size and risk exposure, to have implemented the following:

- Human rights and labour rights policy commitment;
- Human rights due diligence process. The trading counterpart should also be screened for controversies – see controversy screening below.

5.1.3. Controversy screening against BICO's statements on social and human rights

The BICO subsidiaries and partners in the value chain are subject to a controversy screening, to identify any activities with adverse human rights impact. BICO's statements on Social and Human Rights, as set out in chapter 6, is used to define BICO's position on any adverse human rights impact that was identified in the screening.

5.2. Assessment of findings in the screening processes

The findings in the screenings are assessed in order to reach an opinion of the risk of an actual or potential adverse social and human rights impact. The opinion of the risk will lay the ground for how to address the impact, see items 5.3 and 5.4 below. The assessment is defined and performed in the BICO Group and implemented to all subsidiaries.

The following considerations can be used as a guidance when assessing the risk of the identified potential adverse impact in the screening process:

- Clear indications of adverse impact or risk of adverse impact because of the value chain partner or BICO subsidiary;
- The value chain partner or BICO subsidiary lacks systems to manage social and human rights risks:
- The time that has elapsed since a relevant controversy took place and any actions taken to prevent continued adverse impact;
- Potentially vulnerable groups or affected communities are subject to the actual or potential risk that was identified in the screening. Examples of such groups, which can be present in all contexts, are indigenous peoples, women, national or ethnic, religious and linguistic minorities, children, persons with disabilities migrant workers and their families and human rights and environmental defenders;

- The use of the customer or BICO subsidiary product or service has a potential adverse social or human right impact;

- The value chain partner or BICO subsidiary operates in a human rights risk environment such as countries with weak institutions, fragile states, conflict areas, repressive states;
- The upstream value chain partners, to which there is a strong link, was identified in the screening process as having adverse human rights impact.

5.3. Measures to address actual and potential adverse impacts

BICO will address the findings in its screening and assessment by engaging for example through dialogue with value chain partners or BICO subsidiaries, or through other type of engagement, including building leverage. The purpose is that over time the adverse, or potentially adverse impact, will cease, be prevented or mitigated. Depending on the outcome of the assessment in 5.2, the value chain partners or BICO subsidiaries are subject to certain expectations, e.g. to implement a plan or have systems in place that address the risk that was identified in the screening. The following expectations apply in the event of actual adverse impacts:

- BICO expects involved value chain partners or BICO subsidiaries to address the adverse impacts, to engage in meaningful and good-faith dialogue with stakeholders affected by the adverse impacts and to enable remediation, where relevant.

- If a value chain partner or BICO subsidiary, over an extended period of time, does not comply with BICO's expectations and agreed timeline to improve, and this has material adverse social and/or human rights impact, BICO shall take an active decision on the future of the relationship.

6. BICO Positions on Social and Human Rights

BICO has the following positions in relation to good business and human rights practices. If controversies relating to adverse social and human rights impacts are found in the screening process, they are assessed against these positions:

6.1. Core Human Rights

Operate in line with the UN Guiding Principles on Business and Human Rights by:

- Embedding responsible business conduct into policies and management systems;
- Undertaking human rights due diligence;
- Identifying, ceasing, preventing and mitigating actual and potential adverse human rights impacts;
- Tracking implementation and results;
- Communicating how impacts are addressed;
- Enabling remediation through appropriate grievance mechanism for labour and other stakeholders;
- Respect human rights by engaging with, rather than using criminal proceedings, against vulnerable groups that may oppose a project or operation.

6.2. Core Labour Rights

Respect the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work by:

- Promoting freedom of association and right to collective bargaining;
- Eliminating all forms of forced or compulsory labour;
- Abolishing child labour;

- Having zero-tolerance towards all forms of discrimination, including but not limited to sex, transgender identity or expression, ethnicity, religion of other belief, disability, sexual orientation and age.

6.3. Health and safety and working conditions

- Have occupational health and safety policies and processes in line with local legislation and internationally recognized health and safety standards when appropriate legislation is lacking.
- Respect any nationally set minimum wages or collectively bargained wages and aim for a development towards applying the concept of living wage and maximum of working hours; Having equal treatment and working conditions for migrant workers as well as applying fair recruitment practices. This is valid for BICO´s own work force as well as for the value chain work force.

6.4. Regulations, standards and initiatives

- Operate in accordance with relevant international, regional and national laws, regulations and permits;
- Operate in line with the OECD Guidelines for Multinational Enterprises.

6.5. Gender equality

- Strive for equal representation of women and men in managerial positions;
- Strive for gender pay equality
- Be compliant with local legal requirements.

6.6. Stakeholder engagement and interaction

- Commit to engage with potentially and actually affected stakeholders, including in local communities where relevant;
- Ensure negative impact on affected community health and safety is mitigated in projects;
- Avoid involuntary resettlement wherever possible and minimize its impact on those displaced through mitigation measures such as fair compensation and improvements to living conditions in line with local legislation and internationally recognized standards when appropriate legislation is lacking.
- Acquire land and natural resources only with free, prior and informed consent (FPIC) from (a) indigenous people and (b) people with customary tenure rights.

6.7. Suppliers

- Have a Code of Conduct that suppliers are expected to adhere to.
- Secure the value chain workers fair conditions.

6.8. Just transition

- Reduce the impact of job losses and industry phase-out on workers and communities when transitioning out of a technology/industry/site. When transitioning into new technologies BICO encourages its customers to take measures to produce new, green and decent jobs, supporting healthy communities.

7. Applicability

This policy is global in scope and applies to all BICO Group Partners and BICO Group Subsidiaries.

8. Revision History

This policy is connected to the BICO's Internal Code of Conduct and as such it's adopted by BICO's Board of Directors, thus it will be monitored by the Executive Management

Version	Effective	Approved by	Amendment
1.0	9 May 2023	Board of Directors	Inaugural Policy
1.1	7 May 2026	Board of Directors	Updated with "Be compliant with local legal requirements.