



IAR Systems Group AB

Code of Conduct

Contents

Introduction	3
Scope of application.....	3
Legal compliance.....	3
Implementation and monitoring	3
Report of misconduct	3
Business ethics	4
Competition and antitrust laws.....	4
Anti-bribery and corruption.....	4
Accounting practices.....	4
Conflict of interest	4
Trade and export control.....	4
Protection of assets and information.....	5
Responsible social media use	5
Data privacy	5
People	6
Human rights & labor standards.....	6
Responsible for sourcing minerals	6
Freedom of association and collective bargaining	6
Workers’ contracts, working hours, and compensation.....	6
Discrimination, harassment, and diversity	6
Customers, business partners, and shareholders.....	6
Occupational health and safety	7
Work environment	7
Building and fire safety	7
First aid and medical care	7
Alcohol and drug abuse	7
Environment and sustainability	8
Product safety and environmental conformity.....	8

Introduction

IAR is committed to upholding high standards of integrity and professionalism in all its business activities. We recognize the importance of respecting applied laws and regulations while adhering to our shared values and ethical standards. We have developed a comprehensive *Code of Conduct* that sets clear guidelines for conducting business and making decisions.

This *Code of Conduct* reflects our core values of integrity, accountability, respect, and excellence. It provides a framework for us to work together in a way that is ethical, responsible, and respectful of our colleagues, customers, partners, and the communities in which we operate. It is not simply a set of rules but a reflection of who we are as a company and what we stand for. We encourage you to promote and uphold the principles described in the *Code of Conduct* in your daily work and interactions. Our success as a company depends on our ability to operate with integrity and excellence continuously.

The *Code of Conduct* is based on UN principles, EU regulations, and applicable international laws and regulations, including but not limited to

- UN Universal Declaration of Human Rights and connected UN Conventions
- UN Guiding Principles on Business and Human Rights
- UN Global Compact
- Tripartite Declaration of Principles of the International Labor Organization concerning Multinational Enterprises and Social Policy
- OECD Guidelines for Multinational Enterprises
- European General Data Protection Regulation (GDPR)
- European Climate Law
- EU Whistleblowing Directive
- UK Bribery Act

Scope of application

This *Code of Conduct* applies to all our employees and business partners that provide products or services to IAR or are engaged or instructed to act for or on behalf of IAR, such as suppliers, contractors, consultants, distributors, agencies, and other representatives.

Legal compliance

We require all our employees and business partners to operate in accordance with the principles in the *Code of Conduct*, and in full compliance with all applicable laws and regulations. The *Code of Conduct* does not replace legislation; if they conflict, legislation takes precedence. If the *Code of Conduct* sets a higher standard than the existing legislation, the *Code of Conduct* takes precedence.

Implementation and monitoring

We will continue to monitor the implementation and adherence to the *Code of Conduct*. We conduct regular Supplier Due Diligence to assess our business partners' compliance with this Code and secure a resilient supplier base. We expect our suppliers to support and cooperate in the process. Any violations will be handled immediately and may jeopardize the business partner's business relationship with IAR, up to and including termination.

Report of misconduct

Improper behavior or violation of any kind against the *Code of Conduct* will be actively addressed at IAR. IAR employees and external business partners or stakeholders are encouraged to speak up freely and without fear of repressive measures. Repressive measures against reporters who speak out in good faith are prohibited. To report or raise your concerns, please contact IAR Headquarters: legal@iar.com.

Business ethics



IAR and its business partners are obligated to all stakeholders to observe high standards of integrity and fair dealing. We respect the laws and regulations of the countries where we operate and require that our business partners do the same. We do not tolerate any form of corrupt activities, including but not limited to bribery, conflicts of interest, fraud, extortion, embezzlement, and unlawful kickbacks. Our employees or business partners shall not engage in or cause IAR to commit corrupt activities.

Competition and antitrust laws

Our employees and business partners shall compete fairly and ethically in the markets and comply with all applicable competition and antitrust laws and regulations. This means, among other things, not engaging in price fixing, market sharing, bid rigging, or customer allocation.

Anti-bribery and corruption

We shall conduct our business with honesty, integrity, and transparency and avoid any actions that could compromise our ethical standards, including offering or accepting bribes or kickbacks, violating the UN Convention against Corruption. We do not tolerate any illegal or unethical behavior.

Accounting practices

We maintain accurate and transparent accounting records. We do not engage in insider trading or other financial fraud violations of EU and international financial regulations.

Conflict of interest

Conflict of interest between a business partner and IAR must be avoided or identified and communicated to the CEO. Conflicts of interest may include external business activities, personal financial interests, internal information, and employment of, buying from, and selling to family members and close personal friends.

Trade and export control

We are committed to complying with all applicable trade policies, export control laws, and regulations in the countries where we operate. We follow the EU guidance on internal compliance program (ICP) to ensure that our products, including software, technology, and services, are only exported, re-exported, or transferred physically or electronically with the required export authorization.

We know the complexity of export control regulations, including sanctions, and will continue to monitor the related changes and update our export control policies or procedures accordingly when necessary. We provide compulsory, periodic training for all staff with compliance responsibilities to ensure they possess sufficient knowledge to comply with the export regulations. For further guidance, refer to IAR Export Control Policy and Process.

Protection of assets and information

We protect our assets and confidential information from unauthorized access or misuse. We do not use company resources or confidential information for personal gain or benefit.

We set high security requirements to reduce the risk of illegal intrusion, sabotage, damage, disruption, data intrusion, or other action that may lead to any form of loss.

Information security refers to material, equipment, informa-

tion, and knowledge. It is the responsibility of all employees to maintain a high standard of security, which includes controlling and managing passwords and PIN codes to computers and mobile phones and using our communication systems when processing, sending, receiving, storing, printing, or in any other way, sharing information that is false, illegal, harassing, or not compliant with professional behavior.

Any crime, such as theft, waste, embezzlement, fraud, blackmail, or receipt of bribes, is unacceptable and can lead to disciplinary action, such as written notice or dismissal. Any such violations within IAR will be reported to the police or other appropriate authorities.

Responsible social media use

We use social media, such as Facebook, LinkedIn, WeChat, and other sites responsibly and professionally, per company policies and guidelines set about confidential information. We do not engage in offensive or defamatory behavior on social media, and we respect the privacy and intellectual property rights of others.

Data privacy

We respect individuals' privacy rights and protect each other's personal data, our business partners, customers, and those we work with, per the EU GDPR. We do not share or disclose personal data without proper consent and take all necessary measures to prevent data breaches or unauthorized access.

People



IAR is dedicated to its social responsibility to create long-term value for all stakeholders and expects its employees and business partners to ensure compliance with all applicable laws, regulations, and organizational requirements.

Human rights & labor standards

We respect and promote human rights and fair labor practices. We do not tolerate the use of any form of child, forced, or bonded labor, including employment of prisoners or illegal workers, against applied national and international laws and connected conventions, and expect our business partners to do the same. We acknowledge that forced or bonded labor can include requiring a deposit of payment or demanding a deposit of identity documents or other personal belongings, all of which are prohibited. If business partners employ foreign workers on a contract basis, they must not be required to remain in employment against their will and shall further have the same rights as local workers. The employer will pay for commissions and recruitment agency fees in connection with the employment where applicable.

All workers shall have the right to leave their workplace and accommodation (if provided) freely during the hours they are not working.

Responsible for sourcing minerals

We are committed to complying with relevant laws and regulations requiring the disclosure of the use of conflict minerals. Conflict minerals are minerals from high risk and conflict-affected areas that have directly or indirectly contributed to financing armed groups, where some groups are believed to be responsible for serious human rights violations. Goods provided to IAR shall comply with relevant laws and regulations regarding conflict minerals.

Freedom of association and collective bargaining

We respect the rights of our employees in having the freedom to join, or not to join, an association of free choice, as well as establish an association of free choice, to organize, and to bargain collectively or individually by local laws and regulations. No employee should risk being harassed or retaliated against for exercising these rights.

Workers' contracts, working hours, and compensation

We expect our business partners to comply with local laws and regulations regarding workers' contracts and working hours, including overtime and overtime compensation. Salaries should be paid regularly and comply with applicable legislation and local market situation. Workers should be entitled to a minimum of one day off in seven and time off for established national and local public holidays. Workers should be granted the stipulated annual, sick, and maternity/paternity leave without any negative repercussions.

Discrimination, harassment, and diversity

We value and promote diversity and gender balance and expect our business partners to provide a work environment where everybody is treated with respect and dignity and given fair and equal opportunities for development. We do not tolerate discrimination or harassment in the workplace, and our business partners shall not discriminate against any worker based on race, ethnicity, sexual orientation, gender, religion, age, disability, political opinion, nationality, or any other potentially discriminatory factor.

Customers, business partners, and shareholders

We prioritize the satisfaction and trust of our customers, business partners, and shareholders. We strive to provide high-quality products and services and maintain transparent and respectful relationships with our stakeholders. We require that our business partners take due care and put in place quality assurance processes to ensure their products or services provided to IAR meet applicable quality standards or exceed the contract requirements.

Occupational health and safety



Work environment

We strongly value and rely on our passionate employees and strive to practice our corporate culture, improve our work environment, and encourage everyone to contribute their best performance and creative ideas. We work systematically with health and safety, are committed to providing a safe work environment, and expect our business partners to do the same. Risks that can cause accidents or impair the health and well-being of individuals while working for IAR shall be reduced. Therefore, occupational health and safety hazards shall be identified, evaluated, and managed by eliminating risks, engineering, and administrative controls.

A safe work environment means, for example, that work areas are kept clean and free from pollution, equipment used in production is safe and does not risk the workers' health, and instructions regarding personal protection and work equipment are adhered to. Personal protective equipment and work equipment shall be provided to the workers. Further, the work environment should be well-lit and have temperature and noise at acceptable levels. When noise is above good levels, personal protective equipment such as ear protection shall be used.

Building and fire safety

Hazardous materials and equipment must be stored according to applicable laws. There should be marked emergency exits in

all workplaces. Exits must not be blocked and should be well-lit. All employees shall receive information about safety arrangements, such as emergency exits, fire extinguishers, first aid equipment, and similar applicable measures. An evacuation plan shall be displayed on each floor of the building. The fire alarm should be tested, and evacuation drills should be done regularly.

First aid and medical care

First aid equipment must be available at appropriate locations. The business partner should cover the costs of medical care for injuries incurred on its premises if they are not covered by social security or insurance, provided safety rules have not been violated.

Alcohol and drug abuse

We do not allow possession or use of illegal drugs or abuse of alcohol nor do we work under the influence of illegal drugs or alcohol. Alcohol may be consumed responsibly at social events.

Environment and sustainability

We follow environmental laws, regulations, and other codes of practice and make continuous efforts to improve our environmental performance. We are also implementing changes that will set us on the road to reaching net zero emissions in line with the UN SDGs. We encourage the development and diffusion of environmentally friendly technologies and recommend that all business partners with significant environmental impact implement certifiable environmental management systems or similar systems that facilitate the business partners' work with the environment.

We continuously seek ways to reduce the consumption of resources, including energy and water, and expect our business partners to reduce their waste and pollution production, keep acceptable noise levels, and improve the overall environmental

impact of their operations and products along the value chain. Further, chemicals and hazardous materials shall be adequately labeled and safely stored, recycled, reused, and disposed of correctly.

Product safety and environmental conformity

We safeguard people's health and safety by providing products in full compliance with applicable environmental and safety directives or regulations. We observe and follow the guidance of the legal product safety regulations from product design, manufacture, and use to final disposal and require that our business partners consider this when producing goods or providing services for IAR.



IAR provides world-leading software and services for embedded development, empowering companies globally to bring secure products that shape the future. Since its founding in 1983, our solutions have been instrumental in ensuring quality, security, reliability, and efficiency in developing over one million embedded applications for a wide range of industries, including industrial automation, IoT, automotive, and medical sectors. With support for 15,000 devices from over 70 semiconductor partners, we are dedicated to fostering innovation and enabling our customers' success.

Headquartered in Uppsala, Sweden, with a global presence of sales and support offices strategically located across the world. IAR is an I.A.R. Systems Group AB subsidiary, listed on NASDAQ OMX Stockholm, Mid Cap (ticker symbol: IAR B).

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