

Ethical Guidelines

GUIDELINES WITH REGARD TO VALUES AND ETHICS

(Approved by the Board of Arnarlax ehf. on 21 August 2020)

1. Introduction

1.1 This Code of Conduct has been adopted by the Board of Directors of Arnarlax ehf. The Code of Conduct applies to Arnarlax ehf and the entire Arnarlax Group. In this document, “Company” is used collectively to mean both Arnarlax ehf. and the Group as a whole. For subsidiaries not wholly owned by Arnarlax, a similar code of conduct must be adopted by the board of directors of each company.

1.2 The Code of Conduct applies to all Company employees and contract workers, as well as members of the Board of Directors and others who act on behalf of the Company. In this document, “employee” is used collectively to mean all the above. The rules and principles set out in this Code of Conduct and supplementary procedures must be considered instructions to all those to whom the Code of Conduct applies.

1.3 The purpose of the Code of Conduct is to ensure a healthy corporate culture and safeguard the Company’s integrity by helping employees to comply with standards for good business practice. Furthermore, the Code of Conduct is intended to act as a tool for self-assessment and for the further development of the Company’s corporate identity.

1.4 The Code of Conduct is available to all employees via EQS (the Company’s quality assurance system). A review of the Code of Conduct always forms part of the onboarding programme for new employees. Managers have a duty to ensure that the Code of Conduct is made known to all new employees, contract workers or anyone else acting on behalf of the Company.

1.5 The Company’s Code of Conduct is supplemented by the following procedures:

- ICT Policy
- Regulations on Insider Trading
- Guidelines relating to the Icelandic Competition Act

1.6 This Code of Conduct must be reviewed and reassessed annually.

1.7 Breach of the Code of Conduct may result in a variety of consequences, including a warning or summary dismissal. See Section 10 for further details.

2. Ethics & Culture

2.1 Company employees must exercise a high level of integrity and professionalism in their work for the Company. It is expected that everyone behaves honourably and objectively in all aspects of the Company’s operations and commercial activities.

2.2 Employees must maintain high ethical and moral standards in the performance of their duties on behalf of the Company. Employees must behave fairly, honestly and with personal integrity in their dealings with other employees, business associates, customers, shareholders, suppliers, competitors, public authorities, the public and the Company itself.

2.3 When acting on behalf of the Company, employees must not seek to obtain unreasonable benefits by means of manipulation, secrecy, the abuse of confidential information, misleading presentation of material facts or in any other dishonourable fashion.

2.4 No employee may participate directly in negotiations in which they may have a conflict of interest (e.g. with related parties). The employee has a duty to inform their line manager if they find themselves in such a situation.

2.5 Neither the Company nor its business partners may make use of child labour.

3. Strategic foundations and underlying values

3.1 It is Arnarlax's stated ambition to be Iceland's leading salmon farmer. Arnarlax focuses on farming salmon on the salmon's terms and works tirelessly to be outstanding at all levels and in all aspects of production.

The operative business has two clear strategic goals, which form the core of Arnarlax's strategic foundation:

1. Fish farming shall be unbeatable on cost – best for operational efficiency
2. Sales shall secure the best possible price

3.2 Overarching all business operations and actions at Arnarlax is the Group's vision: "Sustainability, it's in our nature", meaning all decisions relating to production will be made based on our vision. The fish will be farmed in conditions most conducive to their wellbeing. We believe that the best biological results will pave the way for the best financial results, and thus safeguard our position as a sustainable salmon producer.

Arnarlax's underlying values create the framework for the behaviour and attitudes we expect of our employees. These values are expressed in four tenets that have a strong formative impact on our corporate culture:

- 1. Quality in everything we do**

Our processes must be continuously developed and improved to enable the Company to fulfil its vision of delivering sustainable Icelandic salmon from the Westfjords. We do that by keeping high-quality standards and making sure we have processes that secure the quality of our jobs, and through that, we secure a good quality in our product.

- 2. Teamwork makes us stronger together**

We have an open culture where everyone can express their opinion and through that, improve our processes in the Arnarlax team. This enables improvement and a good working environment.

3. We care

Arnarlax employees must care about the people around them and the job they are doing. They must live by values rooted in a sense of responsibility, consideration and ambition. The fact that we care has a positive impact on our biological, financial and HSE performance and on our relations with society at large.

4. Laws, regulations and internal guidelines/requirements

4.1 The Company and its employees must always comply not only with the laws, regulations and official directives applicable in the country in which the Company is operating, but also with its own internal guidelines and requirements. If there is any discrepancy between external and internal requirements, the most stringent regulations/guidelines must always apply. The Company's compliance is checked by means of audits by third parties and customers, as well as through its own internal controls. The results of these checks are followed up and appropriate measures initiated as required. Goals and action plans are followed up by the respective management teams. The Company has adopted guidelines based on ISO standards for health, safety and the environment. These rules shall also apply to the all the Company's suppliers.

4.2 The individual employee is responsible for familiarising themselves with Arnarlax's guidelines. Requirements are made known to all employees, and they have a duty to follow the appropriate procedures. Training is provided in several arenas, and routines are available via the Company's digital ERP system, which also provides an overview of implementation and training for specific business areas.

4.3 The individual employee has a personal responsibility to raise issues / propose changes where there is any discrepancy between what we say and what we do, or where clear guidelines do not exist.

5. Employees and the working environment

5.1 The Company aims to be a professional and positive workplace, with an inclusive working environment in which it is safe to work. This means that the Company works systematically to create a workplace in which employees thrive and personal injuries are avoided. To this end, continuous improvement efforts are made with the involvement of employees.

5.2 Our goal is to recruit, develop and retain the best people, and we wish to have a creative, varied and inclusive working environment.

5.3 We want our employees to perform to their full potential and be recognised and fairly rewarded for their performance. To help employees achieve and perform to their full potential, co-workers can provide honest feedback in a constructive and respectful manner. Management also wishes for and encourages feedback from the workforce.

5.4 We want to ensure the workplace is safe and free from harassment, discrimination or bullying. We will never tolerate any form of abuse or harassment of our co-workers or business partners.

5.5 We shall treat everyone with courtesy and respect, regardless of race, gender, national or social background, age, disability, sexual orientation, religious faith, political convictions or other status.

5.6 We recruit, select, train, promote and reward our employees based on results, irrespective of their national or social background, age, disability, sexual orientation, religious faith or political views. All decisions relating to employees must be based on qualifications, demonstrable skill, performance or other professional criteria.

5.7 No Company employee may hold another position or perform other work during their working hours without the prior written permission of their line manager.

5.8 The Company rejects any form of forced or child labour and will act in accordance with ILO Convention No. 138 and Icelandic law.

5.9 The minimum wage level is normally set out in national legislation. Salary and supplementary benefits for a standard working week shall be sufficient to meet the basic needs of the employee and their family. The size of the salary and supplementary benefits shall not, under any circumstances, be less favourable than that which follows from national law or collective agreements.

6. Relations with contractual partners, competitors and the authorities

6.1 Contractual partners shall be treated knowledgeably and with respect and understanding.

6.2 The Company shall have an open dialogue with the public authorities.

6.3 The Company wishes to compete fairly and openly in all markets, both in Iceland and abroad. Under no circumstances shall the Company or any of its employees participate in actions that contravene prevailing competition law provisions. The Icelandic Competition Act prohibits competitors from entering into agreements to co-ordinate their competitive behaviour or in any other way agreeing to concerted practices. Arnarlax employees must not conspire with competitors to co-ordinate volumes, prices or other competitive parameters.

6.4 The Company has zero tolerance for any form of corruption. No Company employee shall directly or indirectly offer, promise, give or receive a bribe, unlawful or inappropriate gift or other unreasonable benefit or consideration to obtain an advantage for themselves or for the Company. The Company has specific guidelines for corporate entertainment and gifts.

6.5 The Company has zero tolerance for any form of money laundering. The Company will take all necessary precautions to prevent its transactions from being used by others for the purpose of money laundering.

6.6 Related parties

All transactions with related parties must be based on the “arm’s length” principle.

6.7 Use of agents and local representatives

To the extent that agents or local representatives are used in countries outside Norway, particular prudence must be exercised, and necessary background checks (due diligence) must be performed. The Group's Compliance Officer must be involved in this process.

7. Loyalty, conflict of interest and confidentiality

7.1 The Company requires all employees to be loyal to the Company and to refrain from acting in ways or having interests that make it difficult to perform their duties objectively and effectively.

7.2 Each employee has a duty to notify their line manager or the Compliance Officer if they find themselves in a situation in which they have a material direct or indirect interest in a transaction or other matter to which the Company is a party.

7.3 Conflicts of interest should be avoided. Should a conflict of interest arise, the employee has a duty to assess the situation and inform their line manager and the Compliance Officer of the situation. A conflict of interest may involve customers, suppliers, contractors, existing or future employees, competitors or other associates.

7.4 All employees have a duty to maintain the secrecy of any confidential information about the Company to prevent it falling into the hands of a third party and to exercise caution when internal matters are being discussed to prevent the discussion being overheard by a third party.

7.5 Only the CEO (and such persons authorised thereby) and the Board Chair are permitted to speak publicly on behalf of the Company.

8. Gifts and benefits

8.1 Company employees are not permitted to give or accept personal benefits or gifts that may influence any action or decision that is to be taken. This prohibition also applies to invitations, travel or participation at events staged by suppliers or business associates without the prior approval of the employee's line manager.

Company employees have a duty to inform the Company of all benefits they receive from business partners or other third parties in connection with their employment. The employee must, no later than the last day of the month, submit such information to the Company. If the Company does not receive such information from the employee by the specified deadline, the Company is both entitled and obliged to estimate the value of such benefits based on available information.

8.2 Gifts received during an employee's work may not be used privately. They belong to the Company, and it is recommended that they be used in connection with social events.

8.3 Employees are not permitted to use bonus points earned in connection with business travel/assignments for private purposes. This applies to bonus points accrued in connection with, but not limited to, airline flights, hotel accommodation, etc.

9. Social media

9.1 Every employee is an ambassador for the Company. Everyone therefore has a personal responsibility to help maintain the Company's competitiveness, integrity and reputation. Employees who are active on social media should conduct themselves as good representatives of the Company.

9.2 To avoid any doubts about an employee's role, it is important for him to make clear that he is not expressing himself on behalf of the Company. Employees enjoy freedom of expression, but the duty of confidentiality also applies on social media.

10. Sustainability and the environment

10.1 We are conscious of the diverse nature of our corporate social responsibility, as an employer, producer, supplier of healthy food, user of the natural environment and administrator of financial and intellectual capital. Everything we do must stand up to scrutiny, and we must protect the environment and ensure it is managed in a way that benefits future generations. We must strive to minimise the impact of our operations on the environment, optimise our energy and raw materials consumption and minimise waste. We work preventively through the day-to-day efforts of our whole workforce, our engagement in research and development and our collaboration with public authorities, NGOs, suppliers and other stakeholders.

11. Protection of our resources and confidential information

11.1 We are always careful to protect our commercial resources and confidential information. Examples of such resources and information include real and intellectual property, insider information, business opportunities and the Company's time, assets and equipment.

11.2 We have a strict duty of confidentiality about all matters relating to insider information. All employees have a duty to familiarise themselves with the Company's regulations governing insider information.

11.3 We protect access to and make correct use of the Company's ICT resources. Any material stored, processed, transmitted or received on the Company's systems is the Company's property. The Company reserves the right to all information of this nature where this right is not restricted by law or agreement. We are all responsible for ensuring that our resources are not abused or impaired.

12. Guidelines for business ethics and whistleblowing

12.1. Each and every employee has a personal responsibility with respect to the performance of their work. The Company's management is responsible for ensuring that its Code of Conduct is complied with. All employees who witness someone behaving in breach of this policy have a duty to report the matter.

12.2 Whistleblowing is the act of reporting wrongdoing or suspected wrongdoing to someone who can do something about it. Whistleblowing means a breach of the law, a breach of internal company regulations, a violation of ethical norms, fraud and embezzlement or actions that go against our fundamental values. We encourage our employees to blow the whistle on all such censurable conditions. Employees have a particular duty to report criminal acts and matters that could pose a danger to life, health and the environment.

12.3 Any breach of Arnarlax's guidelines must be reported immediately to your line manager. The exercise of our fundamental values depends heavily on having managers who are approachable and open for dialogue. Most issues can be resolved locally before they develop into problems that require the involvement of others. An "open door" policy encourages everyone to ask questions and raise concerns – of a legal or ethical nature – as well as matters relating to the quality of the work and the working environment. All managers have a duty to support this attitude by keeping an "open door" to employees who seek dialogue.

Nevertheless, if you are the victim of or a witness to any kind of censurable conditions, we have a dedicated whistleblowing channel that we encourage employees to use. Both the whistleblowing channel and Arnarlax's internal reporting procedure may be accessed from the Company's intranet and quality assurance system.

12.4 All reports of wrongdoing / whistleblowing ("disclosures") are immediately recorded by Arnarlax's Disclosure Unit and given a unique case number. This also applies to disclosures received via the external whistleblowing channel that Arnarlax uses.

The Disclosure Unit is responsible for processing disclosures received, which also includes the preparation of a report on the case. The Disclosure Unit must also ensure that information relating to the case is properly processed and stored in compliance with the prevailing regulations on privacy and information security. The Disclosure Unit must ensure that no unauthorised parties gain access to information relating to disclosure cases. Any such information that is sent by e-mail must be sent encrypted.

Arnarlax's decisions in disclosure cases will normally be to:

- close the case, or
- refer the case to the appropriate individual at Arnarlax for further processing, including disciplinary or preventive actions, or
- send the case to a public supervisory body or other public authority.

Investigations of and decisions relating to disclosure cases will be dealt with in conjunction with local management unless specific reasons indicate that this would be inappropriate.

12.5. Breach of the rules described in this Code of Conduct may lead to internal disciplinary action and, in serious cases, to dismissal and criminal prosecution.

12.6 We are dependent on our employees helping us by ensuring that the Company knows about and can correct matters that fail to meet our ethical standards. At the same time,

Arnarlax wishes to collaborate only with partners, suppliers and subcontractors who maintain the same high standards as us.