



TERMA[®]
ALLIES IN INNOVATION

EMPLOYEE CODE OF CONDUCT

DOING WHAT IS RIGHT EVERY DAY
IN A COMPLEX WORLD



Letter from the CEO

Dear Colleagues,

In Terma, we believe that we have a significant role in improving our world. Our activities are fundamental to the sovereignty and security of nations. We operate in a competitive and dynamic landscape where rising geopolitical tensions pose unique challenges. Consequently, the need for securing people is more relevant than ever.

With this important purpose in mind, it is vital that our company and employees have the right tools, support, and guidance on how to act in complex situations.

This Employee Code of Conduct describes our commitments and what we expect of our employees. It is important that we all know what is expected of us in order to help each other and ensure that we choose the best course of action when faced with difficult dilemmas. Together we make Terma a great place to work.

Transparency and trust are key to building long term partnerships. The foundation for all we do is technology, and our success is generated by a unique ability to work in partnerships with others. In these partnerships, as in any other dealings, we will operate transparently and ethically, as well as show consideration for others, irrespective of where we are in the world.

I have personally made it a habit to always have this code at hand. For me, it has become an everyday tool which I consult when faced with questions or dilemmas. I encourage you to do the same.

Thank you for your support and engagement.



Jes Munk Hansen
CEO & President

Purpose and Scope

The Employee Code of Conduct is applicable to all Terma employees located around the world.

Terma's Employee Code of Conduct describes Terma's commitments, what we need to comply with, and how we can help each other in our daily routines to live up to these commitments.

It is divided into six overall topics:

- Anti-Corruption & Business Ethics
- Human Rights
- Security
- Environment and Climate
- Global Trade Compliance
- Reporting Channels

The Employee Code of Conduct outlines policies and the conduct required, as well as includes scenarios to better illustrate real-life dilemmas.

To support the policies in the Code, relevant procedures have been developed. For details, please see Terma Business System (TBS).

To further guide our employees, an Ethical Decision Tree has been made on page 7. When faced with a dilemma, go through the Ethical Decision Tree and you will be guided on how to act. Moreover, for each policy you will find which department can assist you if you are still in doubt on how to act.

Employees who believe there has been a violation of this Code of Conduct should report it through Terma's Whistleblower system *Ethics Line* or *Tell us your concerns* system. All reported incidents will be handled in a confidential and professional manner without fear of retaliation for reporting. Read more about the two systems in the section Reporting Channels on page 50.

Requirements towards third parties are described in Terma's Business Relationship Code of Conduct.

All employees must complete the Code of Conduct e-learning within the first month of employment.

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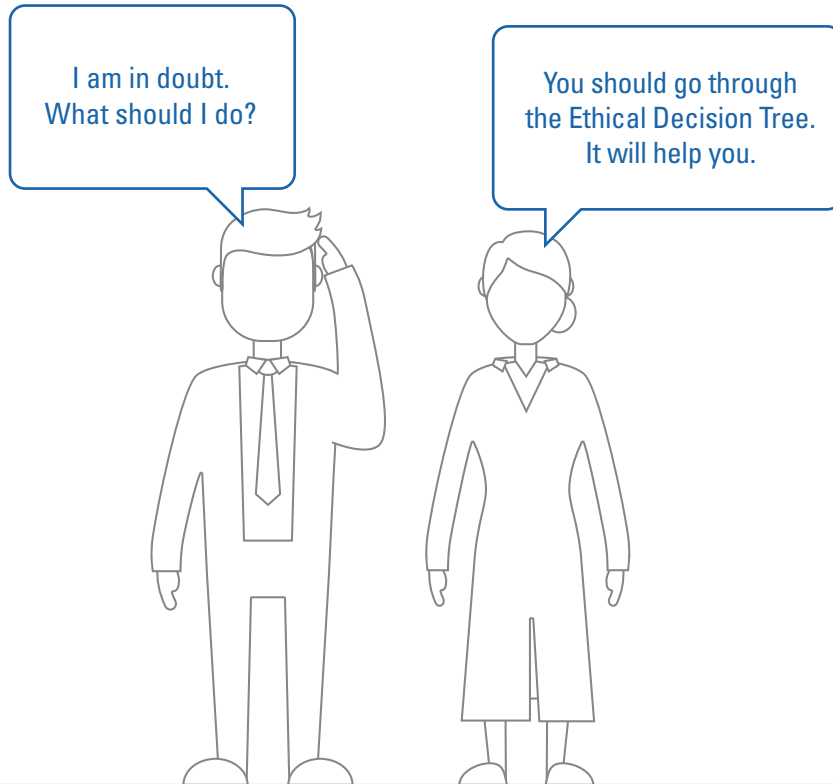
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Ethical Decision Tree

The Ethical Decision Tree can guide you to make the right decision when faced with difficult situations.

Simply go through the steps with your dilemma and it will guide you on whether to continue or instead consult your manager and/or relevant departments.



START



Is it legal?

NO/UNSURE



Is it ethical?

NO/UNSURE



Is it consistent with Terma's Employee Code of Conduct?

NO/UNSURE



Would it be suitable in a global context?

NO/UNSURE



Am I setting the right example?

NO/UNSURE



Would it affect Terma's reputation positively/neutrally if it became public?

NO/UNSURE



Would the person I respect the most consider this course of action as appropriate?

NO/UNSURE



You may continue



Do not continue

Contact your manager, Legal Services, the CSR & Compliance Department or other relevant departments, or if appropriate, report to our *Ethics Line*.

ANTI-CORRUPTION & BUSINESS ETHICS

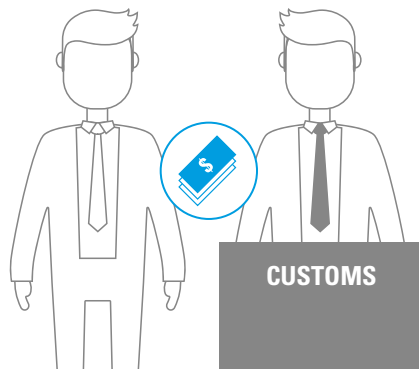


Anti-Corruption Policy

Introduction

Corruption and corrupt practices come in many forms but all have in common that they promote inequalities, lead to distortion of competition, place employees and businesses at risk, tarnish reputation, and have a detrimental effect on society.

As an international company, Terma is exposed to diverse and sometimes challenging environments. In our industry, Terma is a supplier to many major projects and works with a wide array of partners. It is essential that the relationships we build are based on trust and a mutual understanding of responsible and ethical business conduct. Being upright and trustworthy are essential in any business relationship.



“When I went through customs, the customs official confiscated my package and said it would take 1 week before they could release it. I know I have filled out all the paperwork correctly. He told me he could expedite the process for USD 20. My customer is unhappy and I do not want to jeopardize the business relationship. Can I pay the customs official?”

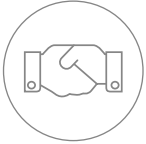
Scope and Definition

Bribery, kickbacks/commissions, facilitation payments, extortion, conflict of interest, fraud, embezzlement, payments to public officials, and commercial bribery are among others some of the many various forms of corruption. These are all defined in our Anti-Corruption Compliance Program which describes why and how we work with anti-corruption.

Compliance

Terma’s Anti-Corruption Compliance Program complies with relevant national and international legislations including, but not limited to, the Danish Criminal Code, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act.

“You should ask the customs official to explain the fee. If you can receive confirmation that the fee is indeed legal and get a receipt as well, then you can make the payment. If not, then the customs official is asking for a facilitation payment. You are not allowed to make such a payment. You should explain Terma’s zero-tolerance policy to the customer as well as inform your manager and the CSR & Compliance Department.”



We commit to

- Having a zero tolerance policy towards all forms of corruption and corrupt practices.



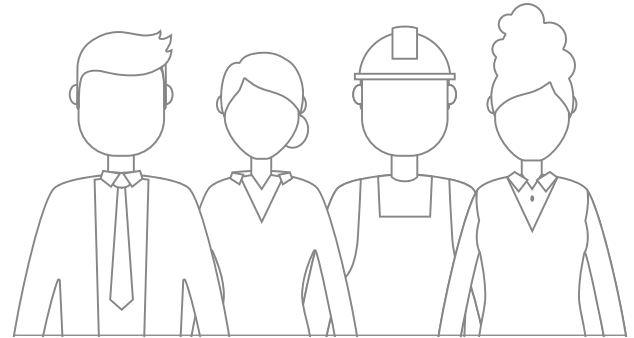
We will

- Ensure that our employees are trained properly and aware of the corruption risks they face.
- Maintain a robust Anti-Corruption Compliance Program.



We expect you to

- Never engage in bribery, facilitation payments, or any other forms of corrupt practices.
- Comply with Terma's Anti-Corruption Policy and relevant procedures.
- Complete all relevant training.



Together we will

- Work with integrity and set the right example. We are ambassadors for Terma and should in all our business dealings behave ethically.
- Speak up if we witness someone engaging in corrupt practices.
- Be transparent about our challenges and business dealings, and address issues openly. We should utilize our colleagues as moral compasses.

If ever in doubt on how to act, please consult the Ethical Decision Tree herein prior to making a decision.
Still in doubt, discuss the issue with your manager and/or the CSR & Compliance Department.

Charitable and Political Contributions Policy

Introduction

Terma is an international company and, as a good corporate citizen, wishes to give back to the societies where we operate. Therefore we engage in various forms of charitable contributions.

Terma's Executive Management defines which charitable contributions Terma makes.

Terma is a member of a number of trade associations, organizations, and industrial partnerships relating to our industry and our membership may indirectly involve contributions to political parties, which is a decision made by the trade association and has nothing to do with our business. Terma, itself, refrains from making political contributions.



"We are bidding for a contract in Spain. The customer's sister runs a non-governmental organization (NGO). The organization does a lot of good work helping children of the streets. A donation will help the NGO's important work and show the customer that we are a responsible company. Can we make a donation?"

Scope and Definition

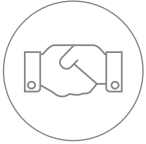
Charitable contributions cover grants, donations, and sponsorships to, among others, non-governmental organizations, universities, individuals, fairs and events.

Political contributions are contributions to political parties.

Compliance

Terma's Charitable and Political Contributions Policy is covered by our Anti-Corruption Compliance Program which complies with relevant national and international legislations including, but not limited to, the Danish Criminal Code, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act.

"No, making a donation can be perceived as giving us an unfair advantage and could also lead to a conflict of interest if we were to get the contract."



We commit to

- Investing in the societies where we operate.



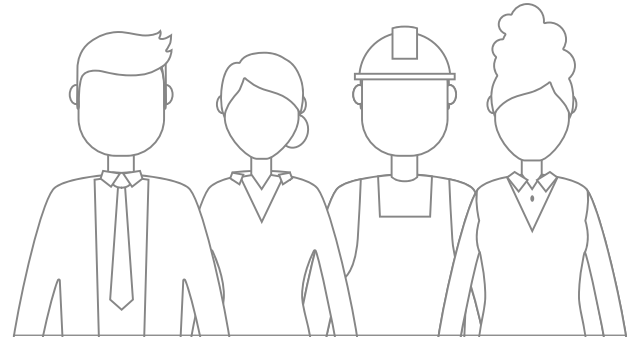
We will

- Never provide any charitable contributions in return for a potential hidden or unfair benefit or advantage to our business. All contributions shall be able to tolerate public scrutiny.
- Register all contributions and be transparent.
- Never give political contributions.



We expect you to

- Ensure that no conflict of interest exists before providing a charitable contribution.
- Register all charitable contributions as described in the Charitable and Political Contribution Procedure.
- Never provide a political contribution on behalf of Terma.



Together we will

- Be transparent and talk openly.
- Speak up if we learn or hear of any actions by Terma or our employees that violate this Policy.

If ever in doubt on how to act, please consult the Ethical Decision Tree herein prior to making a decision.
Still in doubt, discuss the issue with your manager, and/or the CSR & Compliance Department.

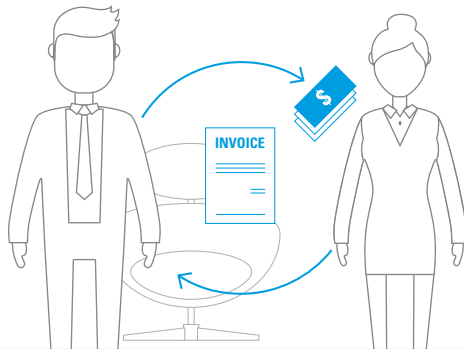
Conflict of Interest Policy

Introduction

Terma respects our employees and their privacy. Nonetheless, we acknowledge that a conflict of interest can arise if the personal interests of an employee or an individual close to an employee (i.e. family member, close friend) diverge from those of Terma.

In such circumstances, the ability of an employee to act with objectivity at the workplace could then be questioned. For instance with personal, social, financial, or political activities interfering or potentially interfering with their loyalty to Terma.

Transparency is key in ensuring that there is no unresolved, implied, or actual conflict of interest. It is both in the interest of Terma and the employee.



"I am in the process of hiring a new supplier to refurbish one of our office buildings. One of my colleagues in another department owns an interior design company. Can her company supply the furniture for our new buildings?"

Scope and Definition

A conflict of interest may exist when an employee's personal interests diverge from the interests of Terma.

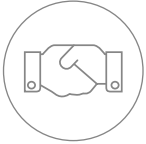
Employees cannot hold other employment where they act as a supplier to Terma.

Typical examples of conflicts of interest are: hiring relatives/close friends, being a manager for a relative/friend, using relatives/friends as suppliers of goods or services, being a supplier to Terma, or having a financial interest in any transaction involving purchase or sale by Terma of any products or services.

Compliance

Terma's Conflict of Interest Policy is part of our Anti-Corruption Compliance Program and, therefore, complies with relevant national and international legislations including, but not limited to, the Danish Criminal Code, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act.

"No, that would be a conflict of interest. As a Terma employee, you cannot function as a Terma supplier at the same time. Other employment should comply with this policy and must be agreed upon with your manager and registered with HR."



We commit to

- No personal interest coming above the interest of Terma.



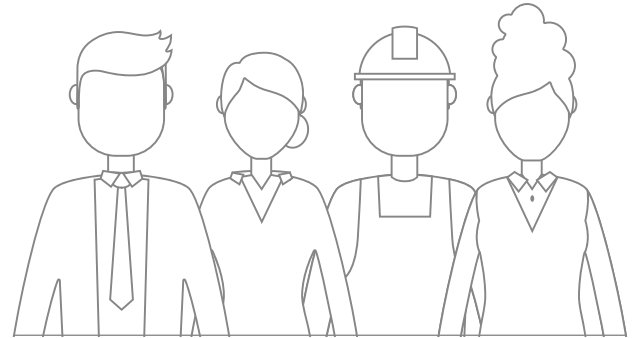
We will

- Ensure that all our employees are aware of, and trained in, Terma's Conflict of Interest Policy.
- Be transparent and talk openly about potential or actual conflicts of interest.



We expect you to

- Adhere to the highest integrity standards and to avoid any conflict of interest.
- Never use your position, role, or corporate information, or act in any way contrary to the interest of Terma, to seek or gain benefits for yourself, your relatives, friends, or other third parties.
- Inform your manager and HR if you have other employment in order for HR to register it.



Together we will

- Behave with honesty and integrity in all of our business dealings.
- Speak up if we witness a conflict of interest.
- Be transparent about possible conflict of interests and address them head on.

If ever in doubt on how to act, please consult the Ethical Decision Tree herein prior to making a decision.
Still in doubt, discuss the issue with your manager, the HR department, and/or the CSR & Compliance Department.

Due Diligence Policy

Introduction

Terma conducts regular due diligence on our business relationships where we assess adverse impacts on human rights, environment, and corruption.

We set requirements towards our business relationships via our Business Relationship Code of Conduct and expect them to establish and maintain systems to manage risks of adverse impacts, as well as to place similar demands on their own business relationships.

We have integrated due diligence into various company policies and processes, as well as trained relevant employees within these.

Moreover, we conduct regular human rights impact assessments where we identify actual and potential impacts of our business operations in order to prevent and mitigate these.

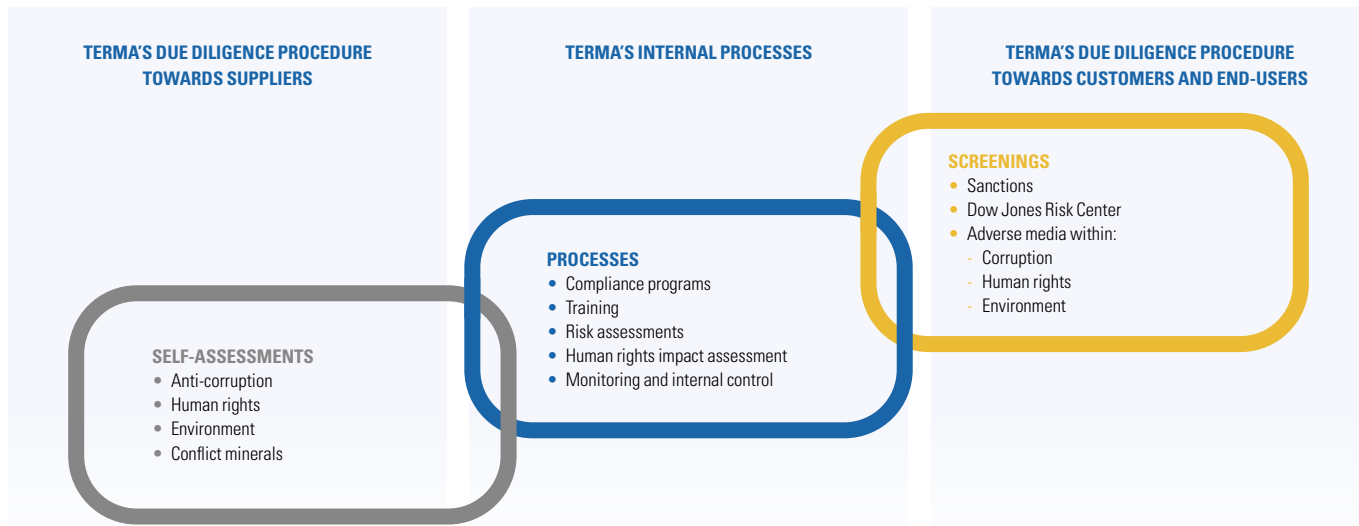
Lastly, grievance mechanisms, in the form of our reporting channels, are available to our stakeholders, where they can report any adverse impacts, they observe or encounter.

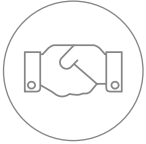
Scope and Definition

Due diligence refers to the measures Terma is expected to take in order to identify, prevent or mitigate business risks or adverse impacts which may arise from our business operations. We conduct due diligence both for our upstream (suppliers) and downstream (customers and end-users) value chain, described in the respective due diligence procedures.

Compliance

Terma's Due Diligence Policy and associated due diligence procedures comply with relevant national and international legislations.





We commit to

- Maintaining strong due diligence processes.
- Monitoring the effectiveness of our due diligence procedures and reviewing our due diligence policy regularly.



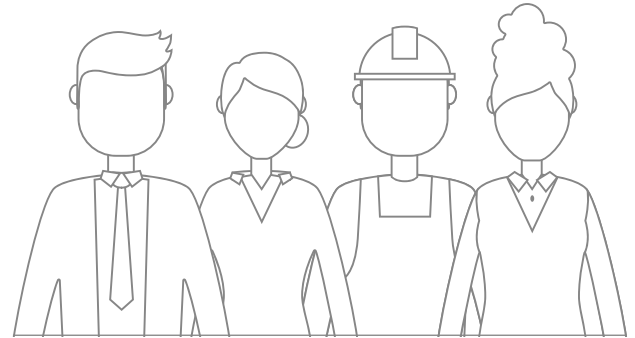
We will

- Conduct due diligence on Terma's business relationships with a focus on identifying human rights, corruption, and environmental risks.
- Conduct impact assessments to identify and address actual or potential adverse impacts.
- Take appropriate measures to prevent and mitigate potential adverse impacts and minimize actual adverse impacts.



We expect you to

- Follow Terma's due diligence procedures.
- Contact the CSR & Compliance department or use Terma's reporting channels to report any actual or potential adverse impacts.



Together we will

- Identify, prevent or mitigate actual or potential adverse impacts that Terma's operations may have.

If you are ever in doubt on how to act, discuss the issue with the CSR & Compliance Department.

Gift and Hospitality Policy

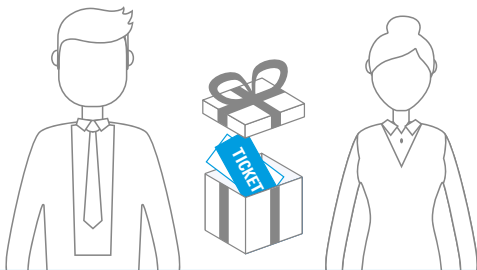
Introduction

Both the giving and the receiving of gifts and hospitality, including other business courtesies, can be viewed as bribes if they are given with the expressed or unexpressed expectations of improperly receiving a benefit in return.

In general, Terma's employees should not accept gifts.

Terma recognizes that the giving of smaller, nominal, and modest gifts may be a natural and perfectly legitimate part of a business relationship, depending on the local culture and customs.

To ensure that no receiving or giving of gifts or hospitality can be perceived as bribery, it is important that employees comply with Terma's Gift and Hospitality Policy, as well as underlying gift and hospitality procedures. All gifts and hospitalities should be registered.



"I have been invited by one of our customers to a dinner and a show. He called this morning to let me know he would be detained and that I should use the ticket for my wife instead. Can my wife use the ticket?"

Scope and Definition

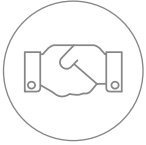
Gifts are physical items which can be perishable or non-perishable. Gifts should never be in the form of cash or cash equivalents such as gift certificates, stocks, bonds, and virtual currency.

Hospitality means all forms of expenses made to entertain guests, business courtesy, travel or lodging, or an invitation to a sporting or cultural event. If a representative of the giving organization does not accompany the recipient or participate in the event, then the hospitality is not hospitality, but, instead a gift.

Compliance

Terma's Gift and Hospitality Policy and procedures are part of our Anti-Corruption Compliance Program which complies with relevant national and international legislations including, but not limited to, the Danish Criminal Code, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act.

"As the customer is no longer attending the show, the invitation has become a gift and no longer hospitality. It would be improper to accept tickets for a show for your wife and yourself. Kindly decline the offer."



We commit to

- Never giving or receiving gifts and hospitality with an expectation of a benefit in return.
- Having a zero-tolerance policy toward all forms of corruption and corrupt practices.



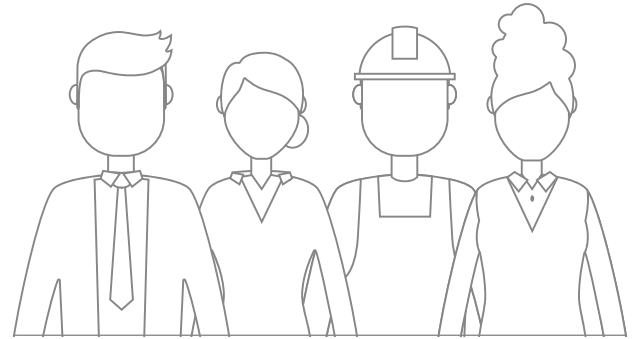
We will

- Be transparent about what we give and what we receive.
- Register all gifts and hospitality.
- Ensure that our employees are trained in our Gift and Hospitality Policy and procedures.



We expect you to

- Register all gifts and hospitality as described in Terma's Gift and Hospitality Procedure.
- Explain to your counterpart as early as possible during the relationship Terma's Gift and Hospitality Policy.
- Only accept or give gifts and hospitality which are modest in size, culture appropriate, and that can be subject to public scrutiny.
- Never accept or give gifts in the form of cash or gift certificates.
- Ensure that what you give or receive can never be misunderstood as a bribe by the recipient or other parties.



Together we will

- Set the right example and behave with honesty and integrity.
- Be open and transparent about what we give and receive.
- Speak up if we feel that our colleagues or business partners are asking or receiving improper gifts or hospitality.

If ever in doubt on how to act, please consult the Ethical Decision Tree herein prior to making a decision.
Still in doubt, discuss the issue with your manager, and/or the CSR & Compliance Department.

Responsible Lobbying Policy

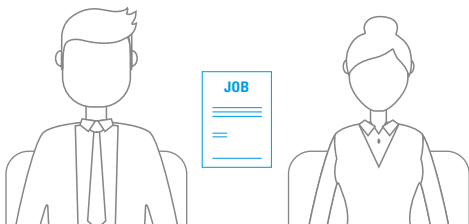
Introduction

As a global company, Terma's development and image also rely on the relationship developed and maintained with officials, institutions, and business entities. The reasons to engage with them are numerous:

- Presenting business cases and sharing positions on a wide range of topics.
- Proposing and/or advocating for new policy orientations.
- Building new partnerships (B2B or B2G).
- Facilitating the launching and/or the running of projects.

In a democratic society, sharing vision, ideas, and expressing needs is a legitimate part of the political process. Our sectoral, technical, and human expertise, as well as our experience as end-user of public policies and programs place Terma as a natural interlocutor and partner for decision-makers on a wide-range of issues.

Engaging with public authorities can lead to better legislation, rules, standards, and serves the public interest, if one respects and follows the elements of responsible lobbying.



"I am hosting an elected official for a business lunch to discuss a regulation financially harming our activities. The law will be revised soon. After presenting the issue the official says she could help since she is the one writing the new text. But her help is conditional to finding her a job at the end of her term, and with good salary conditions. What should I do?"

Scope and Definition

Lobbying defines any direct or indirect communication (oral or written) with public officials, decision-makers, or representatives for the purposes of influencing the legislation, policy, or administrative decisions.

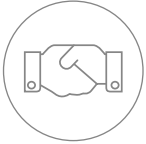
To be defined as responsible lobbying, our action must respect 4 principles:

- Legitimacy: our positions and visions will be based on strong arguments and evidence – we aim to support the public interest.
- Transparency: we are open and truthful in our communications with stakeholders – we do not have hidden agendas.
- Consistency: we act in accordance with our Code of Conduct – we do not deviate from our commitments.
- Accountability: we explain unambiguously our policy positions and decisions – both internally (within Terma) and externally (stakeholders).

Compliance

Terma practices responsible lobbying by engaging in legitimate, transparent, consistent, and accountable lobbying. We comply with all regulations in countries and organisations we engage with. At the EU level, Terma is registered in the EU Transparency Register.

"I shall first remind my guest that I cannot commit to such a deal because it is contrary to the code of conduct of my company, especially regarding anti-corruption provisions. I shall also emphasize that this conversation is purely based on facts and evidence, and nothing more. Finally, I will need to explore new opportunities and approaches, in accordance with Terma's responsible lobbying principles."



We commit to

- Respecting the 4 principles of responsible lobbying i.e., legitimacy, transparency, consistency, and accountability.



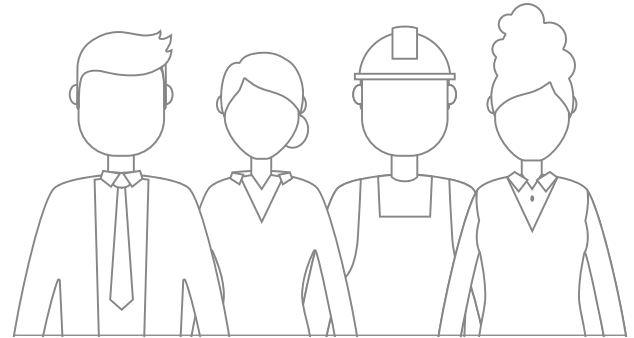
We will

- Conduct responsible lobbying in respect of the law and our Code of Conduct.
- Build our arguments and positions on consistent facts and evidence.



We expect you to

- Always clearly identify and communicate who you represent.
- Remove or lift any ambiguity in your advocacy strategy and meetings.



Together we will

- Set the example to behave with honesty and integrity.
- Promote Terma's interest and positions towards public stakeholders with respect to the values and business ethics of our company.

If ever in doubt on how to act, please consult the Ethical Decision Tree herein prior to making a decision.
Still in doubt, discuss the issue with your manager and/or the Public Affairs and Communication Department.

HUMAN RIGHTS



Human Rights Policy

Introduction

Human rights are at the very core of every responsible business. We aspire to be recognized as a company with a preeminent professional working environment where our employees feel safe and valued and where their human rights are respected. Our employees are vital and the foundation of our organization and therefore we will continuously work to prevent and mitigate adverse human rights impacts.

Operating in the Aerospace, Defense and Security sectors, we recognize that we may become part of impacts on human rights. In particular The Right to Life; through our products, services and the industry we belong to. For instance, our self-protection equipment will protect the lives of soldiers. However, we can never rule out that our products will be involved in situations that can result in adverse impacts.



“For the past 3 months, I have worked overtime, both in the weekdays and weekends, as we had a deadline to meet. I am overworked and therefore would now like to have my vacation, but my manager will not let me. He says there is another deadline approaching. What should I do?”

We recognize that we are linked to such impacts through our business relationships. Therefore, we also require our business relationships to respect human rights; commit by policy; conduct human rights due diligence and provide access to remedy.

Scope and Definition

There are 48 human rights defined in the International Bill of Human Rights. A full list of these can be found on page 26.

Compliance

Terma respects human rights as defined by the UN Guiding Principles on Business and Human Rights. This assists us to comply with relevant national and international legislation such as, but not limited to, the UK Modern Slavery Act and the U.S. Federal Anti-Trafficking laws, including as promulgated in the U.S. Federal Acquisition Regulations. Moreover, we follow the implementation of these principles by the Danish and the US government, as well as the EU.

“You should speak to your manager again, stressing that you are overworked and need to rest. If he still refuses to grant you vacation, you should contact the HR department. You are entitled to take vacation and you are experiencing an adverse impact on your right to rest, leisure and paid holidays. At Terma, we are committed to prevent or mitigate the adverse impacts, that we may cause.”



We commit to

- Respecting human rights as outlined by the UN Guiding Principles on Business and Human Rights.
- Zero-tolerance towards slavery and human trafficking.



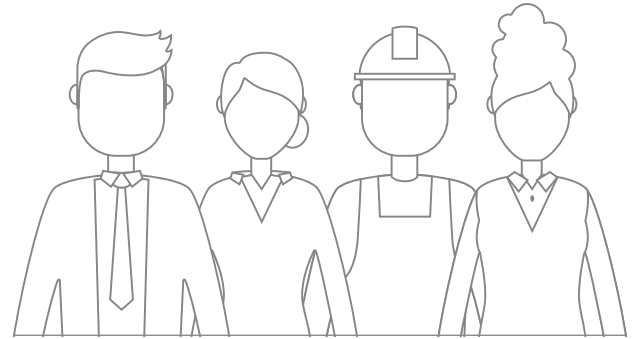
We will

- Conduct human rights due diligence, including regular operational-level human rights impact assessments.
- Raise awareness and train our employees in human rights.
- Require our business partners to respect human rights.
- Provide channels such as *Ethics Line* and *Tell us your concerns* for our employees and external stakeholders to voice their concerns and report misconduct.
- Communicate this policy commitment and our human rights impacts both internally and externally.



We expect you to

- Assist Terma meet our commitment to respect human rights.
- Treat everyone in a respectful manner.
- Inform us immediately about any severe impacts that you become aware of; with us or our business relationships.



Together we will

- Treat everyone with respect and dignity.
- Ensure that our working environment feels safe, tolerant, and supportive.
- Speak up if we see someone's human rights being impacted.

If ever in doubt on how to act, please consult the Ethical Decision Tree herein prior to making a decision.
Still in doubt, discuss the issue with your manager, the HR department and/or the CSR & Compliance Department.

List of Human Rights

Right to self-determination

Right to adequate food and its fair distribution

Right to non-discrimination

Right to adequate clothing

Right to work

Right to adequate housing

Right to equal pay for equal work

Right to water and sanitation

Right to a living wage

Right to health

Right to safe and healthy working conditions

Right to education

Right to equal opportunities for everyone to be promoted

Right to take part in cultural life

Right to rest, leisure and paid holidays

Right to benefit from scientific progress

Right to form and join trade unions and the right to strike

Right to material gains from inventions

Right to social security, including social insurance

Moral rights of authors

Right to protections of mothers before and after childbirth

Right to life

Right to children's and young people's protection from exploitation

Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment

Right to free, prior and informed consent to medical or scientific experimentation	Right to freedom of opinion
Right not to be subjected to slavery, servitude or forced labor	Right to freedom of expression
Right to liberty and security of person	Right to freedom of information
Right to detained persons to humane treatment	Right to freedom from war propaganda
Right not to be subjected to imprisonment for an inability to fulfil a contract	Right to freedom from incitement of racial, religious or natural hatred
Right to freedom of movement	Right to freedom of peaceful assembly
Right of aliens to due process when facing expulsion	Right to freedom of association
Right to a fair trial	Right to protection of the family and the right to marry
Right to be free from retroactive criminal law	Right to protection of the child and right to acquire nationality
Right to recognition as a person before the law	Right to participate in public affairs
Right to privacy	Right to equality before the law, equal protection of the law and rights of non-discrimination
Right to freedom of thought, conscience and religion	Rights of minorities (culture, religious practice and language)

Data Privacy Policy

Introduction

The right to privacy is a human right. The well-being of our employees is a high priority in Terma and respecting their rights as individuals is essential.

Terma is dedicated to ensuring the privacy and protection of our employees' personal data in compliance with applicable laws and regulations.



"I have received an unsolicited job application in my e-mail. It contains personal information about the applicant. What should I do with this information?"

Scope and Definition

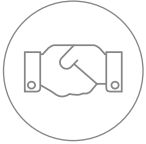
Personal data is defined as any information relating to an identified or identifiable individual, a 'data subject', such as an employee, business partner, supplier, customer, etc.

In practice, personal data is a wide array of information that – either by itself or in combination with other information – can be used to identify an individual, such as name, date of birth, address and phone number, or other information, specific to the physical, mental, economic, cultural, or social identity of a person.

Compliance

Terma complies with relevant national and international legislation regarding data privacy such as the EU General Data Protection Regulation (GDPR).

"You should write to the applicant and thank him/her for showing an interest in Terma and inform that you will have to delete the e-mail due to data privacy regulations and ask the applicant to resubmit the application via the channel available at Terma's website."



We commit to

- Respecting the data privacy rights of our employees and all other individuals with whom we interact; and to demonstrating the utmost care in handling their personal data in a compliant manner.



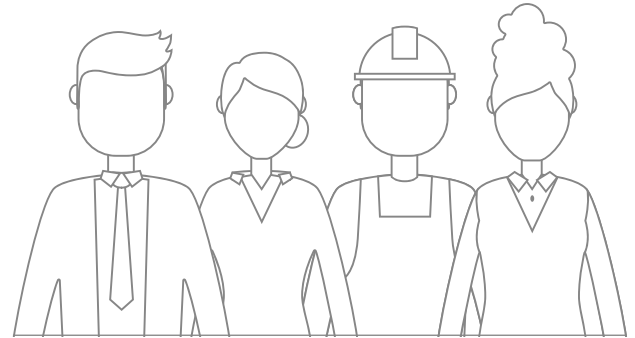
We will

- Describe which personal data we collect and how we use and store it and for which purposes.
- Raise awareness within our organization regarding data privacy and train our employees accordingly.



We expect you to

- Safeguard all personal data entrusted to you and to ensure that the principles of data protection and data privacy are applied.
- Adhere to Terma's data privacy procedures, including Terma's Data Privacy Handbook.



Together we will

- Use personal data only for the particular and legitimate purpose for which it was collected.
- Maintain confidentiality of any personal data we have been entrusted with.
- Ensure we do not keep personal data any longer than necessary.

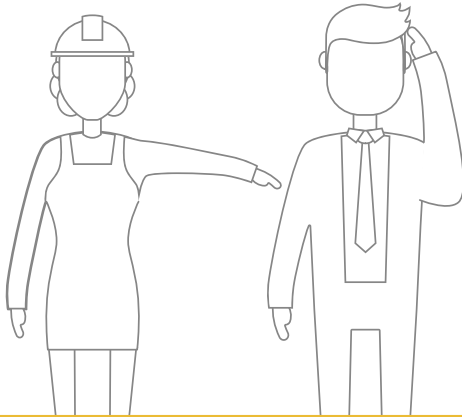
If ever in doubt on how to act, discuss the issue with your manager and/or the GDPR Steering Committee.

Discrimination and Harassment Policy

Introduction

Right to non-discrimination is one of the 48 human rights listed in the International Bill of Human Rights. Terma is committed to respecting human rights.

All employees should feel safe, secure, and comfortable when coming to work. The work environment should be one of tolerance, respect, and inclusion, free from any forms of discrimination, hostility, and harassment.



“My co-worker constantly makes remarks about my clothing and physical attributes in a sexual manner. I feel uncomfortable when she does it and do not know how to respond. What should I do?”

Scope and Definition

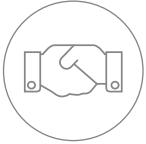
Discrimination can be based on a variety of elements including, but not limited to, race, color, gender, language, religion, political or other opinion, national or social origin, property, birth or other status such as ethnic origin, disability, age health status, parental or marital status, or sexual orientation.

Harassment comes in many forms, and includes among others, intimidating and bullying or physical, psychological, verbal, or sexual harassment.

Compliance

Terma is committed to respect human rights as defined by the UN Guiding Principles on Business and Human Rights, as well as comply with international and national laws and regulations.

“Comments of a sexual nature are not acceptable in the workplace. Terma has a zero-tolerance towards sexual harassment. You should let her know that it makes you feel uncomfortable and that she should refrain from making such comments. If the matter continues or you feel uncomfortable talking to her, reach out to your manager or HR. At Terma, no employee should be subjected to sexual harassment.”



We commit to

- Having a zero-tolerance policy towards all forms of discrimination and harassment.



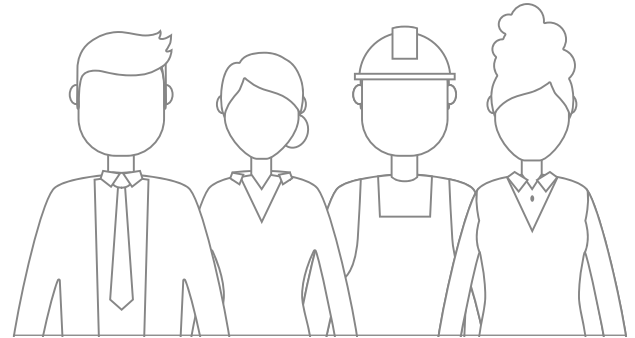
We will

- Refrain from discriminating in our recruitment and promotion processes, as well as in our daily business interactions.
- Provide and ensure a secure workplace free from all forms of discrimination and harassment.
- React prompt to any discrimination or harassment case brought to our attention.



We expect you to

- Treat everyone with respect.
- Base all work-related decisions solely on merits and in compliance with this Policy.
- Encourage others to speak up and never engage in any form of discrimination or harassment.
- Report discriminatory and harassing behavior.



Together we will

- Show respect and treat our surroundings in the same manner we would like to be treated.
- Speak up when we see someone being subjected to discriminatory or degrading behavior.

If you ever feel discriminated against or harassed, please inform your manager, your local Working Environment Representative/Work Council, and/or the HR department or make use of Terma's reporting channels such as *Ethics Line* or *Tell us your concerns*.

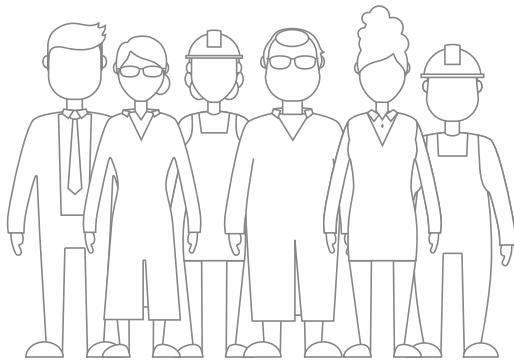
Diversity and Inclusion Policy

Introduction

At Terma, we recognize and value diversity and inclusion. We believe that differences of thought, skills, background, and experience are crucial for the future of Terma.

A diverse and inclusive workplace creates a sense of belonging, where individuals are respected and can perform at their full potential.

We want to create a safe working environment for our employee where they can engage openly and voice their opinions and thoughts.



“I have actively recruited diverse profiles to my department as I believe that this provides value to Terma and is key to high performing teams. By having such a variety mix of employees, I want to ensure that they remain in the organization and that they respect each other’s differences. How do I create and maintain an inclusive working environment where my employees feel heard and valued?”

Our recruitment, development, and career building activities are based on the premises of equal opportunity and supporting a diverse talent pool.

Scope and Definition

Diversity encompasses a wide range of visible and invisible attributes; e.g. age, gender, race, national or ethnic origin, religion, language, political beliefs, sexual orientation, physical ability as well as a diversity of talents, skills, experiences, and abilities.

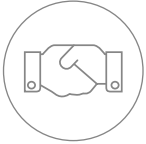
An inclusive workplace is where thoughts, ideas and perspectives of all individuals matter and are valued.

Compliance

Terma is committed to respect human rights as defined by the UN Guiding Principles on Business and Human Rights, as well as comply with international and national laws and regulations.

“Inclusion is key to retaining a diverse team. Everyone wants to feel valued. Here are 4 tips on how you can create and maintain an inclusive working environment.

- 1. If you have international employees, make sure all communication is in English.*
- 2. Set an example by using inclusive and culturally sensitive language.*
- 3. Create a safe space and listen to employee feedback.*
- 4. Encourage your team to take diversity and inclusion training.”*



We commit to

- Achieving more diversity and gender balance in our organization.
- Providing an inclusive and welcoming environment for all people, including but not limited to, employees, customers, suppliers, and business partners.



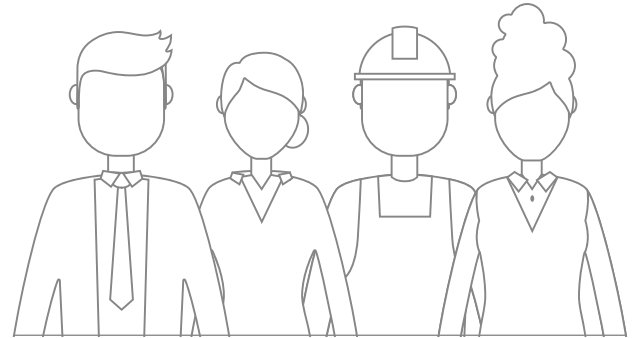
We will

- Maintain a strong focus on diversity and equal opportunity in recruitment, compensation, termination and other conditions of employment, as well as provide adequate training for our employees and leaders.
- Maintain an inclusive and tolerant workplace.



We expect you to

- Be respectful towards everyone with whom you interact.
- Consider diversity, when making a recruitment, development, or promotion decision.
- As a manager promote equal opportunities and create an inclusive working environment for your employees.



Together we will

- Create an inclusive, harmonious, and welcoming workplace.
- Treat everyone with respect and be respectful of cultural and other differences.

If ever in doubt on how to act, please discuss the issue with your manager and/or the HR Department.

Health, Safety and Well-Being Policy

Introduction

Occupational health, safety and well-being is essential in any workplace. Terma is dedicated to providing the best possible working environment for our employees as this is a necessary and vital condition for ensuring job satisfaction, health and safety, a positive work life, and for Terma to be an attractive workplace.

We believe that accidents at work and occupational diseases are preventable. By building and maintaining a strong preventive culture, we strive to eliminate work-related accidents, harm, and occupational diseases. Our vision is to have zero work injuries. We will achieve this by following our safety principles and Terma's Safety Excellence Program.

The health and well-being of our employees is important, therefore we support a culture, where well-being and a good physical work environment are prioritized.

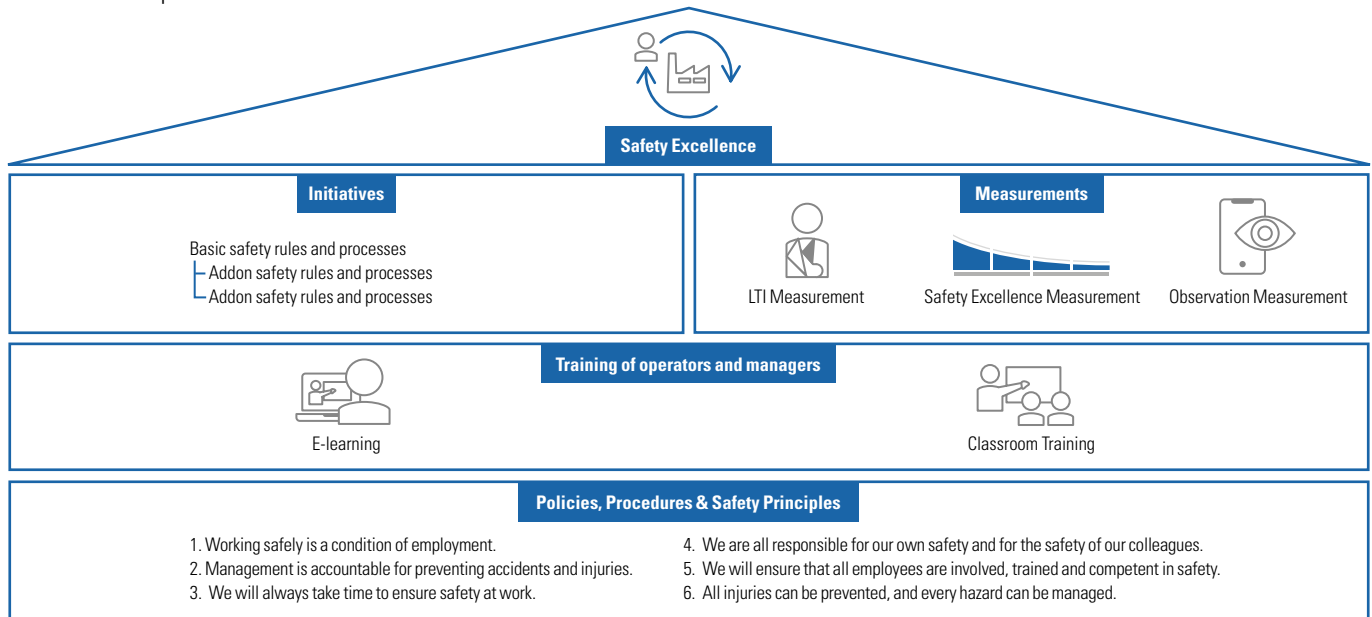
Scope and Definition

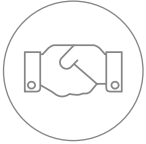
This policy covers the physical and psychological working environment, and the general well-being and safety for all employees at Terma. It also covers employees on travel for Terma.

This includes, but is not limited to, safety regulations, handling of occupational accidents, mental well-being (e.g. stress), facilities, work life balance, and substance abuse.

Compliance

Terma is committed to respect human rights as defined by the UN Guiding Principles on Business and Human Rights, as well as comply with relevant national and international health and safety regulations and requirements.





We commit to

- Providing a safe and healthy working environment for our employees and to prevent accidents.



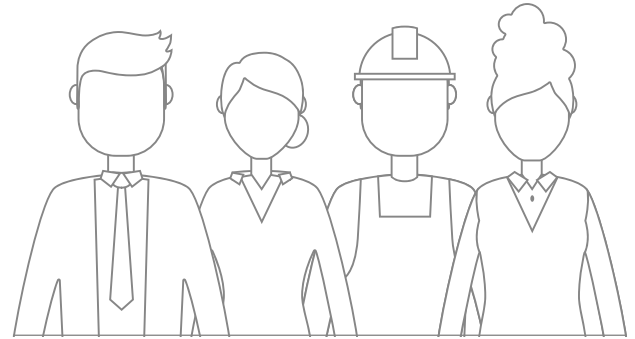
We will

- Invest in our employees' health, motivation, safety and systematically improve the working environment.
- Implement relevant guidelines and procedures and communicate these to employees.
- Register all reported incidents and develop new proactive measures to ensure the prevention of similar future incidents.



We expect you to

- Observe the health and safety rules and take the necessary precautions in order to protect yourself, your co-workers/colleagues, and any visitors.
- Report all accidents, near-misses, injuries, and unsafe acts and conditions.
- Adhere to Terma's Alcohol & Drug Policy to maintain a workplace free from illegal use, possession, sale, or distribution of drugs and alcohol.



Together we will

- Remind our colleagues and visitors of the applicable rules.
- Keep an eye out for our colleagues. Stop immediately any unsafe behavior that we might witness.

If ever in doubt on how to act, please consult the Ethical Decision Tree prior to making a decision. Still in doubt, discuss the issue with your manager, your local Working Environment Representative, the HSE&E Department, and/or your local Work Council.

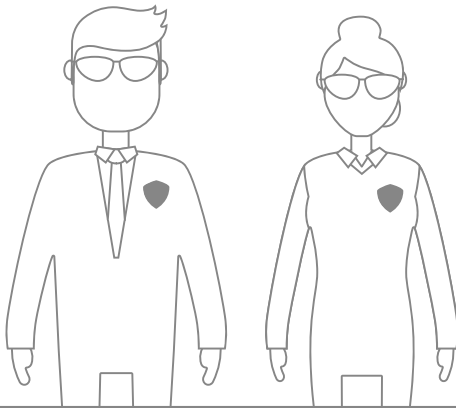
SECURITY

Security Policy

Introduction

As an international company, working with classified, export-controlled and sensitive information within the aerospace, defense, and security sector, Terma is exposed to advanced threats and is under strict regulations and requirements from government authorities, customers, and partners.

Failing to comply with the security requirements could compromise national and international security, lead to the loss of human lives, criminal law prosecution of both the corporation and individuals, and loss of contracts and production licenses as well as severely tarnish Terma's brand and our stakeholders' trust in Terma.



"A project was running late and I needed my Project Manager to review some of the work, which was classified. The Project Manager was out of the office, so he ordered me to send it in an email. Since the work is classified, I know that this is a breach of the security regulations, but on the other hand, the whole project could be delayed or lost. Can I send the information?"

Scope and Definition

Terma's Security Program is primarily based on NATO's security regulations, national regulations and laws as well as internal risk assessment. The Program describes why and how we work with security. The Security Program is divided into Physical, Personnel, and Information Security which is described in the Security Program. Specifically, Terma's Information Security Program, based on CMMC, ISO 27001 and national regulations, covers Document, IT, Operational Technology, Cyber, Product, Human Information, and Crypto Security.

Compliance

This policy statement is implemented in accordance with CMMC and the applicable legal and regulatory requirements of, but not limited to, national as well as international authorities such as NATO, EU, and MISWG.

"You should inform your Project Manager that the work is classified and that a breach of the security regulations could have severe consequences for Terma, the information owner, as well as for you both. You should contact Security for further guidance and see if a viable solution to the problem can be found."



We commit to

- Being a trustworthy partner with a high level of security who complies with relevant laws, regulations, and obligations in relation to security and safeguarding classified, export-controlled, and other sensitive assets.



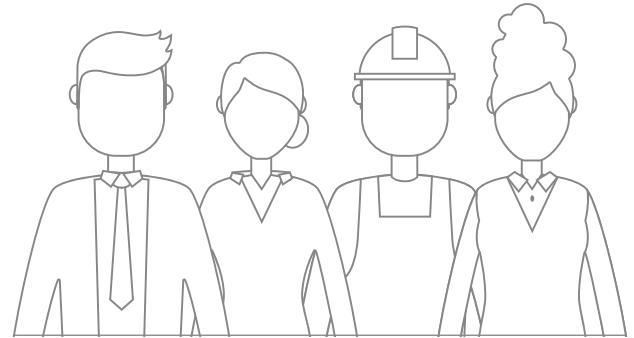
We will

- Ensure that our facilities and security measures are compliant to the level of security requirements.
- Ensure our employees are trained and aware of the security risks.
- Maintain a security risk assessment in order to counter unacceptable security risks.



We expect you to

- Stay vigilant, be aware of restrictions and risks related to the assets you are working with, and comply with regulations and restrictions related to the Security Program.
- Speak up if you witness a breach of compliance.
- Contact your Manager or the Security Department, if you make a mistake that could compromise security.



Together we will

- Work with integrity and set the right example. As a manager we introduce, train, and support our employees to comply with security requirements. As an employee we are aware of the security requirements we have to abide by, and we are actively supporting our colleagues to do so.
- Be able to continue to work in the field of aerospace, defense, and security by being aware of security requirements and comply with these.

If ever in doubt on how to act, please consult the Ethical Decision Tree herein prior to making a decision.
Still in doubt, discuss the issue with your manager and/or the Security Department.

ENVIRONMENT AND CLIMATE



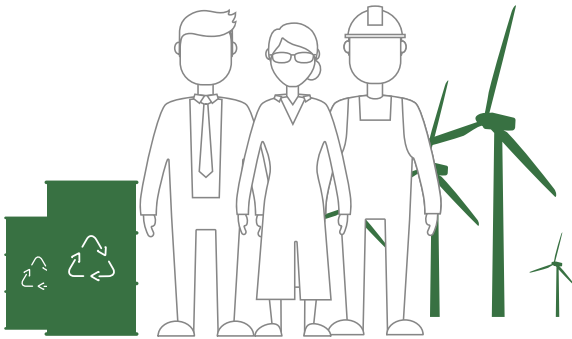
Environment and Climate Policy

Introduction

At Terma, we are respectful of the environment and climate and strive to reduce the adverse impacts from our own operations and value chain.

We actively focus on energy and emission reduction activities, the purchase and installation of renewable energy sources, as well as reducing the use of water.

Moreover, we have a strong focus on waste reduction and recycling. We continuously identify hazardous waste products to be reduced or substituted and thereby challenge the industry to change practices.



We want to produce our products in an environmentally conscious manner, thinking environment and climate considerations into the design phase, challenging functionalities, and production processes, innovating, and finding new ways of thinking.

Scope and Definition

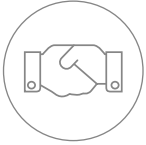
Terma's environmental and climate impact is the impact we have on living and non-living natural systems including, but not limited to, water, air, land, and ecosystems.

Compliance

Terma complies with relevant national and international environmental legislations, requirements, and standards including the REACH regulation and RoHS directive.

"I have noticed that turning off specific machinery between use will considerably lower the level of energy consumption. Operators normally leave it turned-on out of ease and habit. What should I do?"

"You should talk with your Environmental Representative and discuss your observation. Together you review how the turning off of the machine could be implemented, minimizing Terma's environmental impact and reducing costs."



We commit to

- Minimizing our environmental impact.
- Investing in renewable energy sources.
- Reducing emissions, hazardous waste, and the use of water



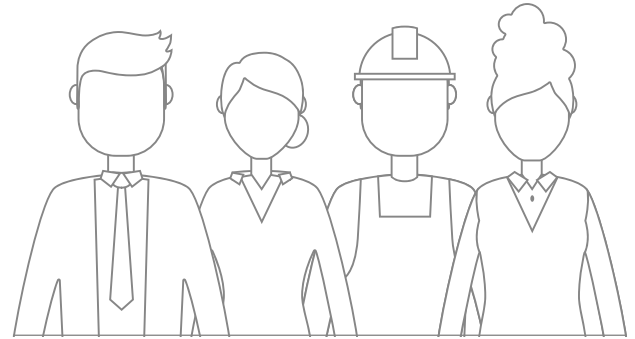
We will

- Use energy more efficiently and reduce our emissions.
- Prevent and reduce pollution to soil, water, and air.
- Minimize the use of water
- Involve employees and other stakeholders in improving Terma's environmental footprint.



We expect you to

- Be actively involved in improving Terma's environmental footprint.
- Use the 3 R's in your daily routines: Reduce, Reuse and Recycle.
- Reduce work travel – hold virtual meetings instead.
- Turn off unnecessary lighting and machinery – including standby and chargers – or use a timer.



Together we will

- Take care of the environment and climate as part of our everyday routines.

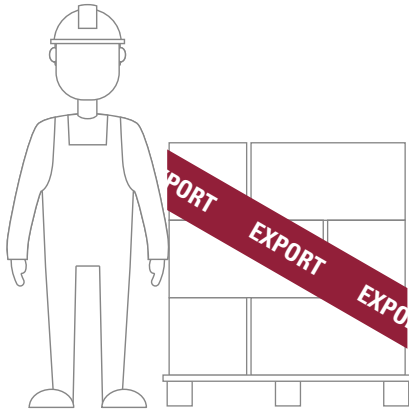
If you have any environmental initiatives and efficiency ideas, please contact the Health, Safety, Environment and Energy (HSE&E) Department.

GLOBAL TRADE COMPLIANCE

Export Control Policy

Introduction

Export control regulations are common and set in place to ensure that certain types of products and technologies are not exported and/or shared without prior authorization by relevant governmental authorities.



"I am engaged in aircraft selfprotection product development activities in Terma in Denmark and want to share a product drawing with my colleague in Terma in the U.S. Can I just e-mail the drawing to him?"

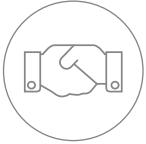
Scope and Definition

The majority of products and technologies produced, used or otherwise handled by Terma are subject to export controls of one or multiple jurisdictions. This means that certain government authorizations are required in order for Terma to export, re-export, or otherwise share products, technologies, or data or perform services. In addition, in some cases, there are governmental prohibitions restricting export and re-export to individuals, companies, and countries.

Compliance

This policy statement is implemented in accordance with the applicable export control and trade compliance laws and regulations. Failure to comply, or failure to report any possible violation, can cause severe penalties and restrictions on our business in the future.

"No. Such drawings might be subject to Danish arms export control and sending the drawing to Terma in the U.S. constitutes an export from Denmark to the U.S. Before you send the document, you need to make sure that a proper export license from the Danish government exists or is obtained, if needed."



We commit to

- Complying with all applicable export and trade compliance laws in all countries in which Terma operates. This includes embargoes, sanctions, and other export restriction (“export controls”).



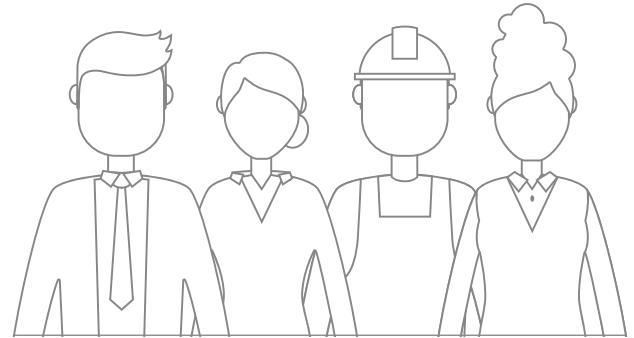
We will

- Provide dedicated resources to manage export control awareness and compliance throughout our organization to support compliance activities in the operational business.
- Incorporate export controls into our business procedures to ensure that compliance is an integrated function of the business.
- Develop and provide training in the relevant controls to all relevant business areas and group functions.
- Foster, maintain and continuously develop a corporate culture signified by a strong awareness and acceptance of export control and compliance as a keystone to the business model Terma wants to be known for.



We expect you to

- As a manager, secure and encourage a high level of awareness and compliance.
- As an employee to observe and strictly adhere to all applicable export control laws and Terma’s commitment to compliance.
- Obtain and maintain a basic understanding of export controls through the resources made available.
- Know the requirements of Terma’s compliance procedures where applicable to your duties.
- Seek appropriate guidance in a timely manner.



Together we will

- Not export any product, software, document, service, or technology nor share it with anyone outside our organization without first making sure that all prerequisite government authorizations as they may apply to such transaction exist or are obtained, and that any contractual confidentiality obligation is adhered to.

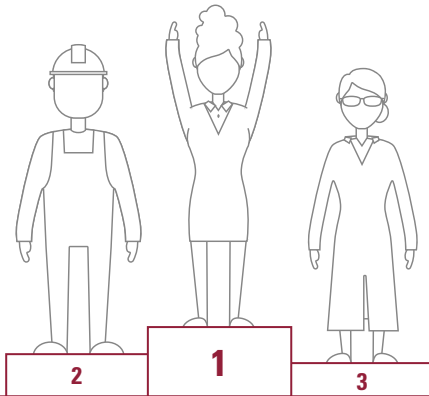
If ever in doubt on how to act, please contact [Legal Services](#).

Competition Law Policy

Introduction

Competition laws apply in the various jurisdictions where Terma conducts business. The competition regulations serve to protect a free and open competitive market for products and services. Unfair competition contributes to creation and maintenance of monopolies and effectively hinders economic, social, and technological development, in particular, in lesser developed markets.

Compliance with the competition legislation is a requirement to all Terma personnel, and in particular, relevant to staff who have contact with external parties within our industry and who commit Terma in agreements and contracts as part of their work for Terma.



"I have been approached by a competitor in a tender and asked whether we would agree to bid together and increase the chance of getting the contract. Should I agree and Terma join forces with the competitor?"

Scope and Definition

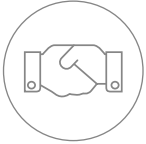
The overall aims of the competition laws are to secure the optimal, free, and transparent competition on the market, and prevent cartels and other activities which reduce competition. It is imperative to be aware of these rules in interactions with all third parties and in particular with actual or potential competitors.

It is imperative that all Terma personnel who enter into commitments which may affect competition are aware of the applicable competition laws. No agreement or any kind of external commitment may have as its purpose or consequence to obstruct competition.

Compliance

Terma's policies and procedures are in compliance with European and U.S. competition regulations and national applicable laws in all countries in which we operate.

"No, competitors for a contract may not agree to team up to decrease or eliminate competition. You should contact Legal Services for advice on an appropriate way to decline the offer."



We commit to

- Observing strict compliance with all aspects of the competition laws which apply to Terma's business.



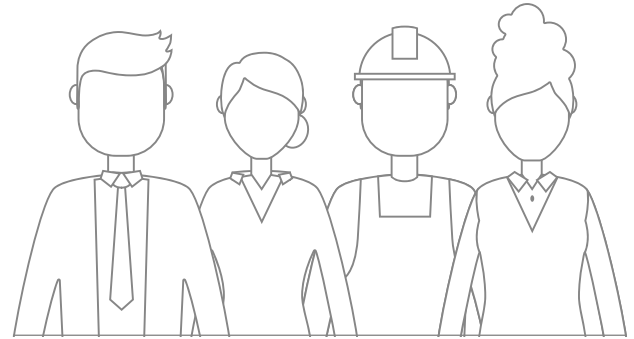
We will

- Ensure that Terma employees are trained in compliance with applicable competition laws.
- Maintain procedures to support compliance and provide guidance to employees, who engage with third parties on behalf of Terma.



We expect you to

- Attend compliance training and to strictly adhere to Terma's policy and procedures in regard to competition laws.
- Actively refrain from any participation in any effort with competitors to limit competition.
- Act in support of a culture where compliance with the law is a key element to doing business.



Together we will

- Keep each other aware of the importance of being compliant with Terma's policies and procedures regarding competition laws.
- Act with care when co-operating with or otherwise interacting with (potential) competitors to Terma.

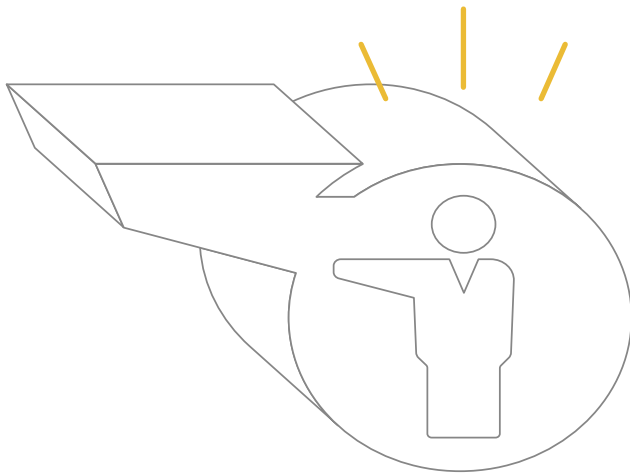
If ever in doubt, then discuss the issue with your manager or contact Legal Services to seek clarification or direction regarding the correct interpretation of the rules and understanding of the regulatory restrictions.

Reporting Channels

Every employee is responsible for knowing what is expected. By becoming familiar with this Code and the policies and procedures it highlights, you will be better equipped to recognize and handle ethical dilemmas. It is important to ask questions or raise issues if you experience a situation that might have ethical implications. When in doubt: speak up. Talk to your colleagues, manager, or relevant departments, such as Legal Services, HR, and the CSR & Compliance Department.

Report your Concerns

Terma has two reporting channels, *Ethics Line* and *Tell us your concerns*, to report concerns depending on the seriousness of the concern. Please note, that no classified information can be reported in any of the two systems.



Ethics Line

Terma's *Ethics Line* offers a confidential and safe channel where **any employee or third party of Terma** (e.g. suppliers, consultants, etc.) can report concerns if they suspect that **serious or illegal misconduct** or other potential wrong-doing is taking place. The *Ethics Line* system operates in strict compliance with data privacy regulation. All reported incidents will be handled in an anonymous and professional manner without fear of retaliation for reporting.

Employees can report **anonymously** or by name to the system and the report will be automatically transferred to Terma's Ethics Committee. The whole process is transparent and is described in the *Ethics Line* procedure in Terma Business System and on Terma's internal Portal.

You can **report serious or illegal misconduct** and other potential wrong-doings including, but not limited to:

- Criminal offences, including bribery, fraud, and forgery of documents
- Violence or assault against employees
- Security breaches
- Violation of laws and regulations
- Violations of trade sanctions

The full list of subjects that can be reported on can be found in Terma's *Ethics Line* procedure.

Tell us your Concerns

Terma's system *Tell us your concerns* is an **internal case management** system for **Terma employees**. It is for all **concerns** and reports which do not rise to the level of serious illegal misconduct of the type

Disciplinary Measures

that should be reported via Terma's *Ethics Line*. **You cannot report a matter anonymously**. All reports will be treated in a professional and confidential manner. The whole process is transparent and is described in the *Tell us your concerns* procedure in Terma Business System and on Terma's internal Portal.

You can report concerns and other potential wrongdoings such as but not limited to:

- Bullying
- Harassment
- Environmental negligence
- General work conditions
- Discrimination

The full list of subjects that can be reported on can be found in Terma's *Tell us your concerns* procedure. Reports concerning the physical working environment should not be reported in *Tell us your concerns*, but instead to your local Working Environment Representative and/or your local Work Council.

Protection and Non-Retaliation

Retaliation against an employee for reporting an issue or raising a legitimate concern involving a violation of company policy, law, or regulation is strictly prohibited. Allegations of retaliation will be treated seriously and be thoroughly investigated. Confirmed allegations of retaliation will result in appropriate disciplinary action, up to and including termination of employment.

Terma is committed to protect and support our employees. Any employee who refuse to act unethically, in keeping with Terma's Anti-Corruption Policy and procedures, as well as or other relevant policies in this Code of Conduct, will be protected and supported even when such actions result in loss of business or other disadvantages to Terma.

All employees are expected to comply with all of the policies described in this Employee Code of Conduct and relevant supporting procedures, as well as applicable national and international legislation, regulation, and other requirements.

If ever in doubt on how to act, it is the responsibility of the employee to seek guidance and talk to his/her manager or relevant department and/or raise the concern via *Ethics Line* or *Tell us your concerns*.

Consequences for Violating this Code

Depending on the gravity of the violation, disciplinary measures range from an oral or written warning to termination of employment, and in cases of illegal misconduct prosecution. All violations will be noted in an employee's HR file.



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