

# Code of conduct

Systematic is a high-tech company operating on the global market providing world-leading system solutions, services and products to the defence, healthcare, public and financial industries. Systematic, on its own and through partnerships, has the world as its market.

For Systematic, integrity and compliance throughout our business, is vital and is in line with our values. We believe that acting responsibly is fundamental to the way we do business and for creating long-term value for our customers, our business partners and ourselves.

This Code of Conduct provides the foundation for our continuous engagement with employees, customers and business partners. It also outlines our expectations regarding basic compliance with applicable law, respect for labour and human rights, environmental management, and anti-corruption.

Systematic commits to continue its improvements of the four areas set in the United Nations' Guiding Principles on Business and Human Rights (human rights, labour, environment and anti-corruption) and the principles provide a framework for Systematic's continuous improvements of the way we conduct our business.

We expect that our employees, customers and business partners maintain awareness and comply with all applicable national laws and regulations.

## Export of Defence Articles

According to the UN Charter, every nation has the right to defend itself. The objective is to show the world that the nation is prepared to defend freedom and democracy and that no one should ever consider mounting an attack. The right to self-defence should not be dependent on whether a nation has a domestic defence industry. Those that do not, must have the right and opportunity to buy the necessary

equipment from abroad. And if one party has to import, another has to sell and export.

It is therefore important that Systematic can supply the national defence industry with the software it needs and through controlled exports contribute to global security and stability.

## Customers

Systematic continually strives to deliver the best possible outcomes for our customers. Through research, development and production, Systematic supplies products, services and system solutions that meets the customer's expectation in terms of quality, safety, economy and the environment.

## Employees

Systematic wants to be the employer of choice. This is why Systematic respects its employees and their rights, offers them safe, pleasant working conditions and avoids discrimination. We help our employees to develop their professional skills and competences to ensure that they enjoy their work and develop personally and professionally.

## Business Partners

Systematic is committed to building long-term relationships with our partners, which are carefully selected through relevant due diligence procedures. Systematic treats its partners with dignity and values their contributions and maintains fairness in all relationships. The selection and use of partners is an important strategic decision and must support Systematic's business strategy by e.g. penetrating new business areas. Systematic makes sure that these partners are familiar with this Code of Conduct.

## Compliance with Laws and rules

Systematic conducts its business as a responsible member of the community and acts in accordance with the laws of

the countries in which it operates. Systematic will comply with the relevant laws on public procurement when conducting business with public institutions. If the laws and rules in some cases are unclear and difficult to interpret or if new kinds of agreements are entered into, it is the responsibility of the employees involved to seek clarification and approval from Group Management.

Systematic adheres to the principles of honesty and integrity in all its operations and expects the same of those with whom it maintains business relationships. Systematic supports free and fair trade, strives for free competition and good business ethics within the framework of current laws and conventions, and complies with national security requirements and international agreements.

## Export control regulations

"Each company in the Systematic Group shall at all times abide to the export control regulations and procedures which it is subject to."

**Michael Holm, President & CEO of Systematic**

As a supplier of mission critical software for the defence industry, Systematic abides to relevant legislation on export control in which it operates such as e.g. the European Union Regulations on the Control of Exports of Dual-Use Goods and the International Traffic in Arms Regulations.

Systematic works closely with the relevant authorities to ensure that all export of Systematic products comply with all export control regulations and with all pertinent laws in the nations wherefrom it has operating offices.

## Systematic's anti-corruption policy

Systematic believes that corruption and bribery are incompatible with good governance and harmful to the creation

of value. The company does not accept or solicit corruption or bribery of any kind. Systematic commits itself to a high standard of integrity and will work against corruption and bribery in any form.

Corruption is defined as “the misuse of entrusted power for private gain” and bribery is defined as “the practice of offering something, usually money, in order to gain an illicit advantage”.

Systematic operates abroad in countries where corruption is a real challenge. There is an actual possibility that Systematic will face expectations of corrupt payments or the like when doing business in these regions.

Any violation of national and international laws regarding corruption and bribery creates legal liability for Systematic. Furthermore, Systematic can be held legally responsible for unlawful actions committed by external partners if it can be proved that Systematic by negligence has overseen the red warning flags.

#### **Guidelines on anti-corruption**

- It is Systematic’s overall anti-corruption policy that you:
- Do not agree to enter into any arrangement or agreement containing commission or any other type of personal monetary reward.
- Do not make any payments to public officers that are not required by law or a written and signed agreement with the public authorities.
- Will only pay commission to agents or similar service providers on the basis of a written agreement containing a detailed job description and a budget based on costs, spent hours and a reasonable profit.
- Do not make any prepayment of commission.
- Do not accept or offer any monetary gifts.

- As the point of contact to the intermediary repeatedly state that Systematic does not want to enter into a contract based on corruption.
- Only use well qualified companies and representatives with a good reputation.

#### **Red flags/Warning signs**

A number of red flags may indicate bribery and/or corruption. The Danish Ministry of Foreign Affairs, OECD, the UN and the EU recommends that one should beware of parties that:

- Suggests a deal that indicates bribery.
- Does not appear to be a fair dealer in other situations.
- Has a relationship (such as family ties or former employment) that could improperly influence the customer’s decision.
- Requests an unusual payment method such as transferring the commission to a bank in a 3rd country or to a currency other than normally used in transactions in the country of the agent.
- Breaks up the contract sum into smaller amounts.
- Claims that he or she can help secure the contract because he or she has a “special agreement” with the customer of the contract.
- Requires payment in advance.
- Requires a commission that is unusually large in relation to the service provided.
- Is specifically recommended by government officials.
- The agent requests an unusual method of payment such as payment through a third party or payment in a third country.

#### **What to do when confronted with these red flags**

You must contact Group Management and ask for advice, if you identify one or more of these red flags. To ensure that all allegations and evidence are properly investigated and reported upon, the Group Management will, when

information relating to potential bribery or corruption is received, decide the course of action. Group Management decides whether the information must be followed up with a full investigation in cooperation with the relevant public authorities or to solely be dealt with as a management issue.

No manager or employee will be penalized, or be subject to other adverse consequences for refusing to pay bribes even if it may result in Systematic losing business. Passivity towards these red flags will constitute a breach of the Code of Conduct and failure to observe the above policy and guidelines is a cause for disciplinary action, which could result in dismissal.

#### **Financial ethics**

Business transactions conducted by every Systematic company reported in its financial accounts adheres to current laws, regulations and generally accepted accounting standards and controls.

The accounts, budget proposals, economic evaluations of projects, etc. must correctly reflect presented data and facts.

Conflicts between an employee’s personal financial interests and Systematic’s business operations should be avoided. If there is any doubt whatsoever, Group Management should be consulted.

#### **Political issues**

Many of Systematic’s customers are public institutions and Systematic does not sponsor nor make any donations of any amount to political parties. In its relations with governments or international organizations, Systematic has the right and at times the obligation to express its opinion on issues that affect Systematic, its employees and customers.

Only Group Management is entitled to express such opinions on Systematic's behalf.

### **Communication**

Systematic values open communication and Group Management communicates the current situation and updates the employees on the latest news at the Company Briefings as well as on Systematic's intranet. Systematic is an open, accessible company that provides objective, continuous information on products, services and development. However, national security demands and competitive reasons must be taken into consideration.

### **Social ethics**

Systematic expects each employee to act in a socially responsible fashion at all times.

Discrimination on the basis on ethnic or national origin, political opinion, age, gender, disability, religion, sexual preference, union membership or political affiliation will not be tolerated.

Systematic respects the right of every employee to form and join the union of their choice and thereby accepts that they are represented by such unions.

Systematic neither uses nor tolerates the use of child or forced labour.

Children are defined as any person under the age of 15, unless local legislation stipulates a higher working mandatory school age, in which case the higher age applies.

### **Environment**

Systematic strives to improve its environmental work in part to protect the outside environment and in part to protect the

health and safety of the people who are directly affected by Systematic's operations.

Local laws and regulations regarding the protection of the environment must be complied with. Employees at Systematic strive to:

Reduce waste, energy and emissions to air, ground and water.

Contribute to the recycling and reuse of materials and products.

### **Industrial espionage**

Systematic is against any kind of industrial espionage and does not want to build business on industrial espionage by e.g. hiring an employee from a competitor to get confidential information.

Due to the fact that Systematic produces high tech software to the defence and national intelligence industries, Systematic is highly exposed to industrial espionage. To minimize the risk of exposure to industrial espionage, it is required that every employee complies with Systematic's security policy and exercise vigilance and restraint when handling confidential information.

### **Tell Us**

Systematic has created a whistleblower platform available to all and where one can report any kind of misconduct or violations of the Systematic Code of Conduct.

### **Confidentiality**

Systematic employees have access to the company's technical and marketing information. In addition Systematic's employees also have access to personal data including customers' confidential information. Confiden-

tial information belongs to Systematic or its customers, and each employee has an obligation to preserve its confidentiality and must follow all personal data and information security policies set by Systematic. Systematic ensures to sign a Non-Disclosure Agreement with its customers and business partners before exchanging confidential information.

Unapproved disclosure of confidential information to outside organisations, or using it directly or indirectly for personal benefit, is a violation of the law, this Code of Conduct as well as the terms of employment. This confidentiality is to be maintained both during and after employment.

The Code of Conduct establishes a minimum requirement for Systematic and its employees. Systematic urges its employees to strive for continued improvement within all areas covered by this Code of Conduct. Systematic also urges all its business partners to comply with our Code of Conduct.

In confirmation of the above,



**Michael Holm**  
President and CEO