

The SKF Code of Conduct

SKF is a leading global company that develops, produces and markets products, solutions and services that create value for our customers and for society. We do this with the overall objective of attaining long-term and sustained profitability. The SKF Code of Conduct describes our responsibilities and the way we shall run our business. It is based on our core values – High Ethics, Empowerment, Openness and Teamwork.

Compliance with applicable laws and regulations is a fundamental requirement of our Code of Conduct. In addition, we adhere to international standards and guidelines such as the United Nations' Global Compact's Ten Principles, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Companies and the International Chamber of Commerce (ICC) Charter.

Four areas of responsibility are covered through our Code of Conduct:

- Responsibility towards customers, distributors and suppliers
- Responsibility towards employees
- Responsibility towards society and the environment
- Responsibility towards shareholders

Responsibility towards customers, distributors and suppliers

We foster an open and ethical business culture and perform our duties with care, honesty and integrity. All our decisions and activities are ethically sound and we act responsibly and professionally when we represent, or when we are perceived to represent, SKF. We advocate free and fair competition, and we treat our business partners and competitors fairly and with respect.

Our business ethics commitment requires that:

- we gain and maintain business by creating business value for our business partners.
- our business relationships are professional and based on trust and mutual respect.
- we do not participate in any kind of corrupt or other criminal activity. This

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- includes bribes, facilitation payments and money laundering.
- the value of gifts and favours to representatives of business partners is moderate and does not exceed local customs. Any gifts or favours offered must not impair SKF's reputation as an ethical company.
- we avoid offering gifts and favours to persons working for, or representing public bodies and state-owned companies. Gifts and favours to such persons may, however, be offered should the circumstances so require. Any gift or favour to such person must adhere to the local SKF gift policy, be moderate in value and not exceed local customs.
- all our decisions and activities are compliant with applicable antitrust, export control and data privacy regulations and each of us has appropriate knowledge of the regulations.
- we honour contracts and agreements entered into.
- we do not have any conflict between private economic or personal interests and those of SKF.
- SKF has specific codes of conduct for suppliers, distributors, agents and other intermediaries, which are based on the SKF Code of Conduct. We have business relationships only with suppliers, distributors, agents and other intermediaries, which comply with these codes of conduct.
- we do not engage with distributors, agents and other intermediaries whose ownership structure is not transparent, or which ultimate owner(s) are involved in criminal activities.

Responsibility towards employees

In all we do, we strive towards a positive and engaging work environment. We assure health and safety, acknowledge wellbeing and recognize good work performance.

Employees' rights and needs are respected, contributions are valued and concerns are taken seriously. Employees are given equal opportunities to develop their skills and competence in order to reach their full potential and develop their careers. In turn, our employees support SKF's continued success by working towards agreed goals in accordance with our values and the SKF Code of Conduct.

Our working ethics commitment requires that:

- we offer safe and healthy workplaces for all employees at all times, and for contractors and visitors while on SKF premises.
- all employees are treated equally, fairly and with respect regardless of race, gender, age, national origin or nationality, disability, caste, religion, sexual orientation, union membership or political affiliation.
- we provide non-discriminatory working conditions and we promote diversity.
- we do not tolerate any forms of sexual or other kinds of harassment, threats or intimidation.
- we do not engage in, and we actively work against, the use of forced labour. Nobody shall be required to lodge "deposits" or identity papers when commencing employment with SKF. Employees have the right to terminate their employment with reasonable notice to SKF.

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- we do not engage in, and we actively work against, the use of child labour. Employees must not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years. Young workers (above the legal working age and under 18 years old) shall not be exposed to hazardous work environments as defined by national laws or regulations.
- we respect the right of all employees to form and join trade unions of their choice and to bargain collectively and individually. We strive to facilitate these rights when freedom of association and collective bargaining is restricted. We ensure that official representatives of such trade unions are not subject to discrimination and that such representatives have access to union members and their workplace. We respect the rights of an employee not to join a trade union.
- we ensure that wages and other related benefits meet at least the legal or industry minimum standard in the country in question. Wages and benefits are rendered in full compliance with laws and collective agreements.
- we comply with applicable laws and industry standards on working hours in each country in which we operate. In addition to local legislations, we shall ensure that safety is not compromised through excessive working hours.
- SKF management promotes employee wellbeing.
- we provide employees with good opportunities to train for job enrichment and wider responsibility. Employees are entitled to regular performance review and competency management reviews.
- all employees shall be given a fair chance to compete for job opportunities. Unless overridden by national legislation, only relevant skills and competencies shall be the differentiating factors in selecting the right person for the job.
- we safeguard company assets from loss, theft and misuse. Company assets shall not be used for personal gain, fraudulent purposes or in any other inappropriate manner.
- employee data are treated with confidentiality and in accordance with applicable data privacy regulations.

Responsibility towards society and the environment

Our ability to profitably manage and grow our business in an ethical manner is the foundation by which we meet our social responsibility. We manage our business as a responsible member of society, showing respect for the laws, customs and needs of the different countries where we are present.

We have a firm commitment to ecologically sustainable development, and we strive to improve the environmental performance of our own operations, and those of our suppliers. At the same time, we develop and provide innovative solutions that help improve environmental performance for our customers and society at large.

Our social commitment requires that:

- our products and services are designed, produced and delivered with relevant safety information such that they are safe for their intended use.

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- SKF management takes a social responsibility in the local communities in which we operate, and participate in activities aimed at personal development for less privileged people, supporting education and vocational training, supporting local sports and health initiatives, and stimulating other voluntary work.
- we are open, transparent and approachable. The information we provide is factual, correct and consistent. We provide information about SKF's strategies, results, financial position and development essential to stakeholders in a timely manner, and in accordance with applicable stock exchange rules. Marketing materials and activities shall be respectful and not demeaning.
- we establish and maintain relationships with local governments and authorities which are based on trust, transparency and mutual respect.
- we do not contribute financially to political parties or politicians and do not participate in politics. The Group President and CEO – in person or through explicit delegation – is the only person authorized to express political statements on behalf of SKF.
- we do not engage with associations the agenda of which is not in line with the SKF Code of Conduct or that work against the international standards and guidelines that SKF adheres to.

Our environmental commitment requires that:

- we comply with all applicable environmental legislations and continuously improve our performance.
- we work to understand the environmental and climate impacts along our value chain - from raw material, manufacturing, and logistics to use at the customer and end of life. We find practical ways to systematically reduce these impacts and the associated risks and costs.
- we work towards a circular economy model by improving material efficiency of our products, solutions and materials.
- we educate ourselves on the impact our day-to-day actions have on the environment, and adapt our behaviour to save energy and reduce waste and emissions.

Responsibility towards shareholders

We strive for a sustainable and improving return for our shareholders. Our shareholders' interests shall always be considered when determining strategies and activities.

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Implementation of the SKF Code of Conduct

All employees are obliged to follow the Code of Conduct and no one in the organization has the mandate to authorize exceptions from the Code of Conduct.

SKF Group Management shall supervise the observance of the Code of Conduct. SKF will not accept any deviations from the Code of Conduct and will investigate and take appropriate measures in case of misconduct.

All managers shall act as role models and they shall ensure that employees under their responsibility understand, act and behave in accordance with the Code of Conduct. Managers shall ensure that effective training and subsequent follow-up are provided so that all employees understand the Code of Conduct and how it relates to them.

Reporting and verification

SKF depends on its employees to ensure that the highest standards of ethical conduct are maintained. We shall all be vigilant in preventing, detecting and reporting misconduct. If you become aware of any decisions, behaviour or actions that are not in line with the Code of Conduct, you shall report this to your immediate manager. If for some reason you feel you cannot, or should not report the issue to your manager, you can bring the issue to the attention of your manager's manager or to the Country Manager.

For issues of a sensitive nature that would be inappropriate to direct to a manager as stated above, for example, actions or behaviour carried out by the representatives of the company to which you belong, you can report the problem, anonymously if you wish, via the SKF Ethics and Compliance Reporting Line.

All reports will be treated in strictest confidence and SKF will not allow any retaliation towards anyone raising concerns or problems in good faith.

Compliance with the Code of Conduct shall be followed-up regularly and reported to SKF Group Management.

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