

Diversity, Equity and Inclusion Directive



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1. Statement of Intent

At Arjo, we believe that diversity, equity and inclusion is not an obligation, but rather, a responsibility we have as a business to do the right thing, for not only our people, but also the communities we serve as a Company. For the purposes of doing business in a sustainable way the DEI Directive aligns to the Arjo Code of Conduct which is structured according to the UN Global Compact (human rights, labour conditions, environment and anti-corruption). In addition it also aligns with the International Labour Organisation (ILO), the Arjo sustainability framework and business priorities and the Arjo business partner code of conduct.

2. Arjo Diversity, Equity and Inclusion Governance in the Organisation

The Arjo Diversity, Equity and Inclusion Directive is used to value its employees and to action a commitment to the implementation of fair, equitable and non-discriminatory employment practices and a diverse and inclusive workplace. It is our aim to provide a workplace, which maximises the talent, potential and contribution of all employees through the provision of equal opportunity for all.

3. Arjo Diversity, Equity and Inclusion Definitions

Abbreviation or Terms	Explanation
Diversity	Includes but not limited to race, colour, ethnicity, nationality, religion, socioeconomic status, veteran status, language, education, marital status, age, gender, gender expression, gender identity, sexual orientation, mental and physical ability, genetic information and learning styles.
Equity	The guarantee of fair treatment, access, opportunity and advancement of all while striving to identify and eliminate barriers that have prevented the full participation of some groups. The principle of equity acknowledges that there are historically under-represented populations and that fairness regarding these unbalanced conditions is needed to assist equality in the provision of effective opportunities for all groups.
Inclusion	Authentically bringing traditionally excluded individuals and / or groups into processes, activities and decision/policy in a way that shares power and ensures equal access to opportunities and resources.
DEI	Diversity, Equity and Inclusion

4. Arjo Diversity, Equity and Inclusion Objectives

With people in mind, we are strongest together, when we embrace each other as humans regardless of what we look like, where we come from and whom we love. This means building a more diverse, equitable inclusive workplace and creating engagement within the workplace and within the communities that we serve, work in and live in.

We all have a role to play in creating a diverse, equitable and inclusive workplace. For some of us that may mean showing courage to stand up and speak out, sharing opinions and experiences. For others, it may mean listening and showing empathy and creating an environment that is safe for two-way communication and dialogue. For all of us, it means asking questions, respecting answers and being open to fresh and differing perspectives. Most importantly, appreciating each other's contribution to our Arjo family.

Our ambition of a winning and sustainable Arjo will be achieved through a culture and mind-set that values the uniqueness of all its employees. We believe that in order to achieve our ambition Global and Local Organisations define initiatives and actions to support a diverse, equitable and inclusive workplace.

We expect at local level there is

1. Diversity, Equity and Inclusion **Strategy** with alignment to local Business Priorities;
2. Regular **monitoring and evaluation** of Diversity, Equity and Inclusion Strategy and agreed initiatives and actions

Reporting on agreed initiatives and actions against time-specific diversity, equity and inclusion objectives and commitments annually to EVP HR & Sustainability.

5. Arjo 11 Diversity, Equity and Inclusion Commitments

Diversity, Equity and Inclusion commitments are a high priority for Arjo. We believe that in order to solve more complex challenges, we need to continuously bring more creative, diverse ideas to the discussions. When employees of different gender, age, cultural heritage, sexual orientation, disability and backgrounds work together, the workplace is more productive and more innovative decisions are made. We want to move Arjo from an awareness of the need for diversity, equity and inclusion within the workplace to metrics to produce tangible and successful outcomes.

1. Leadership and Accountability

Commitment by Arjo leaders at all levels is the key to enable and progress a diverse, equitable and inclusive Arjo. In order to implement diversity, equity and inclusion within Arjo, Arjo will require its leaders and role models to set clear expectations that other active advocates can follow. Our

leaders are held accountable and responsible for furthering Arjo's diversity, equity and inclusion goals and are encouraged to consider "what we say; how we act; what we prioritise, and how we measure; together, determines what gets done."

2. Recruitment, Selection and Promotion

Equal opportunity in employment, selection and promotion means that employees are judged on their ability to do the job based on merits.

All Arjo recruitments are based on respect for the individual regardless of gender identity, race, ethnicity, religion, age, marital or parental status, disability, sexual orientation, nationality, political opinion, union affiliation or social background. The expectations stated in the job profile shall be based on our common values. The selection processes shall be fair, based on objective and transparent criteria, and include proper feedback to all applicants in accordance with local custom and law.

Next Level Manager Approval Principle

To guarantee fair and equal treatment for all our employees and to make sure decisions a next level manager must approve benefit Arjo on a broader level, all decisions on employment matters.

- Recruitment – the next level manager needs to confirm that the position can be filled;
- Compensation and benefits – the next level manager needs to confirm all changes or new compensation and benefits such as salary, bonus, car, healthcare etc.; and
- Transfers and terminations – the next level manager needs to approve all transfers and terminations such as reorganizations and decisions to terminate.

3. Gender pay equity

Underpinned by the Arjo formal remuneration policy, we commit to meet legal obligations regarding equal pay where males and females performing work of equal or comparable value are paid the same based on the job and not disproportionately based on gender. Arjo is committed to pay equity through analysis and consistent monitoring of the pay of males and females in the same role within Arjo.

4. Diverse representation of workforce and teams

Arjo supports a diverse workforce and increasing a diverse representation of all people from under-represented groups. We are committed to increasing diversity in a multitude of categories including but not limited to gender, race, ethnicity, language, nationality, age, disability, sexual orientation and backgrounds.

We are committed to diversity mentoring programs. In addition, we will raise awareness of topics, such as unconscious bias and have more transparency around leadership and mentoring initiatives. We feel that mentoring both in a formal and informal context is an invaluable offering and support to under-represented groups to navigate and advance careers.

Arjo continue to enable the organisation to have an improved diversity within our group of senior leaders.

5. Support for caregiver responsibilities

Arjo is committed to supporting employees with caring responsibilities, including caring for children, elderly people or dependants living with a disability. Caring responsibilities and taking time off to engage in caring supports a diverse workplace. Arjo recognises that men and women have caring responsibilities and supports this with technology to enable flexible work (policy, technology and culture), utilisation of parental leave by both men and women, supporting promotions during pregnancy/ maternal and parental leave/long term leave periods, staying in touch programs and return to work programs following a leave.

6. Mainstreaming flexible working

Arjo strives to have a good work life balance through flexible, clear working hours with accountability. It is our **ambition** to have a flexible workplace that is in line with our purpose and strategic ambitions to be a sustainable business; and as an employer our responsibility is to enable our people to deliver their best and we recognize workplace flexibility as an enabler.

7. Preventing harassment and discrimination, sexual harassment and bullying

Arjo has a zero-tolerance policy for all and any forms of harassment (including sexual), discrimination, and bullying in the workplace. Arjo is committed to promoting an inclusive and safe culture through reinforcing professional workplace behaviours during training and education

including bystander awareness training. Arjo is committed to fully investigating any complaints / incidents through its complaints process and has HR professionals with skills to appropriately respond to complaints/grievances.

8. Support for employees experiencing domestic and family violence

Arjo is committed to supporting employees at work experiencing domestic and family violence understanding with empathy the impacts on employees' performance, productivity and absenteeism. Arjo is committed to providing support services through employee assistance provider services to employees.

9. Learning, Development, Mentoring and Training

Arjo is committed to actively develop all our employees its people and grow business and people together through coaching, support and feedback and opportunities for formal and informal mentorship. Arjo is committed to advancing the careers of all of our employees through formal succession planning and to provide meaningful opportunities for all of our employees to progress such as talent programs, stretch assignments, networking opportunities and leadership development programs.

Arjo is also committed to mandatory training centred on diversity, equity and inclusion to all employees with a focus on creating awareness of equality legislation and compliance, which is also, integrated into leadership, induction and orientation programs.

10. Talent management and succession planning

Arjo is committed to identifying, attracting, developing and fully utilising and retaining talent at all levels through set targets for talent identification lists and succession plans.

11. Driving change beyond the workplace

Arjo is committed to progress and support of a culture of diversity, equity and inclusion beyond the workplace by engaging in public dialogue in the healthcare industry and community. We do this by our leaders' actively promoting equality beyond the organisation.

Refer Appendix 1: Global Proposal

6. Arjo Diversity, Equity and Inclusion Roles & Responsibilities

The Arjo Management Team approves the Arjo Diversity, Equity and Inclusion Directive.

The Arjo Management Team delegates authority and responsibility for a diverse, equitable and inclusive workplace to each Managing Director or delegated person (e.g. Site Manager, Line Manager) in line with local laws, legislation, regulation, policy and process.

The Local Organisation defines a Diversity, Equity and Inclusion Strategy and measures and reports on initiatives and actions.

7. References, Forms & Templates

Title	Id
Arjo Sustainability framework	
Arjo Diversity, Equity and Inclusion Commitments	V 1.0 January 2021
Arjo business code of conduct	V2 May 2020
Arjo Code of Conduct	

8. Revision History

Rev.	Effective date (DD-MM-YYYY)	Change Description	Author & Approver
1	01/01/2021	New Document	Marion Gullstrand
2	01/04/2021	Compliance and Ethics Directive is discontinued and reference is removed. Specific target of women in senior roles removed.	Marion Gullstrand
3	01/03/2022	Reference to Code of Conduct and UN Global Compact. Reference to ILO Reference to Business Code of Conduct	Marion Gullstrand

Appendix 1; Diversity, Equity and Inclusion Commitments [Global Proposal]

We propose to define globally key initiatives and actions to support a diverse, equitable and inclusive Arjo. These are:

a. DEI are anchored at the top and owned by our leaders

- We monitor and track progress of diversity in teams on director level and above.
- VP and above (senior leaders) are asked to create tangible action plans for their areas and are asked to integrate DEI in their KPI's and annual business plans.
- We continue to train and develop our people leaders in DEI, unconscious bias and inclusive leadership for them to champion the agenda and role model DEI.
- We will integrate an inclusion index (inclusion questions) into our overall annual engagement survey to ensure a strong focus on inclusive leadership and the inclusive work environment.
- We track and monitor the diversity in our successor pipelines and talent pools as an integrated part of our succession planning and promotion discussions on critical positions.
- We track and encourage a 50/50 gender split in all our development programmes from global & local talent and leadership programmes.

b. Catering for DEI in HR processes (recruitment and promotions)

- We review our recruitment and promotion process and will develop adjusted processes to mitigate biases and ensure diversity in all our recruitments in Arjo globally and throughout our development & performance review process and promotions.
- We develop policies and guidelines for our recruiters, managers, recruiters, and in photo and marketing material to ensure unconscious bias awareness in all we do.

c. Arjo societal engagement in diversity related topics

Arjo engages in diversity related activities in the broader society and wishes to be part of the Public dialogue

- E.g. Arjo supports and engages in diversity related events, boards, and partnerships around the world in the local communities we operate in.

We will review the impact and benefit of this work annually.

The Directive provides the global position but each legal entity will have a set of policies and processes that is aligned to the global direction and which meet with local laws, regulation.

References

- *The UN Global Compact - Arjo is affiliated and follows the ten principles for human rights, labor law, the environment and corruption*
- *OECD guidelines for multinational company*
- *UN Guiding Principles on Entrepreneurship and Human Right*
- *International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work*