

# Code of Conduct for the Elmera Group

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# 1 Background

Ethical conduct is a key governance parameter which the board of directors, the management, employees and society at large are increasingly demanding. In recent years, there has been a strong focus on sound corporate governance amongst companies, both in Norway and internationally.

All companies like the Elmera Group should have a well-defined ethical framework and an ethical work culture. Unethical behaviour can expose not only the Elmera Group, but also its employees and partners to risk. Examples include sanctions, claims for damages and reputational damage. This Code of Conduct is not only a fundamental prerequisite for effective risk management, governance and control, it also imposes requirements on our customers, suppliers and other partners.

The Code of Conduct has been prepared as part of the corporate governance of the Elmera Group and has been approved by the board of directors. The Group believes that the Code of Conduct generates added value for the companies and the Group.

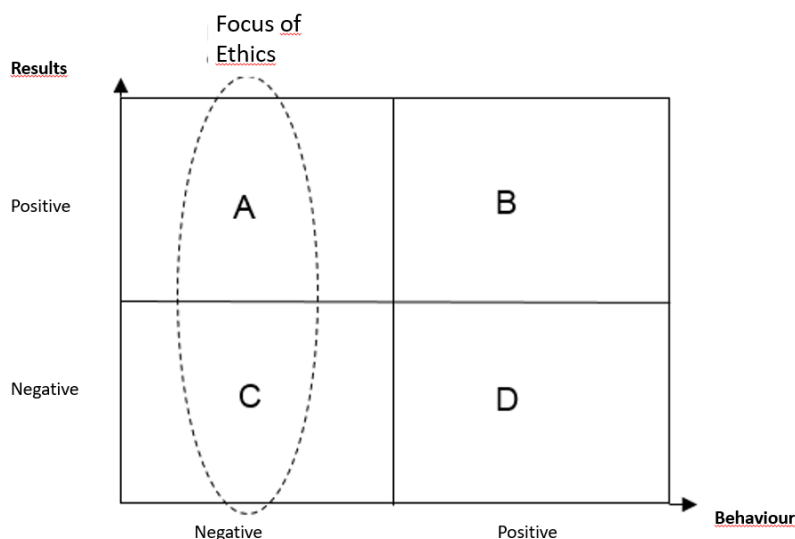
The Group's Code of Conduct, including this document, apply to the Elmera Group and its subsidiaries ('the Group' and 'the company'), board members, managers, employees, all hired personnel, consultants, agents and others acting on behalf of the Elmera Group ('employees'). Subsidiaries include companies in which the Elmera Group has an ownership stake exceeding 50 per cent. The company and subsidiaries aim to ensure that all employees are aware of their duties in accordance with this Code of Conduct.

Subsidiaries follow the same ethical principles, but may use different wording, for example by addressing certain matters in the Code of Conduct that the Group addresses in the Employment Regulations.

## 2 What is the Code of Conduct?

The Code of Conduct defines what the Group believes to be acceptable and unacceptable conduct, and provides important signals from the management to the rest of the company.

The figure below illustrates how results, both positive and negative, can be achieved through positive or negative behaviour. The Code of Conduct focuses on avoiding negative behaviour. This means that the Group does not accept good results which are achieved through negative, unethical behaviour.



## **2.1 Purpose of the Code of Conduct**

The purpose of the Code of Conduct is to ensure that everyone acting on behalf of the Elmera Group carries out their duties in an ethically sound manner and in line with the standards that the Group establishes through its governing documents. The Code of Conduct does not aim to describe every imaginable scenario in detail. In order to comply with this Code of Conduct, everyone must exercise common sense. Anyone who is uncertain about the contents of this Code of Conduct or assessments in accordance with this Code of Conduct should contact the HR Director of the Group. This applies regardless of whether the enquiry is general in nature or linked to a particular situation.

The company aims to have an open, constructive and informal discussion about what constitutes responsible behaviour.

The purpose of this Code of Conduct is to set out the ethical requirements that the company imposes regarding business practices and personal conduct in connection with the various aspects of the company's operations, including ethical issues relating to customer care, gifts and marketing activities. The Code of Conduct is intended to help ensure that the operations carried out by the company with respect to customers and partners are clearly lawful and within the ethical rules that apply.

The Elmera Group distances itself from all forms of unethical conduct, such as corruption, and the company undertakes to comply with all applicable laws and regulations in its business operations. The Elmera Group aims to carry on its commercial operations in a socially responsible and ethical manner which safeguards the reputation of the company.

The Elmera Group will also ensure respect for fundamental human rights and decent working conditions in its own activities and on the part of partners, suppliers and subcontractors.

Furthermore, the Code of Conduct is intended to contribute to employees becoming aware of ethical problems which can arise through the company's activities with respect to customers and business contacts, and how such problems should be managed based on the company's ethical standards and requirements, legislation and regulations.

## **2.2 Our ethical responsibilities**

A successful business is dependent on trust and a good reputation. The Group expects everyone who acts on behalf of the company to promote the business by acting responsibly with respect to employees/colleagues, partners and society at large. In particular, this means that anyone acting on behalf of the company or working on assignments for the company will be obliged to act in accordance with this Code of Conduct and applicable law. Applicable law takes precedence over this Code of Conduct, but the Code takes precedence over industry practice and other similar standards. In the event of any contradictions, the HR Director must always be consulted.

We shall have well-communicated, clear and thorough guidelines regarding ethical conduct which define what is acceptable and unacceptable in relation to the company's commercial environment and applicable laws and regulations.

It shall be possible for employees and others to notify management, union representatives or the board of directors in the event of suspected offences or misconduct, without fearing retaliation.

The management will regularly evaluate the Code of Conduct, including the procedures that are established to ensure compliance with the Code, and ensure that breaches of the Code result in sanctions.

### 3 The context of the governing documents

The Code of Conduct provides guidance concerning everything that takes place in the company. In practice, this means that our ethical responsibilities will remain the same even if we change our strategy or vision.

### 4 The Group's Code of Conduct

The Group's Code of Conduct in Chapter 5 is divided into the following areas:

1. Corruption and trading in influence
2. Facilitation payments
3. Gifts, representation and expense coverage
4. Conflicts of interest
5. Competition law
6. Discrimination and harassment
7. Business partners
8. Safeguarding of assets and archives
9. Responsible conduct outside working hours
10. Communication – 'the media test'

The Code of Conduct is described in the following chapters.

### 5 Corruption and trading in influence

#### 5.1 What is corruption and trading in influence?

As a Norwegian company, the company is covered by the bans against corruption and trading in influence in the Norwegian Penal Code<sup>1</sup> whenever the company does business either in Norway or abroad. In addition, the company and the Elmera Group may also be covered by anti-corruption legislation in other countries where the company is involved in commercial activities linked to these.

Corruption covers a wide variety of situations and activities. Corruption is punishable under the above provisions of the Norwegian Penal Code and includes both requesting, receiving or accepting an undue/improper benefit linked to position, office or assignment, and attempting to offer or give someone such a benefit. A classic example is where a person offers a government official a bribe in the form of cash in order to secure the granting of a licence or authorisation. However, it is not a condition that the person offering the bribe is seeking to acquire any benefit for themselves personally, as it will also be considered corruption if, for example, a person is seeking to obtain beneficial treatment for a colleague or family member (nepotism).

Under Norwegian law, the ban on trading in influence covers cases where a person requests, receives, accepts, gives or offers an undue benefit in order to exert influence on someone else in their position, office or assignment. An example is a person who receives an undue benefit in order to influence their unsuspecting colleague into entering into a contract with a particular supplier.

Complicity with such acts of corruption and influence is also prohibited. The bans apply to both the public and private sectors, and also include cases where the actions take place via intermediaries (e.g. an agent) in one or more links in a chain. The company and its employees may therefore risk being held accountable for bribes or other acts of corruption committed by third parties in a collaborative and/or contractual relationship with the company, such as subcontractors, intermediaries or agents, etc.

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<sup>1</sup> Sections 387 - 389 of the Penal Code.

Whether or not a benefit is 'inappropriate' must be determined in concrete terms in each individual case, based on an overall assessment taking into account factors such as the aim of the offer/request, value, the position of the recipient, the degree of transparency, etc. In general, a benefit will be deemed to be inappropriate if it could, or could be considered to, impact on the recipient's ability to make an independent, appropriate and sound assessment in connection with their position, office or assignment. Examples of such undue benefits include cash payments, gifts, travel and facilitation payments (see more on this below). Moreover, an undue benefit may be less direct, such as a loan with a low interest rate or access to goods, services or opportunities.

### **5.1.1 The Group's attitude to corruption and trading in influence**

The Elmera Group distances itself from all forms of corruption and trading in influence, and actively strives to ensure that such corruption and trading does not occur in the Group's commercial activities. Corruption undermines all kinds of commercial activities and free competition, and will not be tolerated in any form. Corruption would be devastating to the company's and the Group's reputation and put the company and its employees at risk. Any breach will lead to disciplinary proceedings.

This means that no employee of the Group shall, either for themselves or for others (including on behalf of the company), request, accept or receive an undue benefit or an offer of such undue benefit in connection with their position, office or assignment. This applies both directly or indirectly through intermediaries and to other such benefits which appear to be undue or inappropriate or which could otherwise conceivably harm the company's interests. Furthermore, no company employee shall offer, agree to or give an undue benefit to anyone else in connection with such a person's position, office or assignment.

## **5.2 Facilitation payments**

### **5.2.1 What are facilitation payments?**

A *facilitation payment* is a payment which is made in order to encourage, ensure or get a person to fulfil their duty or perform an action which the payer is entitled to have carried out. Such payments are often of low value, but they can be substantial.

A typical example of a facilitation payment is the payment of a small amount to a government official to ensure the return of passports at an airport, the clearance of goods through customs, or the unloading of cargo from a ship within a reasonable period of time. In isolation, the payment may be of little value, but the consequences of non-payment can be enormous.

Information on the occurrence of facilitation payments is often not readily available, because such payments typically concern small amounts from the perspective of the payer and are frequently made in cash. Such facilitation payments may be illegal where the company operates.

In reality, facilitation payments are just another form of bribery and for this reason are generally prohibited in most countries, including in Norway.

### **5.2.2 The Group's policy on facilitation payments**

The Elmera Group prohibits the acceptance or extension of any form of facilitation payments. Under no circumstances may company employees encourage facilitation payments.

However, requests for facilitation payments may be complied with in situations where this appears to be the only real alternative. Nonetheless, such requests must only be complied with in exceptional cases where the circumstances are such that personal safety is threatened. In such situations, you may make facilitation payments following an assessment based on common sense. If such a situation arises, you must always consult the HR Director wherever possible before making any payment or promise of payment. You must also report such payments to the HR Director as soon as possible, and the payments must be reflected in the company's financial statements.

## **5.3 Gifts, representation and expense coverage**

### **5.3.1 What are gifts, representation and expense coverage?**

Gifts are goods, services or other financial benefits that are given without any expectation of reciprocation.

Representation includes activities with or without professional content, meals, catering, receptions, travels and experiences in the form of cultural or sporting events etc. where the aim is to initiate or develop business relationships. The boundary between gifts and representation can be diffuse. As a general guideline, an activity should be regarded as a gift if the donor does not participate in it.

Expense coverage includes cases where a third party offers to cover expenses for, or to repay expenses linked to, travel or other costs, where the third party is a potential customer, client or partner, or where such expense coverage is not specifically contractually regulated between the parties.

The company conducts marketing, sales work and relationship-building with respect to customers, suppliers, partners, public authorities and others. Such representation and customer care must not be in breach of laws, regulations or the company's internal guidelines.

For example, unethical or unlawful customer care will include situations where the company:

- Offers a business contact a personal benefit in order to gain a commercial benefit.
- Offers a personal benefit to a business contact with which the company is in a purchasing, tendering or negotiating situation.

### **5.3.2 The Group's policy on gifts, representation and expense coverage**

All gifts, representation and expense coverage must have honest intentions, take place in good faith and be commercially justifiable. All gifts that are offered, given or received must be lawful and in accordance with the Code of Conduct. Gifts and other benefits must be modest in value and scope, and must only be given where both the time and place are appropriate. Acceptance of inappropriate gifts, representation or expense coverage from partners and others, or offers of such benefits, would compromise the company's reputation, exposing both the company and the individuals involved to the possibility of prosecution and compensation claims.

All customer events must be carried out in accordance with applicable law and regulations and the Group's Code of Conduct. Customer events must always have a business aim and a genuine commercial agenda. Customer events must be modest in value and appropriate in scope. Customer events which entail a tax liability for the participant should generally be avoided. All customer events must be able to withstand scrutiny and be reported in the media in their entirety.

Company employees must not accept benefits from business contacts, or offer such benefits if doing so could affect or give the impression of an attempt to influence the integrity and independence of such contacts. In the event of any doubt over whether a gift, representation or expense coverage is appropriate in terms of its scope, time, place or value, you must discuss the matter with your immediate superior.

Representation without the presence of the hosts should be considered to be a gift, e.g. free use of the donor's holiday home, car, etc. Specific consideration must be given to whether the act constitutes an undue benefit.

As a general rule, the company and its partners/business contacts must cover expenses incurred by their own employees in connection with events where such expense coverage is not specifically contractually regulated between the parties.

Gifts, representation and expense coverage must always comply with the principles of predictability, transparency and equal treatment. Benefits which are intended to, or could be considered to, place the recipient under any explicit or implicit form of obligation must never be received or given.

All situations involving gifts, representation or expense coverage must be assessed specifically and carefully in order to determine whether the gift, representation or expense coverage is appropriate based on the actual circumstances and whether it has a genuine commercial purpose. A useful question which you can ask yourself to help you decide can often be: "would the gift, representation, or expense coverage withstand public scrutiny?".

You should also refer to the company's current specific guidelines concerning customer events and gifts.

## **5.4 Conflicts of interest**

### **5.4.1 What is a conflict of interest?**

A conflict of interest arises when a person has a self-interest which could conceivably, or is considered to, influence the performance of their professional duties. This typically applies where the outcome of a decision or process is of significance to (i) the person themselves or a close relative, such as a spouse, cohabiting partner, close family member or friend, (ii) a company in which the person themselves or any of the abovementioned persons has a significant interest, or (iii) a person or company with respect to which they have an obligation. This applies correspondingly to any other situation where the relationship between the decision-maker and a person who would benefit from a particular outcome of a decision or process means that questions may be raised regarding the loyalty of an employee of the Group.

As a general rule, employees of the Elmera Group shall not own shares or interests in companies that are partners or suppliers to the Elmera Group if the employee is in a position to influence purchasing, collaboration or relationships with the partner or supplier in question. Any exceptions to this must be jointly clarified with the head of the unit and the HR Director. If exceptions to the general rule are made, the reason must be documented in writing and archived by HR.

Ordinary savings and investments through mutual funds authorised for the Norwegian market are not covered by this clause and are not subject to approval.

### **5.4.2 The Group's policy on conflicts of interest**

No employee shall seek to gain a benefit for themselves or any other closely related person which is, or could conceivably be, inappropriate or which could otherwise harm the reputation or interests of the company, regardless of whether or not it is illegal. Anyone who becomes aware of a potential conflict of interest must immediately report the matter to their immediate superior.

If a situation arises where questions could be asked regarding their loyalty, employees must evaluate the situation carefully and objectively. The assessment should not be made single-handedly, as it must be objective. Such assessments must be carried out by the employee's immediate superior. In the event of doubt, consult the HR Director. It should be noted that a conflict of interest is not problematic in itself, provided that you notify your immediate superior in accordance with this Code of Conduct.

Wherever possible, spouses, cohabiting partners and family members in a direct line of ascent or descent should not work within the same unit. Closely related persons must not hold positions where one is the other's immediate superior. Closely related persons, as described above, may also not sign documents jointly. Each individual is obliged to notify their immediate superior and HR if this is the case.

The company must avoid entering into private agreements with the company's customers or suppliers if uncertainty could arise concerning whether the private agreement gives or could be expected to give one of the parties to the agreement a benefit in the form of completion time, delivery terms, quality or price which the other party would not offer to other stakeholders in the market under normal



circumstances. You must always consult the Purchasing Manager before entering into any private agreement with the company's customers or suppliers.

## **5.5 Competition law**

### **5.5.1 What is competition law?**

Competition law comprises regulations which are intended to promote competition. Many jurisdictions have statutory rules which strictly prohibit anti-competitive practices and impose severe penalties. For example, companies operating within the EU can be fined up to 10% of their global turnover for breaching competition rules. Individuals can be sentenced to imprisonment and fined for complicity.

'Anti-competitive practices' include so-called *conspiracies* which involve an agreement between two or more parties with the aim of limiting open competition. This could either be through deceiving or misleading someone about their legal rights, in order to achieve an illegal goal or through gaining an unfair advantage. This might involve an agreement between companies to share a market, set prices or limit production. It could also involve pay-fixing, kickbacks or a misleading presentation regarding the independence of the relationship between the parties involved. As a general rule, any kind of agreement between competitors could raise suspicions of anti-competitive practices in breach of competition law.

Other forms of arrangements or conduct with potentially negative impacts on competition can in certain cases be illegal, such as contracts which afford certain customers special benefits, exclusivity agreements, resale restrictions, etc. The extent to which such arrangements are unlawful will depend on a complex legal assessment based on the specific circumstances of each case.

Even simply entering into an agreement containing prohibited provisions can breach competition law, regardless of whether or not the agreement is actually executed. The agreement also does not have to be established in writing; a verbal discussion with an employee of a competing company during an event could, for example, be considered to be in breach of competition law.

### **5.5.2 The Group's policy on competition legislation**

The Group distances itself from any form of conduct which impedes free competition and will not tolerate any conduct contrary to law or this Code of Conduct. Employees shall act within the following framework at all times:

- Act in open and fair competition in any market. No agreements, whether formal or informal, shall be entered into with competitors in order to agree prices or allocate products, markets, regions or customers.
- Never receive from or share with competitors or other unauthorised parties, competition-sensitive information, including information concerning prices, margins, costs, bids, market shares, contractual practices, customers, suppliers or other similar commercial secrets.
- Never agree on or require a specific form of conduct with respect to your own customers or those of other parties, to the detriment of other customers.

As competition law presupposes complex assessments, company employees must ensure that all circumstances which could raise issues under competition law are reported to the HR Director, and ensure that they take no further action until further clarification and instructions are received from the HR Director. For example, a company employee who receives an enquiry which could potentially be in breach of competition law may not respond, and must report the incident to the HR Director as soon as possible instead.

## **5.6 Conduct, discrimination and harassment**

### **5.6.1 General guidelines**

The company strives for an inclusive work culture. We recognise and appreciate that everyone is unique and valuable and should be respected for their individual abilities. The company does not accept inappropriate conduct or any form of harassment or discrimination on the basis of gender, religion, race, national or ethnic origin, cultural background, social affiliation, disability, health, sexual orientation, marital status, family situation, age or political opinion. This applies both amongst employees and with respect to business contacts.

Everyone with managerial responsibility has a special responsibility to ensure that conduct is based on mutual respect. Any employee who discovers or witnesses instances of discrimination, harassment or inappropriate conduct must report the matter to their immediate superior as soon as possible.

## **5.7 Business partners**

### **5.7.1 General principles**

The company's conduct with respect to its partners is fundamental to the company's reputation and success. Offences and unethical conduct amongst the company's partners could have serious consequences for the company and its employees, e.g. in the form of criminal sanctions and other forms of legal liability. The company therefore places stringent demands on its partners regarding the enforcement of laws and the Code of Conduct, and acts in such a way that its partners can have complete confidence in the company.

As the company is also assessed on the basis of its partners and their compliance with the Code of Conduct, all partners must be informed of the requirements set out in the company's Code of Conduct. It is furthermore assumed that all of the company's partners have a code of conduct in place which conforms to the company's Code of Conduct.

The selection of partners and the follow-up and establishment of new agreements with existing partners must be based on risk assessments and background checks. We must be aware internally at all times of who we are doing business with and whether a particular business relationship entails any risk of breaching the Code of Conduct.

When choosing partners and suppliers, the company must conduct and document due diligence measures in line with the OECD guidelines for multinational enterprises so that fundamental human rights and decent working conditions are ensured, both within our own organisation and on the part of partners, suppliers and subcontractors.

### **5.7.2 General guidelines**

Before agreeing any obligation with respect to a new partner and in connection with the ongoing follow-up of existing partners, the company must always ensure that the company has sufficient information about the party concerned to assess whether the business relationship could expose the company to risks with respect to corruption, reputational damage or other breaches of this Code of Conduct.

The company shall have its own internal procedures for the selection and follow-up of partners. As part of this, the company will implement appropriate systems for the ongoing monitoring and follow-up of partners, depending on the specific circumstances of the case.

Procedures in connection with the selection of partners and ongoing follow-up thereof shall include:

- Guidelines for risk assessments which form the basis for determining the requisite scope of background checks (information) and follow-up.

- Informing the party concerned of the contents of this Code of Conduct.
- Ensuring that there are written agreements in place with the party concerned which contain special clauses relating to compliance with this Code of Conduct, as and when necessary.
- Checking internal lists to ensure that the person concerned is not related to an employee.
- Performing appropriate checks with respect to deliveries and payments to the party concerned.
- Conducting an audit of the business partner, as and when necessary.

If a prospective customer or supplier has done anything which is clearly in breach of this Code of Conduct, no further business relationships may be entered into with the customer/supplier concerned. The Purchasing Manager must be notified immediately in the event of a breach of this Code of Conduct on the part of a business partner.

## **5.8 Safeguarding of assets and information**

### **5.8.1 General guidelines**

The safeguarding of assets, information and archives belonging to the company, as well as the company's customers and other partners, is a responsibility which rests on all employees and other representatives of the company. All such assets must be used and stored with care and respect, and secured against destruction and abuse.

All information which is published or otherwise made available on internal platforms shall be deemed to constitute confidential information which must not be shared with third parties or the general public. No employee shall use or contribute to the disclosure of information about the company or any of the company's partners in order to make investments in equity instruments or capital instruments. See also the Group's regulations on insider trading.

All documents which are of importance to the company must be archived electronically in an area where backup copies are produced every night. Archiving in areas which are not backed up should only take place in cases where other secure storage is not possible.

Everyone must exercise good judgement in their use of information technology (IT). Amongst other things, this means that material which is deemed to be offensive or indecent must not be created, opened, stored, printed, accessed or sent using the company's IT systems. Private use of the company's e-mail address shall take place with caution and be kept to an absolute minimum.

All employees who comment in the media or through social media must exercise caution to ensure that private opinions are not perceived as an expression of the company's views. Employees must therefore be aware of whether information about where an employee is employed or their job title could entail a risk of the company being identified through the employee's private statements. Employees shall not disclose information which could either directly or indirectly divulge information which is covered by the employee's duty of confidentiality, or other information which the employer, colleagues, customers, business associates, etc. could reasonably expect to remain confidential.

Reference is also made to further descriptions of the handling of assets and personal data in the employment regulations, the IT Handbook and the Guidelines for Information Security within the Elmera Group.

## **5.9 Responsible conduct outside working hours**

### **5.9.1 General guidelines**

The Elmera Group expects employees and board members to act loyally and responsibly in order to safeguard the company's reputation in the best possible way. This means that the Code of Conduct is also applicable outside working hours and in connection with events relating to work.

The requirement for loyalty and responsible conduct increases according to the individual's position and responsibilities. Managers thus have greater responsibility than other employees. The board of directors, managing director and members of their management team have a special responsibility in relation to the Code of Conduct.

Unrestrained and/or visibly intoxicated behaviour in the public space could harm the company's reputation and trust amongst customers and society at large. As senior executives can be identified with the company to a greater extent, such persons have greater responsibility under this provision than other employees.

## **5.10 Communication – ‘the media test’**

### **5.10.1 General guidelines**

The responsibility for all information rests with the managing director or the person to whom the managing director delegates such responsibility. The managing director shall be consulted before any form of information is communicated (including to or in the press or via e-mail/internet/blogs) and information shall be communicated in accordance with the company's guidelines.

We aim to respond to enquiries from external parties quickly and efficiently. Communication with those affected by our activities is given priority.

All communication, both verbal and written, must be able to withstand scrutiny and be reported in the media in its entirety.

## **6 Implementation**

### **6.1 Managerial responsibility**

It is a managerial responsibility to ensure that the guidelines are communicated, reviewed and followed by the company's employees.

The company's managing director has overall responsibility for implementing this Code of Conduct, while each of the divisional managers is responsible for implementing the Code within their respective areas of responsibility. All managers must therefore be adequately informed and trained regarding the contents of the Code of Conduct. The Code of Conduct must be distributed to all employees. In the event of new appointments, the Code of Conduct must form part of the contract which is signed by the new employee.

The managing director and the managers must also ensure that the Code of Conduct is communicated to all employees and external partners, and that everyone is informed of the contents of the Code of Conduct. Furthermore, it shall be ensured that all employees receive adequate training in understanding and applying the Code of Conduct.

The managers of the divisions and companies within the Group are also responsible for ensuring that the necessary internal control measures are implemented within the underlying units and departments, in order to verify that the company is operating in accordance with this Code of Conduct. This responsibility is not limited to areas and topics described in guidelines and procedures at corporate level, as it covers all of the Group's actions at every level. The staff unit for Accounting & Finance is responsible for the control, reporting and follow-up of internal controls carried out by the divisions and departments. The staff unit reports to the managing director and must submit a status report at least once a year.

The managing director reports to the board of directors regarding the overall status of compliance with this Code of Conduct.

## **6.2 Personal responsibility**

All employees are obliged to familiarise themselves with and comply with the Code of Conduct and must report suspected cases of breaches as described in clause 7 below.

Employees of the company are obliged to familiarise themselves with and comply with the company's control principles for transactions, as regulated by the company's authority matrix. Authorities shall be exercised in accordance with the company's Code of Conduct.

In accordance with the authority matrix, all transactions within the company must be reviewed and verified in a two-step operation:

- Step 1: The transaction is checked and approved by at least two responsible employees of the company.
- Step 2: Transactions must be verified and approved by the accounting department, which will ensure correct taxation and processing of fees for the company and its employees.

## **6.3 Monitoring and reporting**

Through the Governance project, the Group has developed a structure for governing documents, along with management instructions and instructions concerning risk management. A procedure description has also been prepared for the Risk Manager, which clearly sets out roles and responsibilities in connection with the verification of compliance with governing documents, including management instructions, the authority matrix and the Code of Conduct. The description also defines how non-conformities should be reported to the management group and the board of directors, and with what frequency. The same applies to risk reporting.

Through the Group's contract structure, suppliers are obliged to respect and comply with the Group's Code of Conduct. This also applies to all subcontractors who have links with the Group through the delivery. In cases where contract documents other than the Group's standard agreements are applied, the supplier shall sign an additional agreement confirming acceptance of the Code of Conduct and other climate and CSR requirements. Irrespective of the procedure that is followed, the Code of Conduct must form an integral part of the agreement with the supplier, and must therefore be communicated in connection with the establishment or revision of any such agreement.

The supplier shall furthermore be obliged to provide information and training to its own employees and employees of any subcontractors regarding the company's Code of Conduct. This obligation to provide training and information is anchored in the supplier agreement.

The supplier shall be obliged to notify the company's contract officer of any non-conformities in the supplier's conduct which are in breach of the company's Code of Conduct. The supplier shall furthermore give an account of the follow-up of the Code of Conduct in the relevant status meetings.

## **6.4 Documentation**

All employees are obliged to thoroughly familiarise themselves with the company's Code of Conduct in force at any one time. The current version of the Code of Conduct shall be available as an open document on the company's intranet page at all times.

All non-conformities which are identified in the verification of the supplier's compliance with the Code of Conduct shall be reported to the company immediately. This reporting obligation is stipulated in the supplier agreement. Material non-conformities may give entitlement to cancel the agreement.

All of the Group's contracts are stored and available in a separate electronic contract archive. This archive is also organised so as to facilitate the reporting and monitoring of non-conformities. The archive also facilitates the implementation of reporting and control procedures to ensure proper follow-up of the Group's Code of Conduct.

## **7 Breaches of the Code of Conduct**

### ***7.1 Obligation to report breaches of the Code of Conduct***

In general, employees should bring up any concerns or complaints concerning breaches of the Code of Conduct with their immediate superior. In exceptional cases concerning isolated episodes or issues which can be resolved between the persons concerned, the matter may be brought up with the person concerned. If this is not deemed appropriate, another superior, the safety service, a union representative, the board of directors or an employee of the HR Department may be contacted.

The company has described the guidelines and procedure for whistleblowing on the intranet. Anyone who receives a notification must always inform HR.

All suspected cases of corruption, financial infidelity, breaches of competition regulations or other serious circumstances relating to anyone who is covered by the Code of Conduct must be reported to the HR Director. If you are unsure, always consult your immediate superior or the HR Director.

Failure to report the breach on the part of an employee who becomes aware of a breach of this Code of Conduct will be deemed to constitute an independent breach of this Code of Conduct.

Notifications must be given in a prudent manner, and the company expects the whistleblower to provide an objective and factual justification of the circumstances, and the manner in which the circumstances are reported to be appropriate. Notifications will not be considered to be appropriate if they are brought up in a manner which is unnecessarily harmful to the working environment, individuals within the organisation, etc. However, the method used for notification will always be considered to be appropriate if it is in accordance with this Code of Conduct.

### ***7.2 Protection of the employee***

Complaints, concerns and notifications must be handled in such a way that the whistleblower is protected from retaliation, unjustified criticism, harassment or other negative social responses. As far as is possible, the information shall be treated confidentially by the person or persons who receive the information and who is/are otherwise responsible for handling it on behalf of the company. Depending on the specific circumstances, all or some of the information may nevertheless be disclosed to the person it concerns to the extent and at the time that is necessary to enable the person concerned to protect their interests. Information concerning the source of the information must only be disclosed if awareness of the source is necessary for the person concerned and in accordance with statutory requirements.

As far as is possible, information that is provided by others as part of information acquisition following a tip-off or notification shall be treated in the manner referred to in the preceding paragraph.

Before any information is disclosed to those it concerns, the company shall, as far as is possible, take measures to prevent the whistleblower or the provider of source information from being exposed to the threat of retaliation or other negative social responses.

Anyone who contacts an appropriate body within the company in good faith concerning a possible breach of the law or this Code of Conduct will be protected from sanctions from the company and the company's representatives for having reported the matter. If the whistleblower has followed the

appropriate procedures and acted in good faith, the foregoing shall apply even if any subsequent investigation indicates that no breach has actually been committed. However, anyone who provides information despite being aware or believing that it is highly likely to be false may be subject to disciplinary action.

Discrimination against or harassment of anyone who reports such circumstances will be deemed a breach of this Code of Conduct.

## **8 Consequences of a breach of the Code of Conduct**

All regulatory breaches of material significance to safety, emergency preparedness and assets, as well as other significant breaches of regulations including this Code of Conduct, will be dealt with according to the following procedure in accordance with the employment regulations and the company's guidelines for disciplinary action.

Any response to regulatory breaches will normally be discussed with the employee concerned before the employer reaches a decision. The purpose of these discussions is to ensure that the employer has sufficient information to make an appropriate decision. If the employee so wishes, he or she should be given the opportunity to be assisted by a union representative or other person at their own discretion.

In the case of a first offence, a verbal warning will normally be given by the employee's immediate superior or his or her superior. The manager concerned will record the name of the person who has received a verbal warning, when the warning was issued and for what circumstances, and ensure that the circumstances are adequately documented. This record will then be sent to the company's HR department, which will assess the effective period for the warning in relation to the type of offence, add any expiry date and archive the record in the personnel folder.

In the event of a further breach, a written warning will be issued by the managing director. The managing director may delegate the responsibility and authority to issue written warnings to unit directors in consultation with HR, cf. the company's guidelines for disciplinary action. Employees who still do not comply with corrective action following a written warning must expect to be given written notice of termination of employment or be dismissed with immediate effect.

If a warning clearly appears to be an inadequate response in the circumstances, or in the event of significant regulatory breaches including (but not limited to) serious substance abuse during working hours, corruption or breaches of competition rules, the warning referred to in the above procedure may be omitted prior to the issuing of notice of termination of employment or dismissal with immediate effect. Reference is also made to the employment regulations.

## **9 Evaluation of the Code of Conduct**

The management will regularly evaluate the Code of Conduct, including the procedures that are established to ensure compliance with the Code, and ensure that breaches of the Code result in sanctions. The company's management group shall consider proposals for revision of the Code of Conduct annually. This revision shall be based on a specific risk assessment of the company's operations and any reports since the previous revision.

The Code of Conduct will be updated regularly and approved by the Elmera Group's board of directors on an annual basis. The updates will be implemented against the background of the risks that the Group faces, to ensure that the Code of Conduct contains adequate and proportionate procedures to manage the risks that are associated with the Group's operations at any one time.