

# JØTUL GROUP

## Code of Conduct & Ethical guidelines

For all employees and  
persons with honorary positions

Adopted by the Board of Directors on the 7<sup>th</sup> of December 2015

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## 1. Introduction

The Jøtul Group is the leading manufacturer of well-designed stoves and fireplaces for selective consumers worldwide. Drawing on our Nordic heritage and expertise, our portfolio of brands offers quality warmth and comfort, along with low lifecycle impact. We share this expertise with partners and consumers.

The products are sold worldwide under the brands Jøtul, Scan, Atra, Ild, Warm and Jøtul Accessories. In addition the Jøtul Group acts as distributor for other products related to the stove and fireplace industry, such as steel chimneys etc.

The parent company in the Jøtul Group, Jøtul AS, is a Norwegian company. It has strategic and governing responsibilities for the subsidiaries and maintains group functions for all subsidiaries and brands. The majority owner of the Jøtul Group is the Swedish private equity conglomerate Ratos AB. Ratos shares are listed on Nasdaq OMX Stockholm, Large Cap.

In the Jøtul Group we shall pursue ambitious business goals, with a broad social perspective. Our core values are; *responsive, service-minded, educational and transparent.*

The Jøtul Group's values are results-oriented, yet balanced by a social perspective. We are genuinely open-minded, transparent and dedicated to sharing our knowledge with others. They are a reflection of our product qualities across all parts of the organization and value chain.

Our goal is to firmly establish these values in our corporate culture. This Code of Conduct is a common platform for our way of doing business throughout the world. It will be communicated internally and externally and shall be available on the Jøtul Group web site and on our intranet site. In our view, high ethical standard is one of the pillars for the trust and credibility that we have accumulated during our long history.

## 2. Scope

The Code of Conduct applies to *all employees* in the Jøtul Group and to all representatives, including temporary staff, consultants, board members and advisors.

- Group Management is responsible for the ethical guidelines and for monitoring these in the Jøtul Group
- All subsidiaries of Jøtul AS shall directly adopt the Code of Conduct as presented here as their own Code of Conduct
- All parties concerned have a responsibility to be aware of the guidelines and their implications in relevant contexts. In the event of questions or doubts about what the guidelines imply or how they should be put into practice, the immediate manager should be consulted.

- Managers in the Jøtul Group have a special responsibility and should lead by example. All managers are required to go through the Code of Conduct with new employees and regularly with other employees so that all parties concerned are aware of the guidelines and what they mean in relevant contexts.
- The group management team is responsible for making sure that an implementation plan exists and that it is followed by subsidiaries and in the rest of the organisation.

The Jøtul Group will ensure that immediate disciplinary actions, such as termination of employment, are taken against those who violate this Code of Conduct and that circumstances in violation of applicable laws and regulations are reported to the relevant authorities.

The Code of Conduct should be read in combination with other Jøtul Group policies, such as; Policy for Financial Reporting, Environmental Policy, ICT Security Policy, Information Policy and Personnel Policy.

The Code of Conduct is compliant with all principles in the Ratos Group code of conduct.

### **3. The Jøtul Groups commitments**

Our Code of Conduct is based on the UN Global Compact's ten principles which are in turn based on the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at work, the Rio Declaration on Environment and Development, and the UN Convention Against Corruption. It is our view that professional, active and responsible business includes compliance not only with local laws and regulations, but also compliance with well-established and widespread human rights conventions, agreements and ethical standards.

### **4. Relationships to employees, customers, external parties and the outside world**

#### **a. Respect for people and human rights**

*The Jøtul Group respects basic human rights*

- We respect the UN conventions on human rights and accept the responsibility we have towards our employees and the communities in which we operate.
- We comply with the laws and regulations that apply in the countries in which we operate.

*The Jøtul Group offers our employees fair and reasonable working conditions*

- Our employees are one of our most important resources and relationships must be based on mutual respect and trust.
- We seek to attract, develop and retain qualified and motivated employees in a professional environment.
- Our employees shall be offered a safe and healthy work environment which we continuously seek to improve.

- The conditions of employment offered to employees must meet the minimum requirements in national law and/or collective agreements as well as relevant ILO conventions. We make every effort to pay fair salaries and remuneration in accordance with relevant norms in the locations in which the Group has operations.

*The Jøtul Group rejects child labour and forced labour*

- We do not employ any person under the age of 15 or any applicable higher statutory minimum age.
- We do not accept forced labour, slave labour or other forms of involuntary labour at our workplaces.

*The Jøtul Group is a non-discriminatory workplace*

- We offer all individuals equal opportunities regardless of skin colour, gender, nationality, religion, ethnicity or other distinguishing characteristics.
- We make active efforts to achieve a corporate culture and workplace free from discrimination and harassment.

*The Jøtul Group respects our employees' right to be organised*

- Our employees are entitled to form or join a trade union and we respect the rights of our employees and their trade unions to negotiate collective agreements.

*Stance against purchase of sexual services and child pornography*

- Purchase of sexual services, sexual exploitation of children and child pornography is illegal based on legislation in several countries, including Norway, and can support trafficking, which is a violation of human rights.
- Employees in the Jøtul group on assignments and business travel, also internationally, are expected to respect this stance. This applies irrespective of country and both during and after working hours.

**b. Customers**

The Jøtul Group shall gain customer trust through an educational and responsive behaviour. In a long term perspective we are a solid and trustworthy business partner. All advice given to customers, be it a dealer or an end user, shall therefore be based on our professional knowledge and competence. Employees shall not advice in matters where they are not competent or where they are uncertain about the current legislation in vigour. In those situations we shall seek advice before responding with correct information.

**c. The outside world**

As the leading manufacturer of stoves and fireplaces, the Jøtul Group is a natural point of contact for NGO's, authorities, journalists and others who seek information or advice about the stove and fireplace industry. We treat these opportunities with respect and we value the possibilities for new business that may occur from a good relationship with these parties. The group Information Policy regulates how communication with journalists shall be administrated.

#### **d. The Environment**

Consistent and long-term environmental work creates both environmental benefits and value

- Our aim is to meet the expectations placed on us by the company's shareholders, employees, the outside world, as well as partners and customers, regarding our business model and long-term sustainable development.
- In our operations we will, wherever possible, work to reduce our environmental impact by preventing and reducing pollution and the use of harmful substances and contribute to long-term, sustainable development through active and systematic environmental work.
- Environmental considerations shall be an integral part of our business activities. The Jøtul Groups position regarding the environment is described in more detail in our Environmental policy.

Regular control of product safety

- Products manufactured within the Jøtul Group and must comply with all laws and regulations relating to product safety in the countries to which they are sold.
- It is important that our employees are aware of which regulations apply to product safety and that regular checks are performed to ensure compliance.

#### **e. External parties, such as suppliers and co-operation parties**

In the Jøtul Group, we promote decent working and environmental standards in our supply chains. We cooperate closely with our suppliers and business partners in pursuit of this aim.

- We strive to ensure that our suppliers, agents, co-owners and other business partners comply with the principles of our Code of Conduct.
- When selecting suppliers and partners, the assessment shall include their ability to comply with the relevant requirements in this Code of Conduct.
- A supplier must be able to document compliance with the Code of Conduct at the Jøtul Groups request. Such documentation may take the form of self-declaration, follow-up meetings and/ or inspections of the working conditions at the production site.
- In the event of a breach of the code of conduct, the Jøtul Group and the supplier will jointly prepare a plan for remedying the breach. Remediation

must take place within a reasonable period of time. The contract will only be terminated if the supplier remains unwilling to remedy the breach following repeated enquiries.

**f. Competitors**

Fair competition results in a positive development for the Jøtul Group and our employees. We are prepared to compete and shall bring our products to the marketplace in an orderly manner. We treat our competitors with respect.

It is natural to point out product and brand advantages, and the way we talk about competitors and their products should be based on facts and follow the principles of fair and honest competition.

**5. Conflicts of interest / Legal competence**

**a. Legal competence**

All representatives of the Jøtul Group shall conduct their private and other external activities and financial interests in a manner that does not conflict or appear to conflict with the interests of the Jøtul Group.

In general it could be said that an employee is not legally competent if there are circumstances that *may* lead to him or her being seen by others as not acting in the best interests of the Jøtul Group. Such circumstances could be family bonds, close personal relations and/ or financial interests, here included ownership or honorary posts in companies, clubs etc.

An employee shall notify the direct manager in situations where a conflict of interests may occur.

**b. No political stand**

The Jøtul Group does not take a political stand and therefore we do not use funds from the Group to support political campaigns or other political purposes.

**c. Corruption, gifts and benefits**

All employees and representatives are expected to show honesty and integrity in dealing with other employees, customers, suppliers, business partners, organisations and authorities.

- The Jøtul Group has zero tolerance for all forms of corruption and makes active efforts to ensure that this does not occur within the Jøtul Group.
  - The term corruption refers to abuse of a position of trust for own or the company's gain, for example through the use of bribes.
  - It is forbidden to offer, promise or give as well as request, accept a promise of or receive a bribe.

- A bribe is a gift or other benefit that might influence another person, as part of their employment or duties, to show improper favour to the giver.
- The Jøtul Groups employees may, for example, not offer, give, receive or request gifts, services, entertainment or other rewards that
  - Violate accepted business practice.
  - Have an unreasonable value.
  - Consist of money, securities, cash loans, other types of personal payments in the form of discounts, commissions, bonuses or fees.
  - Consist of pure leisure or vacation trips.
  - Violate existing laws and/or go beyond local custom.
  - Are offered to people employed in the public sector in conjunction with imminent or ongoing procurement or decisions which constitute the exercise of authority.
  - Are other rewards which due to their value or other relevant circumstances are typically likely to improperly influence the recipient in the exercise of their professional duties or in another manner risk embarrassing the company or the employee in the event they become public knowledge.
- This does not prevent Jøtul Group employees from receiving or offering rewards designed to retain and promote good business relationships with customers and other business partners.
  - This subject to the condition that such rewards are modest, openly accepted and offered and otherwise compliant with this Code of Conduct

The Jøtul Group works systematically to prevent corruption

- The management of the Jøtul Group and its legal entities are responsible for regular analysis of the risks of corruption related to their own operations.
- The management is responsible for maintaining an adequate anti-corruption programme and implementing any other measures regarded as necessary in order to prevent the corruption risks identified in the risk analysis.

We support and aim to achieve fair competition

- The Jøtul Group shall comply with the laws and regulations of each country in which it operates and compete in a fair manner and with integrity.
- The Jøtul Group shall not exchange information or enter into agreements or understandings with competitors, customers or suppliers in a way that



improperly influences the market place or the outcome of a bidding process.

- The Jøtul Group shall use legitimate methods to gather information about its competitors.

We comply with applicable rules for export controls

- The Jøtul Group shall comply with all applicable rules regarding export controls, including not acting contrary to, or with persons implicated in, economic sanctions.
- The Jøtul Group shall further not trade in or export sensitive goods without the requisite export permits.

The “Newspaper test”

- When in doubt, consider “Would my parents and grandparents appreciate reading about this on the front page of the national newspaper?” If the answer is no there is a good chance that we should reconsider our intended actions.

## **6. Duty of care for the company’s assets**

Our employees respect the Jøtul Group’s property

- The Jøtul Group has both physical assets (machinery, equipment, etc.) and intellectual property (computer systems and programs, concepts, trade secrets, brands, etc.)
- The Jøtul Groups assets, including communication systems, may only be used for legitimate business purposes and not for personal gain or gain for a third party.
- Use of computer equipment shall be in accordance with prevailing ICT policy.
- The employee has a duty to protect the Jøtul Groups property and assets against damage, theft and misuse.

## **7. Accounting, information and financial reporting**

The Jøtul Group aims to provide transparent, accurate, continuous and timely financial information of the highest quality with the aim of conveying a true view of the Jøtul Group’s performance

- All financial transactions shall be reported in accordance with generally accepted accounting practices, and the accounting records must show the nature of all transactions in a correct and non-misleading manner.
- Financial and sensitive information, which could influence the value of Ratos shares, must be communicated in accordance with applicable laws, stock exchange rules (including listing agreement) and other regulations.

## **8. Personal information**

The Jøtul Group respects personal information and handles it carefully

- The Jøtul Group respects individual personal information that the company can obtain or use in information processing. We ensure that personal data is handled in accordance with applicable laws and regulations.

## **9. Confidentiality**

Jøtul Group employees may not spread or abuse confidential information

- This principle may be waived if specific permission has been given by the immediate manager.
- Examples of confidential information include non-public information about our operations, financial position, strategies, business transactions, business plans, business processes, etc.
- The Jøtul Group requires employees and other persons who perform services for the Jøtul Group, when relevant, to sign a confidentiality agreement. The obligation to maintain confidentiality survives the termination of employment or consultancy work.

## **10. When private matters may intervene with company interests**

### **a. Social Engagement and Social Media**

The Jøtul Group encourage it's employees to take part and be involved in the local communities in which we operate. Honorary positions should be notified to the direct manager. If employees on behalf of clubs or societies apply for sponsorships, these will be considered on equal terms as for other applications.

Employees in the Group should not use their position in the Jøtul Group to promote personal interests in public debates, be it in newspapers or in Social Media.

Employees should in relation to customers and the public act in a way which is not damaging the credibility or reputation of the company. The same applies for handling of confidential information online as in all other circumstances.

### **b. Family bonds**

Siblings, parents/ child, married/ partners/ people who live together, should, as a guiding rule, not work under the same manager or in the same department. Persons with familiar bonds should normally not have positions where one has the possibility to hinder, evaluate, approve, revise, control or in any other way affect the other persons work.

Dispensations can be made, for instance when employing summer interns or other short-term, temporary positions.

## **11. Company culture and responsibilities towards colleagues**

It is our mutual responsibility to promote a team spirit and a good working environment. Each and every one shall treat their colleagues, customers, competitors and others with respect, care and decency.

Under the motto “One Jøtul” we strive to reduce silo thinking and sub-optimisation in the organisation. Good ideas on how to do things smarter in view of the value stream are valued.

## **12. Personal responsibility and routines for reporting violations**

All employees must read the Code of Conduct and are responsible for knowing the laws, guidelines and regulations relevant for their working duties.

If an employee has questions relating to practical situations (e.g. giving or receiving of gifts/rewards or conflicts of interest) the immediate manager should be consulted in the first instance. If an employee suspects a possible behavior that deviates from the Code of Conduct, this should be reported to the immediate manager as soon as possible. If such person is involved or otherwise disqualified, the event should be reported to the next-highest manager or the HR Manager according to the instructions for reporting of violations to the Code of Conduct (QA document KII-525-05). All reports shall be taken seriously and investigated where necessary. There shall be no form of retaliation (termination of employment, harassment, discrimination, etc.) for reporting in good faith of a violation of the Code of Conduct or participation in the company’s investigation of a complaint.

## **Appendix 1 – Internal information for improved managerial understanding**

### **The United Nations Global Compact's ten principles**

Explanations on the rationale behind our Code of Conduct, with examples and best practices on how to address the various sections can be found online at:

<http://www.unglobalcompact.org/abouttheGC/TheTenPrinciples/index.html>

#### **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### **Labour**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### **Anti-Corruption**

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.