

Ethical code of conduct



Höganäs
Borgestad

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Ethical code of conduct

1 Introduction

The Company, its employees and members of the Board of Directors recognize the existence of human rights. The Company values integrity and ethical conduct, and believes in honesty and fairness in all aspects of its business. This Ethical Code of Conduct describes the ethical standards and requirements of the Company.

2 Applicability

The Company's Ethical Code of Conduct applies to all Company employees, as well as members of the Board of Directors regardless of whether they are employed or hold office within the Company or in any of its subsidiaries. The code also applies to hired personnel, consultants, temporary employees and any other person acting for or on behalf of the Company (hereafter referred to as "the individual"). The Company's Ethical Code of Conduct applies to any independent entity acting for or on behalf of Company.

3 Ethical policy

In conducting its business activities, the Company will comply with applicable laws and regulations and act in an ethical, sustainable and socially responsible manner.

All individuals acting on behalf of the Company shall ensure that all actions comply with applicable laws and regulations, and always within the Company's ethical requirements as presented in this Code of Conduct. In the event there is a risk for violation of law or the Company's ethical requirements, the individual should discuss the matter with a supervisor.

The Company expects the same conduct from its agents, representatives, business partners and subcontractors.

4 Compliance with anti-corruption laws

The Company is against all forms of corruption and will comply with applicable anti-corruption laws and regulations. Corruption includes direct or indirect offers, payment, soliciting or acceptance of bribes in any form, such as paying money or giving a benefit to a government official in order to obtain commercial advantage.

No individual acting on behalf of the Company shall either directly or indirectly offer, make, promise, or authorize a payment to influence someone in the conduct of his or her duties. The term "payment" includes provision of objects, credit, discounts, travel, accommodation or services made to influence, as well as cash payments.

No individual acting on behalf of the Company shall demand a bribe.

No individual acting on behalf of the Company shall kick back any portion of contract payment to government officials or to employees of the other contracting party, or use intermediaries such as agents, subcontractors, consultants or other third parties to channel payments to government officials, or to employees of the other contracting party, their relatives, friends or business associates.

5 Facilitation payments

The Company is against all forms of facilitation payments and will comply with applicable legislation prohibiting facilitation payments. Facilitation payments are payments intended to secure the performance by public authorities of a routine action to which the payer is entitled. Such a payment is a modest amount made to a government employee and not intended to influence the integrity or discretion of the government employee.

No individual acting on behalf of the Company shall offer or make facilitation payments, even in cases where it may be legal. However, if an individual believes that his or her own life or the lives of others may be in danger, the individual may pay the amount necessary to bring the potential danger to an end. If such payment is made, the individual shall report the payment to a supervisor as soon as the danger is clear.

6 Gifts and reimbursement of expenses, etc.

Gifts, reimbursement of expenses, or other hospitality promised, offered or provided on behalf of the Company must be directly related to the Company's business. Gifts, expenses, etc. must be legal under the laws of Norway or in the country where the recipient or provider is located, as well as a reasonable amount and appropriate under the circumstances.

Gifts of greater value may not be offered or accepted unless the gift is associated with promotional activities or when it is pre-approved by the legal advisors of the Company. Promotional gifts given on behalf of the Company shall be imprinted with the Company's corporate logotype and shall be approved for general distribution.

Travel expenses and hospitality, such as meals, events and entertainment, may not be offered or accepted unless there is an apparent business reason, and the cost of the hospitality is kept within reasonable limits.

No individual acting on behalf of the Company shall offer or accept gifts, hospitality or reimbursement of expenses which, under the circumstances, may be considered to be bribery. All gifts, hospitality and expenses must be recorded in the Company's accounting ledgers.

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7 Agents and other intermediaries

Agreements with intermediaries shall be in writing and express the true relationship between the parties. The agreement with the intermediary shall contain a provision stating that the intermediary will respect the Company's no-bribe policy, expressly state that the Company does not accept that part of the payment is passed on by the agent as a bribe, and that the agreement will terminate if a bribe is attempted. The agreed compensation shall be appropriate for the legitimate service rendered by the intermediary. Payments may only be made against satisfactory documentation, and be accounted for in accordance with generally accepted accounting principles.

8 Conflict of interest

All individuals acting on behalf of the Company must act impartially in all business dealings and not give improper advantages to any individual, entity or organization. The Company does not tolerate either actual or apparent conflicts of interest of any individual acting on behalf of the Company. If a personal financial interest or other financial interest may undermine the trust in an individual's impartiality or the integrity of the work, the individual shall immediately disclose the matter to a supervisor.

9 Filing of accounting records

The Company shall retain and file accounting books and related records, including accounting vouchers, etc. All transactions must be fully and completely recorded in the Company's accounting records. All accounting information must be correct, registered and recorded in accordance with applicable laws and regulations, including generally accepted accounting principles.

The Company shall implement financial controls and systems that are sufficient to provide reasonable assurances that all transactions are performed in accordance with this Ethical Code of Conduct.

10 Procedures for compliance with the ethical code of conduct

All individuals acting on behalf of the Company shall ensure that they are familiar with and perform their duties in accordance with the requirements set out in this Ethical Code of Conduct, as well as applicable laws and regulations.

The Company shall distribute the information necessary for the individuals to familiarize themselves with the Ethical Code of Conduct.

The Company will furthermore conduct its own investigations into the background and repute of intermediaries prior to entering into contracts if those intermediaries are located in territories included as high-risk by OECD in its latest published review.

11 Reporting breaches of the ethical code of conduct

If any individual acting on behalf of the Company violates the Ethical Code of Conduct, he/she shall immediately inform his/her supervisor.

If any individual acting on behalf of the Company becomes aware of an actual or potential violation of the Ethical Code of Conduct, he/she shall immediately inform his/her supervisor.

12 Consequences of violation of the ethical code of conduct

Violation of this Ethical Code of Conduct or relevant laws or regulations may result in disciplinary action or dismissal without notice. In case of breach of laws or regulations, the Company may report the violation to the relevant authorities.

13 Public relations

The Company is committed to transparency and accuracy. In order to give the best and most correct information — and in order to co-ordinate the information requested, information given and the respect for confidentiality obligations — all information from the Company to the public regarding the Ethical Code of Conduct as well as alleged breaches of the Ethical Code of Conduct shall be given via the Public Relations Department.


Pål Feen Larsen

CEO, Höganäs Borgestad

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