



# Ethical Code of Conduct



# Contents

<b>Introduction</b> .....	3
Objective .....	3
Scope.....	3
<b>Ethics Commitment</b> .....	3
Ethical Statement .....	3
Values .....	3
<b>Internal relations</b> .....	4
Human rights.....	4
Working environment.....	4
Conflict of interest.....	4
Duty of confidentiality and secrecy .....	5
Insider trading.....	5
Financial reporting, accounting and information .....	6
<b>Business conduct</b> .....	6
Fair trading and antitrust legislation.....	6
Customers .....	6
Suppliers .....	6
Bribery and Corruption.....	6
Facilitation payments .....	7
Gifts and hospitality .....	7
Travel and invitations.....	8
Sponsorship and Charity .....	8
Money laundering .....	8
Trade sanctions and export/import control.....	8
Use of company property and assets.....	9
Data protection and privacy.....	9
<b>Practice and follow-up</b> .....	9
Responsibility of the employee.....	9
Responsibility of the management .....	9
Training .....	9
Reporting irregularities or concerns – “Whistleblowing”.....	10
Compliance and consequences of violation .....	11
Ethics Committee .....	11



## Introduction

### Objective

Kitron's Ethical Code of Conduct presents Kitron's obligation and commitment to ethical business practices and describes the standards and requirements which Kitron employees must adhere to in their work.

The Ethical Code of Conduct provides a framework to ensure that Kitron complies with relevant local and international legislation, acts in accordance with internal policies and the company's values and supports the UN's initiatives on human rights, children rights and labour conventions.

The Ethical Code of Conduct is complemented by the Kitron Anti-Corruption Policy, which details and explains Kitron's requirements for proper business conduct in relation to anti-corruption.

### Scope

This Code applies to all Kitron board members, elected officers, permanent and temporary employees, hired staff, consultants and intermediaries acting in or on behalf of Kitron. The Code also applies to all contractors, sub-contractors, suppliers and sub-suppliers. It includes all companies in the Kitron group.

Kitron also has a separate Supplier Code of Conduct, which applies to all suppliers. The Supplier Code of Conduct makes an integral part of Kitron's supplier contracts.

The Ethical Code of Conduct is distributed to all employees and is a part of the employment contract for all permanent and temporary employee agreements, as well as to board members and elected officers.

## Ethical Commitment

### Ethical Statement

Kitron shall comply with applicable laws and regulations respect human rights and act in a socially responsible manner. Kitron's business activities and internal operations are conducted with a high level of integrity and with a clear ambition to be a socially responsible company acting ethically and lawfully in all aspects of our value chain.

### Values

The behaviour of all Kitron staff shall be characterised by our three values:

**Commitment:** We are committed to customers, suppliers, shareholders, colleagues, sustainability and the environment.

**Innovation:** We foster creativity, striving for even better processes, services and solutions, benefiting both our customers and employees.

**Engagement:** In Kitron individuals and teams are provided equal opportunities for growth, development and realization of their potentials.



## Internal relations

### Human rights

All units in Kitron will comply with UN's Universal Declaration on Human Rights, The UN's Convention on Rights of the Child and International Labour Organisation Conventions (ILO conventions).

Kitron is a UN Global Compact Signatory and supports the ten UN Global compact principles.

Kitron shall comply with the human rights in the ILO conventions, specifically the labour rights and children labour avoidance conventions.

Kitron opposes all forms of forced and compulsory labour.

Kitron shall not engage in or support any kind of use of child labour. If a young worker is employed, this needs to be controlled and arranged according to legal requirements in terms of safety, work hours and guidance and is not allowed to interfere with applicable compulsory schooling.

Kitron opposes discrimination in any form, e.g. due to race, nationality, gender, sexual orientation or religion. Kitron also opposes any form of trafficking and purchase of sexual services.

### Working environment

The working environment in Kitron is characterized by openness, communication, and respect for the individual. Diversity, and a balanced work force in terms of gender, is recognized as strength and an advantage. Fair employment practises following local norms, laws or collective bargaining agreements is the basic standard in all Kitron entities. Kitron upholds the freedom of association and recognizes the right to collective bargaining. No form of discrimination, harassment or bullying is tolerated.

Kitron values the competences employees are in possession of and sharing of knowledge and information is an area of priority, as is on-the-job development. Kitron offers a working environment where it is possible to combine work, career, family life and spare time.

Health and safety in the working environment are very important to Kitron and is to be ensured to provide a safe, healthy and satisfactory work place. Kitron follows local and international norms and relevant legislation to provide such an environment.

Kitron supports a precautionary approach to environmental challenges and work systematically to promote greater environmental responsibility. Kitron encourages the development and diffusion of environmentally friendly technologies.

### Conflict of interest

All employees are expected to be loyal to Kitron and Kitron's interests. Employees should not participate in financial and business-related activities that could potentially create a conflict of interest between Kitron's interests and their own personal interests or those of a close third party. A close third party includes all personal relations and is not limited to family members.



Therefore, employees who can influence or take decisions on behalf of Kitron must not participate in the consideration or determination of any issue where they or their related third parties have personal or financial interests.

When a manager is disqualified in this sense on a given matter, all subordinates are also disqualified in the same matter. All staff members shall notify their superior if they have any material direct or indirect interest in any transaction contemplated or entered into by the company.

Kitron employees, managers and board members cannot hold shares in Kitron customers or Kitron suppliers unless they are listed on the stock exchange.

Related people cannot be employed or elected into positions that are incompatible, for example where one becomes the direct superior to the other or where one will control the work of the other.

All Kitron employees must assess for themselves whether any conflicts of interest exist. If their case is not clear, or if somebody so requires, they must submit the question to their immediate superior.

Particular caution must be exercised towards suppliers, customers and competitors who have hired people previously employed by Kitron within the previous two years.

## Duty of confidentiality and secrecy

Kitron employees have a duty of confidentiality in respect to all business matters and situations that could give unauthorised people access to confidential information. Basically, all information not made public is to be considered confidential. Examples of confidential information, but not conclusive, are stated below:

- Manufacturing and product information not publicly stated
- Prices, conditions and all other contents in agreements with customers and suppliers
- Calculations and estimates
- Information that is not generally known which could have a noticeable effect on the value of the Kitron share,
- Personal information about others acquired in connection with an assignment for Kitron.

This duty of confidentiality remains in force after a Kitron staff member has left the company. No individual can exploit any Kitron-specific information listed above in his or her own business or in the service of or working for others.

Only designated persons may make public statements on behalf of Kitron.

## Insider trading

Inside information is specific information which is not publicly known, and which is likely to have a noticeable effect on the price of financial instruments.

Misuse of inside information, irrespectively of how it is obtained, is prohibited under the Norwegian Securities Trading Act ("STA"). People who have inside information about Kitron or companies with which Kitron has commercial relations must refrain from trading or giving advice about shares in Kitron or in these companies.



Reference is otherwise made to the provisions concerning insider trading in STA, and rules on notification in the Norwegian Public Limited Companies Act section 4-12. Primary insiders are subject to the insider regulations adopted by Kitron in Kitron's Insider manual.

## Financial reporting, accounting and information

All financial information about Kitron and Kitron's assets and liabilities must be communicated and reported, internally and externally, in a precise and accurate manner.

All accounting information must be correct, registered and reproduced in compliance with applicable standards, laws, and regulations. As a company listed on the Norwegian Stock Exchange, Kitron is obliged to provide a full, fair, accurate and understandable disclosure of periodic financial reports, other documents filed with applicable regulatory authorities and agencies as well as other public communications.

No false, misleading or artificial entries may be made on Kitron's books and records.

All Kitron employees must take appropriate steps to ensure that Kitron makes and maintains books and records reflecting accurately and in reasonable detail any transaction involving Kitron, or Kitron assets.

No information may be concealed from internal or external financial auditors. For customer audits Kitron respect contractual obligations.

## Business conduct

### Fair trading and antitrust legislation

Kitron will compete in a respectable and ethically responsible manner within the framework of anti-trust legislation and relevant competition regulation in the markets in which Kitron operates.

### Customers

All customers are to be treated with respect and integrity. Kitron will adhere to customers' specific bidding requirements when in such a process.

### Suppliers

Suppliers are to be treated just and fair in all interactions with Kitron.

Kitron has developed a separate Supplier Code of Conduct that applies to suppliers to Kitron. Kitron has a risk-based approach when evaluating and auditing suppliers, focusing attention on where the risk of not meeting Kitron requirements are the highest.

### Bribery and Corruption

Acts of bribery and corruption can seriously damage Kitron's reputation, significantly impact our business success, and subject Kitron to severe penalties and even result in imprisonment for our employees.

Kitron opposes any form of bribery and corruption and strives to prevent corruption in and as a result of Kitron's business activities.



Promising, offering, giving, receiving or demanding anything of value or an improper advantage in connection with someone's position, office or assignment, qualifies as bribery.

Giving or receiving an improper advantage or anything of value in connection with a position, office or assignment prohibits more than monetary payments, and includes services, goods and all other non-cash advantages to influence a decision maker. Unlawful practices include for example receiving private favours from a Kitron supplier as a condition to place order with that supplier, or to provide gifts to representatives of a potential customer to secure contracts on behalf of Kitron. It is forbidden for Kitron employees to promise, receive or give any offer that would give an improper advantage for any of the parties in connection with an engagement of any kind with any counterparty. This relates to both public officials and private commercial counterparties.

Direct and indirect payments are equally prohibited. Thus, providing an improper advantage (e.g. by way of money transfer) to public officials or any commercial counterparty made through intermediaries, such as consultants and agents, are prohibited. Provision of an improper advantage to close relatives of public officials or commercial counterparties is also prohibited.

The U.S. in particular has aggressively enforced its law, the Foreign Corrupt Practices Act (FCPA). Also, the FCPA along with the U.K. Bribery Act both have far-reaching jurisdiction — meaning Kitron must be mindful of its employees' and representatives' actions in all its locations.

## Facilitation payments

A facilitating payment is a small payment to secure or expedite a routine government action to which one is legally entitled, such as issuing a license to do business, processing a visa, providing police protection, securing mail service or similar. Kitron prohibits facilitation payments.

Kitron's prohibition of facilitating payments does not apply to situations in which Kitron personnel must make a payment to avoid a serious medical or safety emergency. In such a situation, approval must be sought from the person's manager or the Ethics Committee.

## Gifts and hospitality

Relationships with our business partners can be built and strengthened through legitimate social interaction. However, giving or accepting gifts and hospitality may be regarded as corruption in certain situations, and Kitron have strict limits for when we allow the giving or acceptance of gifts and hospitality.

All gifts, hospitality and other benefits, including cost and time spent, must be modest.

Nobody must accept, either for themselves or on behalf of others, gifts, fees, services or other benefits that could influence the way they perform their duties, or that are intended to exert such influence by the giver. You are allowed to receive promotional give-aways of insignificant value, or general schemes open to all Kitron staff.

Invitations to entertainment or other events from existing or potential business contacts must as a main rule be regarded as a gift. Caution should therefore be shown in accepting invitations that exceed normal business hospitality. During negotiations, staff should refrain from accepting any offers of hospitality.

When in doubt whether a gift or hospitality is in line with Kitron's requirement, ask yourself how others would perceive the acceptance or offer and never offer or accept anything that is or could be perceived as an improper advantage. Ensure that all acceptance and offering of hospitality are open, transparent and



properly documented. If you are offered or have received gifts and/or hospitality beyond common courtesy gifts you shall, without delay, notify your immediate superior or the head of the Ethics Committee who will make further assessment of the appropriateness and legality of the gift and/hospitality.

Even if modest, particular caution shall be made with respect to gifts, hospitality and other benefits involving public officials. Such benefits shall be pre-approved by your immediate superior.

## Travel and invitations

Kitron shall pay all business-related travel and hotel expenses for Kitron staff. Existing or potential business contacts of the company are prohibited from paying for travel, accommodation and so forth. Nor are employees permitted to accept such benefits for accompanying persons from Kitron's existing or potential business contacts.

Correspondingly, Kitron shall not pay for business travel of any business contact unless Kitron is contractually obliged to do so.

## Sponsorship and Charity

Sponsorships and charities are normally allowed in Kitron as long as they comply with applicable laws and regulations and are of limited financial value. Basic rules for approving a sponsorship or charity activity are that it aligns with our values, contributes to enhance development for youth and children, is non-political and preferably non-religious driven and is transparent and able to stand the test of a public disclosure. Any activity is subject to prior approval from Kitron's CEO and shall be reported to the Ethics Committee of Kitron Group.

## Money laundering

Kitron is committed to comply with anti-money laundering and anti-terrorism laws. Money laundering generally occurs when funds from illegitimate sources are brought into legitimate financial channels to hide them or make them appear legitimate. Kitron staff must protect the integrity and reputation of Kitron by helping to detect possible money laundering activities by learning to watch for warning signs, which may include customers that have registered companies in tax havens or who are reluctant to provide complete information in due diligence processes.

## Trade sanctions and export/import control

Legislation related to trade sanctions and export/import control may restrict Kitron from conducting certain types of activities or transactions involving certain parties, countries, or regions. All employees — and particularly those who work on sales must know and comply with applicable rules and regulations on trade sanctions and export/import control. Employees shall always know Kitron's customers and the ultimate destination and end use of Kitron's goods and services.



## Use of company property and assets

It is the responsibility of all Kitron employees and other representatives of the company to safeguard the assets and records of Kitron and its customers, suppliers and other business associates. All such assets shall be used and maintained with care and respect while guarding against waste and abuse. The use of materials, financial and other assets or facilities for purposes not directly related to Kitron business is prohibited. The same applies to the removal or borrowing of company assets without permission.

## Data protection and privacy

Kitron protects information and data about current, former or potential employees, customers, suppliers or employees of other business associates, in compliance with applicable laws and regulations. Kitron has implemented appropriate technical and organizational measures to ensure that processing of personal data is performed in accordance with the data protection rules (GDPR). Everyone processing personal data at Kitron shall do so in a manner compliant with relevant privacy legislation. This means to ensure that all use of personal data, such as collection, registration, comparison, storage and deletion, or a combination of these, takes place in accordance with applicable laws and regulations.

## Practice and follow-up

### Responsibility of the employee

Each employee in Kitron must ensure that he or she is knowledgeable of and perform their duties in accordance with the requirements in the Kitron Ethical Code of Conduct and applicable laws and regulations. If you have any questions regarding the content of the Ethical Code of Conduct, you are encouraged to seek advice from your superior or the CHRO (the Chief HR Officer).

### Responsibility of the management

Management must ensure that activities within its area of responsibility are carried out in accordance with Kitron Ethical Code of Conduct. Management is also responsible for communicating the Ethical Code of Conduct and for providing guidance for the interpretation and application of the Code.

### Training

All Kitron personnel are required to attend periodic training in the Kitron Ethical Code of Conduct to ensure that Kitron's ethical values are understood and implemented at all levels.



## Reporting irregularities or concerns – “Whistleblowing”

All conditions, which give raise to ethical issues or matters that could involve a breach of laws and which may cause legal liability, loss of value or reputation for Kitron should be reported.

Examples of concerns related to Kitron’s business practices that may be reported include allegations such as:

- Violations of Kitron’s Ethical Code of Conduct
- Violation of corruption laws
- Insider trading
- Conflict of interest
- Sexual harassment or other forms of harassment or discrimination
- Threats against life and health, e.g. safety deficiencies at the workplace, violence and exposure to or interaction with dangerous materials etc.

Kitron staff has an obligation to report any criminal acts, harassment, discrimination or circumstances where life or health might be in danger.

As the general rule, a report shall be made to the immediate superior or the superior’s superior. Reports can also be made to an employee representative. Environmental matters or issues relating to workplace safety can alternatively be reported to the relevant representative, HSE-manager and/or the company health service. Financial matters may be reported to the Finance Manager.

Each Kitron site also has its own contact persons for reports which is the Managing Director, the HR Manager and the (main) employee representative for the site (jointly referred to as the “Reporting Contact”). If the employee does not obtain any appropriate response or reaction or does not feel comfortable reporting the matter to the immediate superior or persons as set above, the employee shall report to the Reporting Contact. It is also possible for the employee to report directly to the Chairman of the Group Ethics Committee, the CHRO email: [whistleblowing@kitron.com](mailto:whistleblowing@kitron.com). Should the employee not be comfortable reporting to anyone in Kitron management, the employee may report to the Chairman of the Audit Committee for Kitron ASA.

In special cases, reports may occur in other ways. Reports to persons or bodies outside Kitron, other than public authorities, will, as a principal rule not be in good faith unless internal reports have already been made.

Reporting may be anonymous, but open reporting will normally facilitate more expedient resolution of the matter.

Kitron will not tolerate any form of retaliation against any person who has raised an ethical or legal concern in good faith. This applies even if the report does not turn out to be an actual violation.

All reports of concern made in Kitron will be taken seriously and every report will be handled with confidentiality. There are local law reporting obligations and/or restrictions that should be taken into account when reporting concerns. Questions regarding such regulations or other questions regarding whistleblowing in Kitron may be directed to your superior or to Kitron’s CHRO (the Chief HR Officer).

The document, Whistleblowing Routines for Kitron ASA, contains detailed procedures for handling whistleblowing.



## Compliance and consequences of violation

Breaches of the Ethical Code of Conduct are not acceptable. Any routine, practice or behaviour that is not in accordance with this manual shall be ceased immediately.

Employees' or management's failure to meet the required standards of conduct according to this Ethical Code of Conduct and/or the law will result in appropriate disciplinary actions by Kitron, such as discharge or termination of the employment. Employees or management representatives who violate the law may further be subject to criminal prosecution and may be held liable for damages incurred by Kitron as a result of such violation.

Any violation of the principles of this policy from our counterparties such as customers, suppliers, contractors, sub-suppliers, sub-contractors and other stakeholders will by definition lead to an investigation of the situation, and the business relation with Kitron will be questioned and possibly terminated.

## Ethics Committee

Kitron has an Ethics Committee whose objective is to ensure that Kitron maintains a high-level focus on issues related to ethics and anti-corruption and a common understanding and practice regarding how best to address and follow up on these issues. Firstly, it is in charge of the policy document in itself and reviews or updates of the Ethical Code of Conduct. Secondly, the committee is an advisory board related to ethical dilemmas or questions from managers and employees in the group on difficult borderline issues. When in doubt, Kitron employees should consult immediate superior or the Ethics Committee for the Kitron group. It is also in the main scope of the committee to perform regular ethical audits mainly related to anti-corruption.

The Ethics Committee meets as needed but at least three times a year. The Ethics Committee consists of members of Kitron's Corporate Management Team (CMT). The CHRO (The Chief HR Officer) is the Chairman of the Ethics Committee.

The Chairman of the Ethics Committee reports to CEO who in turn reports to the board of Kitron ASA. The Chairman of the Ethics Committee has also a direct reporting line to the Audit Committee of the Board.

The Ethical Code of Conduct is subject to review at least every other year.

Peter Nilsson  
CEO

Tuomo Lähdesmäki  
Chairman of the Board



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