

HYDRASPECMA CODE OF CONDUCT

INTRODUCTION

In HydraSpecma our values are the foundation and the guidelines for the way that we do business, and function as a value base for our employees as to how they should conduct day-to-day business.

We are dedicated to being a responsible employer and a good corporate citizen. The Code of Conduct represents our core values and reflects our continued commitment to ethical business practices and regulatory compliance. We are aware that our responsibility goes beyond our own activities, and we take a responsible approach throughout the entire supply chain. The Code of Conduct reflects our continued commitment to ethical business practices as well as social and environmental responsibilities in line with the ten principles of the UN Global Compact, and we expect our suppliers and business partners to share this commitment.

We thank you for your commitment to our Code of Conduct.

Jens Bjerg Sørensen, Chairman

Morten Kjær, Chief Executive Officer

Version	
Released (DD/MM/YYYYYY)	07/04/2017
Updated (DD/MM/YYYYYY)	28/04/2021
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Version	2.0
Pages	11

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CUSTOMERS

HydraSpecma acts fairly, responsibly and with integrity towards customers in accordance with good business ethics. The claims we make for our products and services are truthful and correct. We fulfill everything we promise regarding safety and product quality. We follow local laws, regulations and our anti-bribery policies concerning gifts and entertainment.

EMPLOYEES

All HydraSpecma employees are treated equally and with respect regardless of gender, age, faith, ethnicity, sexual persuasion, disability or other. Personal relationships must not affect obligations towards the company. No employee may share other employees' personal information without permission. We are obliged to protect the health and safety of our employees at the workplace and to always act with awareness of environmental impact.

SHAREHOLDERS

We value our shareholders. We communicate with shareholders through the HydraSpecma CEO or his or her delegated representative. We always follow the established procedures for internal control, bookkeeping, financial management and document management. Company information must never be used for personal use, trade or be passed on unless for legitimate business purposes.

BUSINESS PARTNERS

HydraSpecma promotes fair competition. We compete fairly and do not enter agreements or understandings that unfairly restrict competition. We follow export and import requirements and under no circumstances do we attempt to gain advantages through fraud or unlawful activities. We also demand ethical business practices from our suppliers and encourages that they also follow the HydraSpecma code of conduct for suppliers.

SOCIETY

The United Nations Universal Declaration of Human Rights is also HydraSpecma's declaration. We hereby believe that all people have equal dignity and rights that are

the foundations for freedom, justice and peace. The resources of the company are never to be used for political purposes. However direct support may be given to charitable or aid organisations. Communication with external partners is through the CEO or delegated representatives of the company.

CORPORATE SOCIAL RESPONSIBILITY & ESG

HydraSpecma strives to be among the best in creating value in a proper and trustworthy manner by committing ourselves and our businesses to take responsibility and operate sustainably, while creating a motivating working environment. Our Code of Conduct lay the foundation for a common approach among our employees regarding our values and our ambition to work sustainably and responsibly. The policies describe guiding principles, and expectations we have for each other, and summarise our approach as employees and employer. The policies are built on the ten principles of the UN Global Compact.

HUMAN RIGHTS

HydraSpecma has operations in various countries around the globe. Regardless of country, we are committed to upholding human rights and to treating our employees with dignity and respect. We support and respect the protection of internationally proclaimed human rights as stated in the Universal Declaration of Human Rights and the ILO conventions and recommendations.

- **Diversity and non-discrimination:**

We will not tolerate any discrimination or harassment based on religion, race, colour, gender, disabilities, age, sexual orientation, political orientation or any other kind of harassment.

SOCIAL AND LABOUR CONDITIONS

At HydraSpecma, we believe that results are created by people. We are committed to being a responsible employer ensuring proper terms of employment, appropriate health and safety standards and a motivating working environment for our employees.

- **Child labour:**

We will not tolerate the use of child labour. We will not employ anyone who is under the age of 15 or who is subject to compulsory school attendance. However, in countries where permitted by local laws, children between 13 and 15 of age may perform a few hours of light work (simple, limited tasks under adequate adult supervision) or may work as part of an educational program or during school holidays. Such employment must not affect the child's primary education or imply a risk to its health or physical / psychological development. Children and young persons under the age of 18 may not be engaged in night

work or work under conditions which compromise their health, safety or moral integrity and / or which harm their physical, mental, spiritual, moral or social development.

- **Forced labour:**
We will not use any form of forced or involuntary labour. No form of forced labour or work linked to any form of duress or threat of punishment will be permitted, and employees have the right to terminate their employment at a reasonable notice.
- **Health and safety:**
We are committed to providing a safe and healthy working environment. We take the necessary precautions to prevent potential accidents and injury to our workers' health arising from, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards.
- **Freedom of association and collective bargaining:**
We respect our employees' right to associate freely, form or join organisations of their choosing and to bargain collectively.
- **Hours, wages and leave:**
We are committed to assuring full compliance with applicable laws, regulations and relevant collective agreements concerning working hours and overtime, leave and minimum rest periods. Workweeks are not to exceed the maximum set by local law.

ENVIRONMENT AND CLIMATE

To some extent, HydraSpecma operates with large scale processing of raw material, and we acknowledge the impact our production has on the environment. Our CR approach towards the environment and climate goes together with proper business acumen.

We strive to protect the environment and to continuously reduce emissions relative to output.

Our objectives are to:

- reduce the total environmental impact in our value chain relative to output
- reduce energy consumption and CO2 emissions relative to output
- reduce water consumption relative to output

- enhance material utilisation efficiency
- reduce waste and increase recycling relative to output.

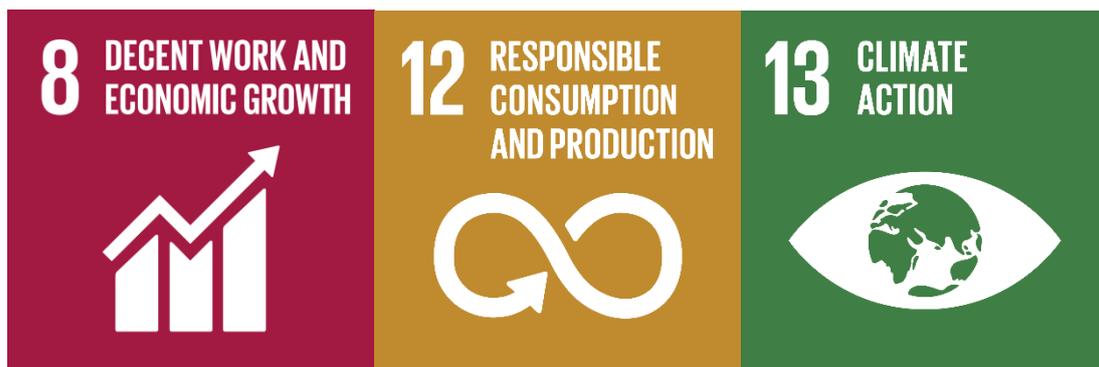
THE UN GLOBAL COMPACT SUSTAINABLE DEVELOPMENT GOALS

At HydraSpecma we are working with the UN Global compacts sustainable goals.

The 17 Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030 and seek to mobilize global efforts around a common set of goals and targets. The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.

We are working with elements from many of the SDGs but to ensure that we focus on the goals that we can affect the most, we have chosen to dedicate ourselves to three sustainable development goals:

- Sustainable development goal 8: Decent work and economic growth
- Sustainable development goal 12: Responsible consumption and production
- Sustainable development goal 13: Climate Action



BUSINESS ETHICS & ANTI-BRIBERY

Anti-bribery laws generally prohibit the corrupt giving of something of value to an individual or Official (defined below) to obtain or retain business or an improper business advantage. These laws cover bribery of government officials and employees (“official bribery”), and of individuals at companies with which we do business (“commercial bribery”).

One area of focus of the Policy is interactions with Officials. An “**Official**” is any government or employee, political party, party officials, political candidates or on behalf of any such person, in any country. An official includes any individual who; (a) holds a legislative, regulatory, or judicial position; (b) is a director, officer, or employee of an entity owned or controlled by a government; or (c) is an official or employee of a public international organization.

Severe penalties can be imposed on HydraSpecma as well as any employee involved in violation anti-bribery law, including imprisonment, fines and other penalties.

POLICY MESSAGES

- **Everyone must comply.** The Policy applies to all employees of HydraSpecma. Violations may result in discipline up to and including termination of employment and severe penalties can be imposed, including imprisonment.
- **Entertainment and Gifts.** Entertainment and gifts – whether given or received – should be limited in value for a business purpose, well-documented and reasonable. Expenses involving Officials should be closely monitored.
- **Business Representatives.** HydraSpecma could be held liable for the acts of its business representatives. Thus, Business Representatives should be carefully reviewed and used only for legitimate business purposes, on arms-length commercially reasonable terms. Those engaged to act for or on behalf of HydraSpecma are expected to comply with the Policy.
- **Discounts, Rebates, Commissions and Bonusses.** Excessive price concessions and compensation can be used to facilitate bribery. The terms of

these arrangements should be in writing and should be commercially reasonable.

- **Facilitation Payments.** HydraSpecma does not pay facility payments.
- **Political and Charitable Contributions.** HydraSpecma does not make political contributions. Charitable contributions must be for a legitimate purpose.
- **Recordkeeping.** All income and expenses, including entertainment, travel and gifts, must be promptly and accurately documented.
- **Reporting.** HydraSpecma has zero tolerance for violations of this Policy or applicable law. Any actual or potential violations must be reported to the management or through the whistle-blower system.
- **Questions.** If you have any questions or concerns about this Policy or compliance with it, consult with your manager, Group Business Area management or Head of Group Strategy & CSR.

BUSINESS REPRESENTATIVES

HydraSpecma employs Business Representatives (defined below) to perform a variety of services. They must be selected with care and are expected to comply with the Policy and the Code of conduct.

Key Message: HydraSpecma could be held liable for the wrongdoings of Business Representatives. Thus, Business Representatives must be carefully reviewed and used only for a legitimate business purpose on arms-length commercially reasonable terms. Those engaged to act for or on behalf of HydraSpecma are expected to comply with the Policy.

“Business Representatives” include agents, brokers, representatives, consultants, distributors, lobbyists, service providers, and any other person engaged or instructed to act on behalf of HydraSpecma (a) in making sales or developing business, or (b) in dealing with any government or Official.

Before using a Business Representative:

- Do conduct due diligence on a potential Business Representative sufficient to identify relevant risk factors
- Do impress upon them that HydraSpecma has a culture of adherence to the highest ethical standards and compliance with all applicable laws.
- Do consult HydraSpecma's procedures on Anti-Bribery Review of proposed Business Representatives
- Do use HydraSpecma's standard Anti-Bribery clauses for agreements with Business Representatives in the written agreement