

Sustainable Governance Policy

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Background and purpose

MilDef endeavors to continuously develop the business from both a broad and long-term perspective – to operate a profitable and sound business today, without compromising the opportunity to do so in the future.

This means that MilDef strives to serve as a good corporate citizen, not only taking responsibility for its own development, but also its impact on humanity, the environment and society in general.

Policy Statement

At MilDef we are committed to sustainable business practices that prioritize environmental responsibility, social well-being, and economic resilience. Our corporate sustainability policy is founded on the following principles:

Environmental Responsibility:

We shall reduce our environmental footprint by minimizing waste, conserving energy, promoting use of renewable resources and travel sustainable.

We shall prepare Product designs with consideration given; to choice of materials, efficient usage of materials, ease of assembly and deconstruction to ensure that the company's environmental ethics are followed.

We shall monitor and assess the environmental impact of our operations and continuously seek ways to improve.

Social Responsibility:

We shall promote diversity, equity, and inclusion within our workforce, ensuring a fair and safe workplace for all employees.

We shall strive to improve social progress by respecting human rights, avoid infringing these rights, and address impacts where they occur, as set out in the UN Guiding Principles on Business and Human Rights

We shall respect internationally recognized human rights standards, such as the International Bill of Rights and the ILO's Declaration on the Fundamental Principles and Rights at Work

We shall maintain ethical and transparent business relationships with key stakeholders.

Economic Resilience:

We shall seek sustainable growth that balances profitability with long-term economic stability.

We shall invest in research and development to create innovative products and services that align with sustainability goals.

We shall incorporate sustainability criteria into our investment and financial decision-making processes.

Compliance and Reporting:

We shall comply with all relevant environmental, social, and governance (ESG) laws and regulations.

We shall regularly assess and report on our sustainability performance, setting measurable targets and sharing progress with key stakeholders.

We shall engage with our stakeholders, including employees, customers, investors, and communities, to ensure their input informs our sustainability efforts.

Continuous Improvement:

We shall operate a Management System (MilDef Management System) in place with a defined structure and scope that shall describe management responsibility and document management.

We shall encourage innovation and the sharing of best practices among employees to drive continuous improvement.

We shall adapt and evolve our sustainability strategy in response to changing circumstances and emerging sustainability challenges.

By adhering to this policy, we are committed to creating a more sustainable and responsible future for our company, our stakeholders, and the planet.

Audience

The policy applies to all entities within the Group.

Roles and responsibilities

The Director of Quality is the owner of this policy.

The Board of Directors are responsible for the Rules of Procedure for the Board of Directors, including Instructions for the Audit Committee and Instructions for the Remuneration Committee, CEO Instructions, and Instructions for financial reporting to the Board of Directors.

The CEO is responsible for defining, maintaining, and running an appropriate organization capable of reaching MilDef's vision and goals in accordance with the CEO Instructions.

The COO is responsible for the Annual Risk Management review and the presentation to the Audit Committee and the Board of Director

The CFO is responsible for the Internal Control self-assessment process and the presentation to the Audit Committee and the Board of Director

The COO is responsible for crisis management and annual training and test of critical functions BCP.

Every manager is responsible for communicating this policy to their employees.

Every employee is responsible for acting in accordance with this governing document

Exceptions

There are no exceptions to this policy. Any need of exceptions to this policy must be clearly defined and documented. All exceptions shall be approved by the Board of Directors.

Monitoring of compliance

The policy is approved by Board of Directors. The policy is reviewed annually and revised if needed.

All employees are required to understand and comply with this Policy, violations may result in disciplinary actions including termination of employment.

References

Risk Management procedure

Internal Control Procedure

Customer Compliance Procedure

Supply base management Procedure

Finance manual

Business Continuity Management Procedure

Legal compliance

Context of MilDef Management System

Governing Document procedure

Continual Improvement Procedure