



# Code of Conduct

January 2019

## **General**

KWH operations are based on openness, honesty, reliability, reason and justice. This applies to all relations with customers, suppliers, officials and personnel and also extends to matters concerning products and environment and generally how we conduct our business.

The principles below are a guide that describes the way KWH Group expects its companies and personnel to act. All employees of KWH should read, understand and comply with the guidelines below. The KWH Group management and the management of each business group and subsidiary have a particular task in setting an example and to continuously maintain that example by always acting in accordance with this Code.

References in this Code of Conduct to “KWH” or “the company” shall mean KWH Group Ltd, including all subsidiaries, branches and other entities where KWH exercises management control.

### **1. Guidelines for business conduct**

#### **1.1. Compliance with laws and regulations**

We comply with the laws and regulations in all jurisdictions where we do business. We do not assist others in any breach of laws, whether, or not, it constitutes an illegal act for the company or yourselves as individuals.

#### **1.2. Business relations**

We are honest and open in our relationships with business partners and third parties, and we expect our business partners and their suppliers to behave in the same way. We honour our commitments and respect the agreements we have entered into. In our business dealings we expect our partners to adhere to business principles consistent with our own.

#### **1.3. Anti-Bribery and Anti-Corruption**

Corruption includes a wide variety of activities. It is not only about money but also includes other forms of favours, such as nepotism and favouring friendship. We have zero tolerance towards corruption and bribery in any form, whether direct or indirect.

We will not offer, promise or give anything of value or an undue advantage to a public official or to any third party to influence such person to act or refrain from acting for the purpose of improperly obtaining a benefit of any kind. This applies regardless of whether the advantage is offered directly or through an intermediary. Consulting and agency arrangements must be in writing, reasonable in amount, and reflect work actually performed.

Neither will we request, accept or receive any improper advantage that may influence our decisions from any source whether directly or indirectly.

#### **1.4. Business Gifts and Corporate Hospitality**

Business gifts and corporate hospitality can play a positive role in building relationships between parties, provided that they are given in compliance with applicable laws and locally accepted good business practice and cannot reasonably be construed as a bribe so as to secure unfair preferential treatment.

The distinction between a gift and a bribe is different in different cultures; in some countries minor business gifts are a part of the culture, while in other countries they are not. Even if a gift might seem reasonable, it is advisable to consider how it would be understood by an outsider. A gift is something you can talk about openly; a bribe is not. A bribe is assumed to involve favours in return whereas a gift is not. Unsolicited gifts may be given or taken provided that:

- (a) The gifts are small, occasional, customary and usual e.g. advertising and promotional materials;
- (b) The gifts have a monetary value of no more than 100 euro;
- (c) The gifts are moderate in terms of frequency and quantity;
- (d) Acceptance of the gift does not violate any applicable law; and
- (e) Gifts should never be given in cash or cash equivalents.

Reasonable business-related entertainment and other corporate hospitality is acceptable when customary. Reasonable hospitality expenses (meals, lodging and entertainment) incurred on behalf of public officials or business associates are generally acceptable if directly related to the promotion, demonstration or explanation of our products or services. In no event can the purpose of any gift, hospitality or other expenditure be to cause the recipient to improperly perform his or her duties. The same principles shall apply if a supplier, service provider or entity seeking to do business with us offers business-related entertainment or other corporate

hospitality to a KWH employee. When entertaining our customers, a KWH representative must always be present.

All gifts and hospitality above 100 euro shall be reported to your superior. If you are in doubt, always ask your superior.

### **1.5. Political Activities and Contributions**

We honour the freedom of our employees to choose a political view. However, each employee shall ensure that personal political activities or opinions are not represented to be those of KWH. KWH's premises and work-related events shall be free from political activities and expressions of political beliefs. Financial, or other contributions to political parties, or candidates for public office shall not be made on behalf of KWH.

### **1.6. Competition**

We comply with all applicable competition laws. Our Competition Compliance Policy prohibit discussions, communication, agreements and understandings with a competitor concerning prices, pricing policy, discounts, promotions, terms and conditions of sale, purchases, territorial markets, production costs, distribution, etc. This issue is addressed more in detail in our Competition Compliance Policy.

### **1.7. Data Protection and Privacy**

We only collect and process personal data (i.e. information relating to an identified or identifiable person) of customers, employees and third parties in compliance with applicable laws and regulations and secure that such information is maintained securely.

### **1.8. Accurate and Complete Accounting**

Our accounting records must be accurate and reliable in all material respects. All assets and liabilities must be duly recorded, and the records cannot contain any false, misleading, or artificial entries.

### **1.9. Anti-Money laundering, Export / Import Control**

We follow all laws that apply to prevent money laundering as well as legislation related to export / import control and anti-terrorism.

## **2. Guidelines for Personal Conduct**

### **2.1. Conflicts of Interest**

We expect our employees to be loyal and to make business decisions in the best interest of the company. Employees must avoid all conflicts of interest, i.e. situations where his or her personal interests or family and other allegiances are at odds with the interests of the company. A conflict of interest may occur, for example, when:

- (a) a closely related person of an employee is a supplier, customer or competitor of KWH, or an employee of such a company;
- (b) an employee or a closely related person of an employee has an appreciable interest in a company that does business with KWH;
- (c) an employee has outside employment or other activities with a company that competes or does business with KWH;
- (d) an employee has a personal relationship with a colleague in a direct or an indirect managerial or subordinate position; or
- (e) an employee seeks to improperly further the interests of a friend or relative.

Employees must disclose all potential and actual conflicts of interest in writing to their superior who shall secure that the company can determine whether a conflict exists and what proper actions to take.

### **2.2. Outside Employment and Board Memberships**

An employee wishing to engage in an outside employment opportunity or have an outside managerial interest must disclose this intent to the company. Such an activity is always subject to the prior approval of the employee's superior.

### **2.3. Use of Company Property and Assets**

It is the responsibility of all employees and other representatives of the company to safeguard the assets and records of the company and its customers, suppliers and other business associates. The use of materials, financial or other assets or facilities for purposes not directly related to company business is prohibited without authorization from an appropriate KWH representative. The same applies to the removal or borrowing of company assets without permission.

## **2.4. Confidentiality and Intellectual Property Rights**

Non-public information, such as intellectual property, innovative ideas, organizational charts, technologies and processes, manufacturing methods, as well as marketing, advertising, and business development studies and plans and other non-public business and financial information, are valuable assets that must be properly used and protected. Such information shall be confidential unless there is a legitimate reason to disclose it for KWH's business purposes.

## **2.5. Information and social media**

Only explicitly authorized persons are allowed to speak on behalf of the KWH companies. As employees, we must be aware of the clear distinction between our own personal views and views that represent an official KWH company position or view. We are careful not to disclose confidential information belonging to KWH or others, except to those who have a legitimate need to know and who are authorized to access the information. This shall be taken into account before we share any information through instant messaging, blogs or social media since it can have far-reaching and permanent detrimental consequences for individual employees, KWH and its business partners and other third parties.

# **3. Human Rights and Working Environment**

## **3.1. Respect for human and labour rights**

We support and respect the protection of human rights as defined in the United Nation's Universal Declaration on Human Rights and basic labour rights as defined by the International Labour Organization. No employee is allowed to take any action that violates these human and labour rights principles, either directly or indirectly.

## **3.2. Honouring obligations**

We respect and honour our obligations to employees with regard to national laws and agreements on social security, work conditions and collective bargaining. All employees are provided with fair wages and other benefits that meets or exceeds national legal minimum standards, collective agreements or generally accepted standards for the industry.

### **3.3. Non-Discrimination**

We are committed to an inclusive work culture. We appreciate and recognize that all people are unique and should be respected for their individual abilities and views. We shall only use merit, qualifications and other professional criteria as basis for employee-related decisions, such as recruitment, training, compensation and promotion. In making such decisions, no relevance shall be given to the employee's gender, age, religion, sexual orientation, political orientation, national or ethnical background, or other similar characteristics.

We do not accept any form of discrimination, bullying or harassment, direct or indirect, physical or verbal. This applies particularly sexual harassment by any parties, including superiors, fellow employees, customers or suppliers.

### **3.4. Forced and child labour**

We do not accept any form of forced or compulsory labour, or the use of child labour.

### **3.5. Health and Safety**

We are committed to providing a healthy and safe workplace. We strive to prevent accidents and to mitigate health and safety risks with action programs. Accidents, concerns and dangerous situations shall be reported in accordance with internal guidelines and applicable laws. Using, possessing or being under the influence of illicit drugs or alcohol during work time is strictly prohibited.

## **4. Reporting non-compliance, sanctions and advice**

The KWH business groups and thereto related companies are expected to make independent decisions on various business issues.

However, the standards addressed in this Code of Conduct represent the core of KWH's group culture and commitment. Group-wide and uniform compliance is essential, and every employee is responsible for upholding these principles.

All employees are expected to report any suspected or observed violations of the law, of this Code of Conduct or of company policies. Each Employee is also expected to report if he or she is instructed to act or refrain from acting in a way that would lead to a breach.

Normally concerns and complaints should be discussed with your superior. If you deem this not to be appropriate, you may address any of your other superiors, HR personnel, the internal controller or another person deemed suitable within the company or business group organisation. The person who receives the report shall forward it to a person that is authorised to take appropriate action to correct the situation. Concerns and complaints may always be sent to the Group legal department.

Employees may also report possible violations anonymously by sending an e-mail to [kwhethics.contact@kwhgroup.com](mailto:kwhethics.contact@kwhgroup.com), administered by the Group legal department, using an outside e-mail account that does not reveal their name (there are many free services such as Gmail, Yahoo, Outlook, etc.).

Confidentiality will be maintained to the fullest extent possible. Retaliation against any employee who in good faith reports a concern to the company about illegal or unethical conduct will not be tolerated and be subject to disciplinary action.

Employees who have questions about a specific situation should ask for advice from his or her superior or by using any of the aforementioned contacts. It is important to speak up and bring concerns into the open so that problems can be resolved quickly before serious harm can occur.

It is also a breach of this Code of Conduct to fail to report a violation or suspected violation that employees know about or to refuse to cooperate with the investigation of a suspected violation.

## **5. Sanctions**

Failure to comply with or instructing or forcing another employee, supplier or business partner to breach this Code of Conduct require immediate corrective measures and, depending on the gravity of the breach and/or lack of corrective action, result in appropriate disciplinary action, up to and including possible dismissal, termination of contract and payment of damages. Certain violations of a criminal nature can also lead to criminal sanctions.