




NOVALUME CODE OF CONDUCT

May 2018

NOVALUME®
Smart City Lighting Solutions

STATEMENT OF COMPLIANCE
TO THE NOVALUME CODE OF
CONDUCT FOR COOPERA-
TION PARTNERS INCLUDING
SUPPLIERS, AGENTS AND
SERVICE PROVIDERS, AS
WELL AS NOVALUME STAFF.

Two modern streetlights on poles against a white background. The lights are sleek and rectangular, with a dark finish. One is positioned higher and further to the left, while the other is lower and further to the right. The poles are thin and dark.

THIS IS OUR CODE. IT
HELPS EACH AND EVERY
ONE OF US TO DO THE
RIGHT THING. PLEASE
READ IT CAREFULLY AND
SIGN IT AT THE END OF
THIS BOOKLET TO SHOW
YOUR FULL COMPLIANCE.

OBJECTIVES

The purpose of this code of conduct is to ensure that Cooperation Partners to Novalume A/S operate in accordance with internationally recognised minimum standards on human rights, labour and the environment. Novalume A/S adheres to the principles of this code and expects the same of its Cooperation Partners.

Observance of the code will be an enforceable and enforced part of any agreement or contract between Novalume A/S and our Cooperation Partners.

The aim of the code is not to terminate business, but to help Cooperation Partners improve social and environmental standards. Novalume A/S is therefore willing to work with Cooperation Partners to achieve compliance with the provisions of this code. However, we will not conduct business with a Partner if compliance with the requirements of the code is deemed impossible. Nor will we conduct business with a Partner engaged in violations of fundamental human rights (see zero-tolerance standards below).

Novalume A/S shall periodically review the adequacy and continuing effectiveness of this code of conduct.

Scope of Application

This code applies to all NOVALUME 's Cooperation Partners. The provisions of the code extend to all workers, regardless of their status or relationship with a Cooperation Partner. The code therefore also applies to workers who are engaged informally, on short-term contracts, or on a part-time basis.

It shall be the responsibility of Cooperation Partners to ensure that their sub-suppliers do not violate the standards of this code.

General Principles

Any questions or disputes regarding the interpretation of the provisions of this code shall be resolved by Novalume A/S.

The code is not and should not be interpreted as a means to circumvent or undermine national laws or national labour inspectorates. Similarly, this code is not and should not be interpreted as a substitute for free trade unions, nor should it be used as a substitute for collective bargaining.

The code establishes minimum standards and Novalume A/S will not accept any attempt to use the requirements as a means to lower existing standards or to prevent or discourage collective bargaining.

When implementing the code, Cooperation Partners shall take all necessary measures to ensure that they do not unintentionally leave workers and other beneficiaries in a worse position than before the code was introduced.

Legal Compliance

In addition to meeting the provisions of this code, suppliers shall comply with all national laws and regulations as well as other applicable standards (e.g. collective bargaining agreements or other codes of conduct). Where there are differences between the provisions of this code and national laws or other applicable standards, suppliers shall adhere to the higher or more stringent requirements. Conflicts between the provisions of this code and national laws or other applicable standards shall be evaluated by Novalume A/S in cooperation with the supplier and relevant stakeholders in order to establish the most appropriate course of action that will help

to foster respect for fundamental human rights, labour standards and the environment. If any conflicts are detected, the supplier must inform Novalume A/S immediately.

International Standards

In addition to meeting the provisions of this code, Cooperation Partners shall comply with all national laws and regulations as well as other applicable standards (e.g. collective bargaining agreements or other codes of conduct).

Where there are differences between the provisions of this code and national laws or other applicable standards, Cooperation Partners shall adhere to the higher or more stringent requirements.

Conflicts between the provisions of this code and national laws or other applicable standards shall be evaluated by Novalume A/S in cooperation with the Cooperation Partner and relevant stakeholders in order to establish the most appropriate course of action that will help to foster respect for fundamental human rights, labour standards and the environment. If any conflicts are detected, the Cooperation Partner must inform Novalume A/S immediately.

Termination

In the event that a Cooperation Partner to Novalume fails to comply with the objections and conditions set out in this Code of Conduct Novalume will give the Cooperation Partner 7 calendar days' notice to remedy such non-compliance. I

f the Cooperation Partner after 7 calendar days cannot prove without a reasonable doubt the non-compliance has been remedied Novalume may terminate all agreements with the Cooperation Partner with immediate effect. In that event the Cooperation Partner shall be deemed to be in breach and not entitled to any claim for damages or losses directly or indirectly connected to the termination.

Any breach of this Code of Conduct shall be deemed significant.

Contact

If you have any questions regarding the Novalume Code of Conduct, please send an e-mail to kkl@novalu.me. Thank you.



PART I: CONDUCT REQUIREMENTS

1. FORCED LABOUR

1.1. Forced Labour and Freedom of Movement

The Cooperation Partner must not participate in, or benefit from, any form of forced labour, including bonded labour, forced prison labour, slavery, servitude, or human trafficking. Workers must have the freedom of movement during the course of their employment.

1.2. Retention of Identity Cards and Travel Documents

The Cooperation Partner shall refrain from retaining the identity cards, travel documents, and other important personal papers of its employees.

2. CHILD LABOUR AND YOUNG WORKERS

2.1. Minimum Age Requirements

The Cooperation Partner shall not engage in, or benefit from, the use of child labour. The minimum age for employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years (or 14 years where established by national laws in accordance with the ILO developing-country exception).

2.2. Educational Remediation Programme

If the Cooperation Partner becomes aware that it is employing children of school age, it shall ensure that the children are enrolled in a remediation programme, rather than being summarily terminated from employment. The programme shall include access to education and financial support and shall be decided in consultation with the child and family or next of kin.

2.3. Light work and Apprenticeship Programmes

Where permitted by national laws, the Cooperation Partner may employ children between 12 and 15 to perform a few hours of light work per day. The work must be simple tasks of a limited nature and not interfere with the children's educational responsibilities. Apprenticeship programmes for children below the minimum age of employment must be remunerated and clearly aimed at training.

2.4. Hazardous and Harmful Work

The Cooperation Partner shall refrain from hiring young workers (below 18 years of age) to perform any type of work, which is likely to jeopardise their health, safety or morals.

3. WORKPLACE HEALTH AND SAFETY

3.1. Health and Safety Standards

The Cooperation Partner shall ensure that its workers are offered a safe and healthy working environment, including, but not limited to, protection from fire, accidents and toxic substances. Adequate health and safety policies and procedures must be established and followed.

3.2. Training and Protective Gear

The Cooperation Partner shall provide its employees with the protective equipment and training necessary to perform their tasks safely.

3.3. Sanitary Infrastructure

The Cooperation Partner must provide a suitable, clean and sanitary infrastructure, including access to toilets and potable water, which conforms to the needs of its employees and is adequate to its numbers. Accommodation, if provided by the Cooperation Partner, shall conform to the same requirements, including the general provisions on health and safety listed above.

4. CONDITIONS OF EMPLOYMENT AND WORK

4.1. Workplace Violence, including Assault, Harassment and Threats

The Cooperation Partner shall protect workers from acts of physical, verbal, sexual, or psychological harassment, abuse, or threats in the workplace, whether committed by managers or fellow workers, including when determining and implementing disciplinary measures.

4.2. Remuneration

The Cooperation Partner shall comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher. In any event, the Cooperation Partner shall always provide a 'living wage', which enables workers to meet the basic needs of themselves and their dependents and to provide some discretionary income. Overtime shall be remunerated at a premium rate. Wages shall be paid in legal tender and on a regular basis. Deductions from wages shall be transparent and must never be used as a disciplinary measure.

4.3. Established Working Relationship

All workers shall be provided with a written, understandable, and legally binding labour contract. The Cooperation Partner shall not rely on part-time, short-term or casual labourers, trainees, or false apprenticeships to pay lower wages and fewer benefits. Provisions for non-permanent and seasonal workers should be no less favourable than for permanent workers.

4.4. Leave

The Cooperation Partner shall grant employees paid holiday and sick leave each year, as well as parental leave to employees who must care for a new-born or newly adopted child. Women who take maternity leave will not face dismissal or threat of dismissal, and shall be able to return to their former employment at the same rate and benefits.

4.5. Hours of Work, Rest Periods and Breaks

The Cooperation Partner shall ensure that the work-week is limited to 48 hours. Overtime shall be voluntary, infrequent, and not exceed 12 hours per week. Employees are entitled to at least one day off per week, and shall be given reasonable breaks while working and sufficient rest periods between shifts.

4.6. Employee Privacy

The Cooperation Partner shall respect the privacy rights of its employees whenever it gathers or keeps private information or implements employee-monitoring practices.

5. NOVALUME PRODUCTS

5.1. Products Liability

The Cooperation Partner shall exercise due diligence when designing, manufacturing, and testing products, to protect against product defects which could harm the life, health or safety of people likely to be affected by the defective product, or have an adverse impact on the environment.

6. ENVIRONMENTAL PROTECTION

6.1. Managing Environmental Aspects

The Cooperation Partner must strive to minimise the adverse environmental impacts of its activities, products and services through a proactive approach and responsible management of its environmental aspects (including, but not limited to):

- Use of scarce natural resources, energy and water
- Emissions to air and releases to water
- Noise, odour and dust emission
- Potential and actual soil contamination
- Handling of hazardous substances
- Handling of hazardous and non-hazardous wastes
- Product issues (design, packaging, transport, use and recycling/disposal)

6.2. Complying with Environmental Legislation

The Cooperation Partner shall maintain awareness of current environmental legislative requirements, relevant to the environmental impacts of its activities, products and services and ensure legal compliance through training, awareness, operational control and monitoring.

6.3. Continuously Improving Environmental Performance

The Cooperation Partner shall demonstrate continuous improvements of the overall environmental performance related to significant environmental aspects.

PART II: IMPLEMENTATION

1. RECORDS AND DOCUMENTATION

The Cooperation Partner shall maintain appropriate records to demonstrate compliance with the requirements of this code. Records shall be available to Novalume A/S upon request at any time. Appropriate records include, but are not limited to:

- Names and ages of all workers.
- Timesheets.
- Payroll records, including wage slips and overtime wage records.
- Health and safety records, including material safety data sheets, accident record and relevant certificates and permits.
- Environmental records, including data from the monitoring of significant environmental impacts and relevant permits.
- Records of any significant instances of non-compliance encountered in relation to this code, including a summary of the corrective actions taken to remedy the deficiencies.

2. DEFINITION OF ROLES AND RESPONSIBILITIES

The Cooperation Partner must assign responsibilities within its organisation for the implementation of this code. As a minimum, the following representatives shall be designated:

- One or more management representatives with the responsibility and authority to ensure compliance with the provisions of this code.
- A qualified health and safety officer at each facility responsible for planning, implementing and monitoring the Cooperation Partner's health and safety policies and procedures.
- A freely elected workers' representative responsible for facilitating dialogue and communication between the Cooperation Partner and its employees on all matters pertaining to this code. This function may be carried out by a freely elected trade union representative.

The Cooperation Partner shall ensure that repeated offences and serious neglect by any of its personnel in relation to matters pertaining to this code will result in appropriate disciplinary actions, which may include dismissal from employment.

3. TRAINING AND AWARENESS-RAISING

The standards included in this code shall be communicated to all new employees, including managers and supervisors, immediately upon hiring. The Cooperation Partner shall ensure that all employees are regularly informed about the standards included in the code and the necessity of acting in accordance with them. In areas with high illiteracy rates, employees shall receive verbal instructions. The code shall also be transmitted to local unions or other workers' representatives and shall always be accessible to all employees and in the local languages whenever appropriate.

4. COMPLAINTS PROCEDURES

The Cooperation Partner shall establish mechanisms for hearing, processing, and settling complaints of employees. Workers must have the right to anonymously submit complaints regarding all workplace concerns, including complaints regarding the Cooperation Partner's failure to comply with this code, without fear of punishment or adverse employment action. The Cooperation Partner shall properly investigate, address and settle all complaints in accordance with its pre-established complaints procedure. Anyone affected by the Cooperation Partner's activities must have access to communicate concerns or submit complaints without discrimination or fear of reprisals. The Cooperation Partner shall properly investigate, address and settle any complaints or concerns raised by local communities.

5. RELATIONS TO SUB-SUPPLIERS

The Cooperation Partner is responsible for ensuring that its respective sub-suppliers observe the standards of this code. As part of this obligation, the Cooperation Partner shall:

- Require sub-suppliers to inform the Cooperation Partner about other business entities in the supply chain taking part in the production of each order.
- Screen and select sub-suppliers based on their ability to meet the standards of this code.
- Make observance of the standards included in the code a condition of any agreement or contract that it enters into with sub-suppliers.
- Undertake reasonable efforts to check that sub-suppliers operate in conformance with the code.

The zero-tolerance standards of Novalume A/S outlined below shall also apply to sub-suppliers.

6. MONITORING

Novalume A/S will monitor the operations of our Cooperation Partners to assess and ensure their compliance with this code. Our monitoring programme consists of on-site inspections (or audits) and periodic self-evaluations by Cooperation Partners of their premises and those of their subcontractors. The Cooperation Partner shall submit at any time to announced as well as unannounced audits. The Cooperation Partner is required to provide physical access to any auditor from Novalume A/S or other auditor assigned by Novalume A/S. This obligation entails unhindered access to all facilities, records, and where provided by Cooperation Partners, housing, as well as employees for confidential interviews. The frequency and intensity of Cooperation Partner audits will depend on - and shall be appropriate to - the scale and intensity of their operations.

7. VERIFICATION

Novalume A/S reserves the right to let an independent third party of our choice make on-site inspections to verify compliance with the requirements of this code.

8. ENFORCEMENT, REMEDIATION AND CORRECTIVE ACTION

Where instances of non-compliance with the requirements of this code are identified, the Cooperation Partner shall promptly take corrective action to remedy the deficiencies as well as taking measures to prevent similar problems from recurring in the future. The Cooperation Partner shall make timely and reasonable amends to any employee, former employee, or community member whose rights have been violated. Remediation includes, but is not limited to, paying back all wages found to have been unlawfully withheld or reinstating any employee found to have been unlawfully dismissed. Where instances of non-compliance are detected as a result of audits, the Cooperation Partner shall be given a fixed period of time to self-correct the deficiency. In the event of failure to self-correct a problem, Novalume A/S is willing to engage in a constructive dialogue with the Cooperation Partner to develop and implement a corrective action plan, with appropriate time scales for implementation and improvements to be achieved. Agreement to abide by the corrective action plan allows continuation of the business relationship, as long as Novalume A/S finds that the Cooperation Partner is implementing the plan in good faith. In the event of repeated and serious breaches of the requirements of the code, Novalume A/S reserves the right to terminate the business relationship with a Cooperation Partner and possibly cancel any production or delivery in progress.

SIGNATURE

Both Parties hereby fully comply and commit to uphold and implement in practice and intention this Code of Conduct.

On behalf of Cooperation Partner:

On behalf of Novalume A/S:

Signature:

Signature:

Name:

Name: Jakob Meiland Hansen

Title

Title: CEO

Date:

Date:

Signature:

Name: Kim Krahl Larsen

Title: COO

Date:

9. ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The anti-bribery policy exists to set out the responsibilities of Novalume A/S and those who work for us in regards to observing and upholding our zero-tolerance position on bribery and corruption. Novalume A/S is committed to conduct business in an ethical and honest manner, and is committed to implement and enforce systems that ensure bribery is prevented.

We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate. Novalume A/S will constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. Novalume will deal with any instance of suspected bribery or corruption seriously. Any actual instance will result in disciplinary action against those involved, up to and including termination of contract, and reporting of those persons to relevant regulatory and criminal authorities. Novalume will support those authorities in any prosecution brought against those persons. The anti-bribery policy applies to all employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, agency staff, interns, agents, or any other person or persons associated with us (including third parties), or any of our subsidiaries or their employees, no matter where they are located (within or outside of Denmark). The policy also applies to Officers, Trustees, Board, and/or Committee members at any level.

10. ZERO-TOLERANCE STANDARDS

Novalume A/S will not conduct business with a Cooperation Partner engaged in violations of fundamental human rights. The following practices are therefore considered unacceptable:

- The use of bonded and forced labour, including forced prison labour and human trafficking.
- Worst forms of child labour, including forced child labour, child prostitution, and other work which is likely to jeopardise the health, safety and morals of children.
- Any harsh, inhumane or degrading treatment or punishment of employees.
- The exposure of employees to life-threatening work environments, where they have not been informed of the dangers and where protective measures have not been undertaken.
- Deliberately causing substantial pollution to air or water, or substantial soil contamination.
- Any complicity in violations of international humanitarian law and other crimes against the human person as defined by international law, including war crimes, crimes against humanity, genocide, torture, forced disappearances, hostage taking and extrajudicial, summary or arbitrary executions.
- Novalume is committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery is prevented.
- Novalume has zero-tolerance for bribery and corrupt activities.

If Novalume A/S has reason to believe that such violations are being committed by a Cooperation Partner, the business relationship will be terminated with immediate effect without any right for the Cooperation Partner to remedy such violation. If we have reason to believe that the Cooperation Partner was aware of the violation and willingly operated in violation of fundamental human rights, the Cooperation Partner may be reported to the proper authorities.



WE SUPPORT

NOVALUME adheres to and supports the ten principles of the UN Global Compact

The United Nations Global Compact is a call to companies everywhere to align their operations and strategies with ten universally accepted principles, and to take action in support of UN goals and issues embodied in the Sustainable Development Goals (SDGs). Launched in 2000, UN Global Compact is the largest corporate sustainability initiative in the world, with more than 8,800 companies and 4,000 non-business signatories based in over 160 countries, and more than 80 Local Networks. More info here: www.unglobalcompact.org.

NOVALUME®

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