

midsona

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RISK POLICY

MIDSONA GROUP



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1 BACKGROUND AND PURPOSE

- 1.1 To ensure that Midsona and its subsidiaries (the “**Group**”) comply with applicable laws and regulations and that the Group values and way of working is valid throughout our entire organization, the Group has developed group wide policies, including this policy.
- 1.2 The purpose of this policy (the “**Policy**”) is to establish a systematic and integrated approach to risk management throughout the Group. Effective Risk Management supports management efforts to identify, measure, respond to, monitor and report risks that in different ways may affect the achievement of Midsona’s strategic, operational and financial objectives.
- 1.3 The Group’s risk management approach also includes the identification and assessment of environmental, social and governance (ESG)-related financial risks in line with Midsona’s Double Materiality Assessment (DMA) process. This ensures alignment with the European Sustainability Reporting Standards (ESRS) and supports the integration of sustainability-related risks into the overall risk management framework.

2 DEFINITIONS

“**Business Continuity Management**” means a holistic management process that identifies potential threats to the organization and the impacts to business operations those threats, if realized, might cause. The business continuity management provides a framework for building organizational resilience and the capability for an effective response that safeguards the interest of its key stakeholders, reputation, brand and value-creating activities.

“**Business continuity plan**” means a documented plan that guides the organization to respond, recover, resume, and restore to a pre-defined level of operation following a disruption.

“**Crisis**” means an incident or emergency that threatens the viability of the business, or, for other reasons, the normal organization cannot manage. It can happen unexpectedly or over time but often demands immediate action. Could potentially be of major harm for the business with severe consequences financially, reputationally, to the environment or to people if not managed properly. Some examples can include, but are not limited



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to, a damaging fire, natural disaster situations, environmental accidents causing pollution, security threats, terrorist acts or pandemics in the surrounding business environment.

“**Entity**” means a legal or reporting entity.

“**Risk Management**” means Midsona’s framework to manage risks related to the achievement of strategic, operational, and financial objectives.

“**Global Insurance Programs**” means all insurance programs that are managed by the Group. A global insurance program is designed to, as far as different legal and regulatory requirements allow, provide global coverage for multinational businesses regardless of where the Subsidiary is domiciled.

“**Incident**” means an event that has minor impact on everyday operations. No major harm to someone’s life or health, limited or no business impact. No serious loss of valuable information or property. It has limited reputational consequences.

“**Local Insurance Solutions**” means local insurance covers and policies in each country standalone from the Global Insurance Programs. Local Insurance Solutions shall be maintained to fulfil local legal and regulatory requirements.

“**Loss Prevention**” means all proactive measures taken to manage and mitigate Insurable risk.

“**Risk**” means any future event that threatens the organization’s ability to achieve its vision and long-term goals:

“**Serious incident**” means an incident causing permanent disability, fatality or serious loss of time, serious damage to environment or business, loss of valuable information or property. A serious incident may cause major reputational consequences.

“**Subsidiary**” means a company, corporation or other legal entity (a limited liability company or similar legal person) which is directly or indirectly controlled by Midsona AB (publ).

“**Double Materiality Assessment (DMA)**” means the structured process used to identify and assess actual and potential environmental, social and



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governance (ESG) impacts, risks and opportunities across Midsona’s value chain. The DMA includes both financial materiality (how ESG matters affect Midsona’s enterprise value) and impact materiality (how Midsona affects people and the environment), in line with ESRS requirements.

“ESG-related financial risks” means sustainability-related risks that may have a material financial impact on Midsona’s ability to achieve its strategic, operational or financial objectives.

3 SCOPE

This Policy sets the minimum requirements related to risk management for the Group.

4 OWNER AND APPROVER

4.1 Authorized approver

The Board of directors is the authorized approver of this Policy. Exceptions to this Policy are not allowed, unless otherwise approved by Authorized approver.

4.2 Appointed owner

Director Legal is the appointed owner of this Policy.

5 AUDIENCE

This Policy applies to all entities within the Group.

6 ROLES AND RESPONSIBILITIES

6.1 The Board of directors/Audit Committee

The Audit Committee, has responsibility to review and report to the Board of directors that: (a) the Audit Committee has at least annually, reviewed the Midsona’s Risk Management framework to satisfy itself that it continues to be sound and that Midsona is operating with due regard to the risk appetite set by the Board of directors, and effectively identifies all areas of potential risk; (b) adequate policies and processes have been designed and implemented to manage identified risks; (c) a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and (d) proper remedial action is undertaken to redress areas of



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weakness.

6.2 **Director Legal**

- i. Ensuring that this policy is updated
- ii. Provide relevant communication, support, training and advice in relation to this Policy.
- iii. Development of the procedures that are required to ensure compliance with this policy
- iv. Collaborate with the Sustainability function to ensure that ESG-related financial risks identified through the Double Materiality Assessment (DMA) are integrated into the Group's risk register and risk reporting.
- v. Support the alignment between the Group's risk management and sustainability reporting processes in accordance with ESRS.

6.3 **Division Directors**

- i. Ensuring the communication, training and implementation of this policy in their relevant business operations.
- ii. Ensuring sufficient governance and resources to oversee and safeguard compliance to this Policy
- iii. Ensure that ESG-related financial risks are identified and synchronized with the Double Materiality Assessment (DMA) process.

6.4 **Head of Group functions**

- i. Ensuring the communication, training and implementation of this policy in their relevant business operations.
- ii. Ensuring sufficient governance and resources to oversee and safeguard compliance to this Policy.

7 POLICY STATEMENT

7.1 Risk Management

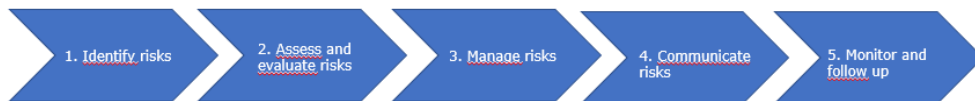
7.1.1 Effective Risk Management supports management efforts to identify,



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measure, respond to, monitor, and report risks that affect the achievement of Midsona’s strategic, operational and financial objectives. Midsona has adopted a systematic and integrated approach and management of risks which applies throughout the Group.

7.1.2 “Key elements of the Group’s Risk Management Process, as further defined in the Procedure for Risk Management, shall be followed by all management teams within the Group. This includes identifying, assessing, managing, monitoring and communicating risks proactively and effectively.”



7.2 Business Continuity Management

7.2.1 Business Continuity Management is a strategic approach that involves the development of a response to safeguard the entire business by managing the impact of a business disruption to achieve the company’s business objectives, irrespective of the cause of the disruption.

7.2.2 The *Business Continuity Management Procedure* sets out common principles for strategic Business Continuity Management to be applied throughout the Group.

7.2.3 The purpose is to set the minimum requirements for the Group entities to ensure their ability to successfully respond to a disruptive event and continue their business operations on an acceptable level. The management teams of all Divisions, production units, functions and entities shall be aware of major risks for the business and ensure that they have an appropriate level of business continuity preparedness to identify, analyse and quantify the potential business impact and develop and implement continuity strategies within their respective organization.

7.2.4 Key principles of Midsona’s Business Continuity Management Process



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7.3 Crisis Management

7.3.1 A sustainable business also requires effective and structured incident and crisis management. To ensure that unexpected events are managed properly, consistently and at the right organizational level within the Group, a common approach that establishes the right capabilities for serious incident and crisis management is needed.

7.3.2 The purpose of the *Crisis Management Procedure* is to set the minimum requirement for how a serious incident or a crisis are to be managed. Priority when a serious incident has occurred or in a crisis situation is to minimize harm to people and the environment in line with Midsona’s Code of Conduct. Once that is established, we take necessary steps to minimize damage to Midsona’s business operations, safeguard our company brands and business reputation, in order to ensure swift return to normal activities.

7.3.3 The management teams of all the Group divisions need to have established routines and clearly communicate how their organizations are to act in a crisis or when a serious incident has occurred and ensure that unexpected events are managed properly, consistently and at the right organizational level within Midsona. This is further detailed in the *Crisis Management Procedure*.

7.3.4 Key principles of Midsona’s crisis management





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7.4 **Insurance Management**

7.4.1 Insurance management on Group level is an effective risk transfer tool to protect the assets in the balance sheet and to reach scale advantages such as higher insurance limits, tailored terms and conditions and lower premium costs. A Group consolidated approach also facilitates better risk control and compliance with local regulations and requirements throughout the Group.

7.4.2 All Divisions are ultimately responsible for managing their own risks in accordance with applicable Midsona policies and procedures. However, all risk transfer through Midsona's Global Insurance Programs is a centrally controlled and managed process.

7.4.3 All Subsidiaries should be covered by the Global Insurance Programs. When a new company (NewCo) becomes a Subsidiary, it shall become part of the Global Insurance Program as of the closing date of the transaction.

7.4.4 It is the responsibility of each Division Director to ensure that their risks are adequately insured, through the Global Insurance Programs and through Local Insurance Solutions.

7.5 **Loss Prevention**

At Midsona loss prevention is a crucial priority. We follow regulatory requirements and insurance regulations to prevent injuries, environmental damages and economical losses. The national fire safety regulations are always to be followed as a minimum but never limited to. Midsona's *Loss Prevention Procedure* support in these areas.

8 EXCEPTIONS

There can be no exceptions made to this policy.

9 MONITORING OF COMPLIANCE

Implementation and compliance to this policy is ensured through follow up by Financial and Sustainability internal control and internal audit.

10 REPORTING OF NON-COMPLIANCE

Any suspected deviation from this Policy must be reported immediately through internal reporting channels or via Midsona's whistleblowing



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channel at <https://report.whistleb.com/en/midsona>.

11 REFERENCES TO ASSOCIATED PROCEDURES

Procedure for Risk Management

Business Continuity Management Procedure

Crisis Management Procedure

Loss Prevention Procedure