

Policy of anti-corruption and bribery and related guidelines



HedeDanmark

nature is our business

Lars H. Petersen
Managing director



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Illustrations: Claus Riis

Manager:

Contributing to a better world

At HedeDanmark, we are open and honest regarding our behaviour and we take responsibility for our actions which we are always willing to defend. This is a promise we make to ourselves and the outside world. This promise also means that we want to contribute to eliminate corruption and its negative effects on humans and societies throughout the world.

We make it partly because our customers and partners are increasingly demanding and expecting us to document that we do not contribute to corruption. But primarily because we at HedeDanmark want to fight and counteract the negative impacts of corruption.

HedeDanmark wants to do business in a proper and responsible manner based on professionalism, value creation and innovation. This business method has formed the basis of HedeDanmark for many years. Our business approach has always been and will continue to be business conducted at a high level of professional standards and ethics and according to sound business principles.

At HedeDanmark, we have established a code of conduct regarding dealings with the world of which we are a part. But times are changing and what used to be good, acceptable behaviour in a workplace may change in a matter of a few years. As a result of these changes, there will always be new areas that give rise to uncertainty. When is a gift a bribe? Does HedeDanmark support political purposes and how should you act when you want to collaborate with close friends, relatives or family?

We will try to answer these questions in this folder which does not consider all situations but describes HedeDanmark's overall principles in various areas of importance. The principles described in this folder should be seen as a tool in the fight against corruption and as an aid for all employees to ensure that together we are complying with the expectations and norms set by ourselves and the outside world.

HedeDanmark cannot eliminate corruption on its own but we can help fight a global problem. This in itself is a major, and an important, step to create a better world.

Viborg, 16 November 2016
Lars H. Petersen
Managing director

Guidelines and code of conduct

HedeDanmark's policy to fight corruption and bribery and the related guidelines outline the way we do business. It also describes how we are to act as employees in HedeDanmark and handle the ethical issues we meet in our daily work. This policy and the related guidelines apply to all employees of HedeDanmark, including employees in subsidiaries owned by HedeDanmark.

If local laws and regulations in your country are stricter than the rules described in this policy and related guidelines, you must comply with the local regulations as well as the rules stipulated by HedeDanmark. It is important to comply with the instructions described in this policy and the guidelines as incorrect decisions may have a negative impact on HedeDanmark's reputation. At worst, violations may be prosecuted or fined.



Manager responsibility

- Promote sound business principles and good conduct in his / her own area of responsibility and at all times set a good example.
- Ensure that your employees understand their responsibility.
- Create an environment where employees feel comfortable to voice their concerns.
- Ensure that all new employees are introduced to and understand the policy to fight corruption and bribery and the related guidelines.

Employee responsibility

- Read, understand and comply with HedeDanmark's policy to fight corruption and bribery and the related guidelines.
- Understand the channels to use if you want to report any concerns regarding violations.
- Report if you encounter a problem regarding violation of policies and guidelines.

Checklist of code of conduct:

- Is the behaviour in keeping with the policy to fight corruption and bribery?
- Is it legal?
- Do I have the powers required to do this?
- Will the outside world see you and HedeDanmark positively if you carry out the act?

If you can answer "No" to any of these questions, then do not do it.

Important!

As an employee of HedeDanmark you must always consult your immediate manager if you are in doubt as to how to act in relation to HedeDanmark's policy on anti-corruption as described in this folder.

Bribery:

We do not pay, condone or accept bribes

"Bribery creates unfair competition and a lack of transparency in the market. HedeDanmark wants to compete fairly and has established clear principles in this area: We do not pay or accept bribes or participate in other similar types of conduct which may create unfair competition."

HedeDanmark has a clearly defined policy of running a sound and responsible business without using bribes or similar which may create unfair competition.

HedeDanmark is an international business operating in markets where bribery or facilitation payment occurs. This does not change the fact that HedeDanmark considers both to be unacceptable methods used by a company to ensure an unfairly favourable position, for example by paying money under the table or kickback to a customer.

This means that HedeDanmark will neither give nor accept bribery, kickback or similar types of payment. With this clearly defined approach, we want to help ensure sound and value-adding competition, even if the lack of payment may result in inconvenience to our company or employees.

Our customers must be the most valuable asset

Our policy is based on a fundamental approach that our customers buy our services and products because they will add most value

to the customer, not because we are paying customers and other partners to deal with us.

Supplier with the best services

The same principle applies when HedeDanmark is the customer. When buying, we always choose the suppliers offering the best service or product at the most competitive price.

This means that HedeDanmark is not dealing with persons or companies attempting to bribe us by offering money under the table, gifts, kickback, etc.

Guiding principles for code of conduct

The limits of good behaviour change and sometimes of the line seems to be blurred. However, you will rarely be in doubt if faced with bribery or similar types of unethical behaviour.

The most important aspect is that HedeDanmark must always be able to defend its actions and behaviour to the public. That is

why it always will be an excellent guiding principle to ask yourself if you will be able to tell a colleague or a journalist openly about your behaviour. If the answer is "No", then the behaviour may be open to criticism and constitute bribery or facilitation payment.

If you suspect that the behaviour may be open to criticism you should see the previous sections: "Employee responsibility" or "Manager responsibility" or "Voice your concern" at the end of this folder.



Gifts:

We do not accept or give lavish gifts

"HedeDanmark recognises that token gifts to partners to show appreciation is a tradition in some cultures. However, we do not want to contribute to situations where special considerations in the exchange of an excessive gift are expected."

Gifts or entertainment offers are a usual and widely used practice of ensuring excellent relations to potential or present partners. That is why giving or accepting gifts within reasonable limits is not wrong. However, if the gifts become too lavish they risk affecting the ability to make decisions for us and our existing or potential partners. Consequently, HedeDanmark neither gives nor accepts lavish gifts and never cash. Note that not only physical items are considered gifts. Services, cultural events or events such as travels, hunting and entertainment are also considered gifts.

Independency and fair competition

We want to help ensure independency and competition in the markets where we operate. If we accept lavish gifts from our suppliers, the gift may be presented expecting a new order or something else in return. The same applies if we give lavish gifts to our customers who may think that we are expecting something in return. We do not want that. That is why we do not give or accept lavish gifts. (See the top of page 9).

No luxury treats

Employees of HedeDanmark may of course participate in professional and social events which overall and in terms of business may help strengthen competencies or relations with customers or partners. As an employee, you may also participate in sports or cultural events, receptions, hunting, lunch meetings, etc., provided that these events are held so often that they do not have a business aspect. On the other hand, we will as employees of HedeDanmark not accept offers of luxury travels, paid holidays, repeated, unusual and expensive dinner or hunting invitations and similar for employees (and their spouses) from a supplier, etc. Nor do we offer or invite persons to similar events.

In-house gifts

At HedeDanmark, we usually recognise and reward employees for their effort and celebrate personal occasions. To ensure even terms of recognition, rewards and celebrations of all employees and to ensure open and transparent celebrations of our employees, we have prepared clearly defined guidelines regarding gifts to and between employees. These guidelines describe the rules regar-

Acceptable gifts:

- Modest and occasional meals with business relations.
- Gifts of a modest value such as business promotional products or a bottle of wine / flowers on special occasions, e.g. a jubilee.

Unacceptable gifts:

- Large gifts given with the expectation of something in return ("quid pro quo").
- Gifts in the form of cash, gift vouchers, etc.
- Personal services.
- Loans.
- Entertainment in the form of sexual services, etc.
- Valuable items, such as iPads, iPhones, weekend stays, jewellery, or other items of luxury.

ding gifts for jubilees, special birthdays, retirements, graduations, etc. and are available on HedeDanmark's intranet and may also be ordered from the HR department.

Limits of gifts

HedeDanmark does not have any fixed limits to when a gift is appropriate but all employees must use their common sense. In general, we see the locally applicable tax limits of a gift as a fair and generally accepted upper limit to the size and value of a gift. As a starting point, employees of

HedeDanmark have the option of giving and accepting gifts of a maximum value which does not exceed the local limit of receiving tax-free gifts. If no local limits of tax-free gifts apply, the value should as a main rule follow Danish tax rules.

Consult your manager

If you want to give or accept a gift exceeding the tax limit of tax-free gifts, you must obtain the approval from your immediate manager.



Collaboration and sponsorships:

A good case over money

"We strive to make a good case expressing our views in an efficient manner. That is why we do not offer financial support to political parties. When we make occasional donations to charity or enter into sponsorships, our aim is always to support an actual case that meets HedeDanmark's mission."

Religious and political objectives

HedeDanmark often takes part in the public debate, including political discussions but always based on the principle of a good case over money. HedeDanmark does not offer financial support to political parties, religious causes, nor to any affiliated organisations or individuals. This also means that as a company, HedeDanmark is not engaged in party politics through memberships of political parties, NGOs, etc.

Collaboration with trade organisations

HedeDanmark often takes an active part in business activities supporting HedeDanmark's mission and vision, e.g. through various trade organisations in the green sector. We want to pool our resources through trade political collaboration with other companies who share our interests and support HedeDanmark's and the trade's business interests. When participating in trade collaboration, HedeDanmark's employees must always be aware of any initiatives which may help limit competition between the participating companies. (Cartel formation).

Established sponsor policies

Through HedeDanmark's established sponsor policies based on our mission, vision and values, HedeDanmark only supports activities which are closely related to our activities in nature and the green sector. Applications for sponsorships must be sent to Anders Lehmann, director, Corporate communications, at aleh@hededanmark.dk. No sponsorships can be established without prior approval by HedeDanmark's Management Board.

Conflicts of interest

HedeDanmark deals with partners who we trust and know well. Over time, long-standing business relations may become good acquaintances or even friends. As a starting point, dealing with good acquaintances, friends or even family is not wrong. However, given the close, special relations, it is particularly important to show special care and attention. This applies to gifts, bribes or other types of facilitation payment but it is also crucial to ensure that agreements are always concluded on business terms and also that agreements are always safeguarding HedeDanmark's interests.

This means that employees of HedeDanmark may not be involved in activities or have any financial interests which are contrary to their work as employees of HedeDanmark. Employees' decisions must always be based on the needs and interests of HedeDanmark and not on their own personal interests or matters. A conflict of interest exists if an employee tries to influence a decision to his / her own advantage. It is not possible to list all the situations where a potential conflict of interest could exist or

could seem to exist which is why each situation must be considered carefully.

Collaboration with related parties

Before entering into agreements with good acquaintances, close friends or family, quotations must always be obtained from at least one competing company and the employee's immediate manager must be informed about the personal relations. (See the checklist of code of conduct on page 5).



Voice your concerns

As an employee you must observe the principles mentioned in this folder. This is a condition for your employment. By observing these principles, you will be protecting not only your own reputation but also the reputation of your colleagues and of HedeDanmark as a whole.

Duty to report violations

We expect our employees and partners to be aware of irregularities and not to keep quiet if they have any concerns regarding any aspects of HedeDanmark's way of doing business. This will allow management to take early action against any potential issues.

We fully understand that some employees may be hesitant to voice their concerns out of fear of reprisals. However, HedeDanmark will not tolerate harassment or reprisals from anyone, regardless of level or position. HedeDanmark will always take appropriate measures to protect the employees who voice any concerns in good faith.

Although HedeDanmark does not expect an employee to prove a claim entirely, it is crucial that the concern can be proven with a reasonable certainty. Concerns may be based on the following aspects:

- If you have a question or if you have any doubts as to how to act in a given situation, look up the policies regarding anti-corruption and bribery and the related guidelines.
- If you have any concerns that a corrupt action is being contemplated or has taken place – at HedeDanmark or at any of our partners – you must report it to your manager. If, for some reason, you cannot talk to your manager, please report it to another senior manager.
- If you suspect that your immediate manager is involved, you must contact his / her manager.
- If you believe the company's managing director is involved, you may contact your divisional manager instead.