

## EMPLOYMENT MATTERS GUIDEBOOK (WORKPLACE POLICY)

### RECIPIENTS: EMPLOYEES AND ENTITIES COOPERATING WITH THE COMPANY

#### Mission statement

The Company strives to create a work environment that is healthy, safe, productive and friendly. This guidebook sets forth key guiding principles that represent the Company's approach to and standards for employment. This guidebook is intended to supplement, not replace, existing policies and internal regulations regarding employment. Employees of the Company must comply with all such policies, contracts and laws that are related to their area of responsibility.

The Company may take disciplinary action, up to and including termination of employment, against anyone

#### Occupational health and safety

The Company is to protect the health and life of employees and associates by ensuring safe and healthy working conditions. Employees and associates need to comply with the provisions on and principles of occupational health and safety, as well as regulations on fire protection.

Employees and associates are encouraged to propose means to improve occupational health and safety and they shall immediately notify the Company about all violations of OHS rules or dangers of other types. If work of the employee or service provided by the associate poses an imminent danger to the life and health, or if work performed by a person poses an imminent danger to the life or health of other persons, the person is to stop the work and inform the person supervising or performing the work or service.

The Company prohibits the use or possession of illegal drugs or narcotic drugs or being under the influence of alcohol while performing duties or service.

#### Loyalty and acting in the Company's best interest

All employees and associates shall be loyal to the Company and act in the Company's best interests. Employees and associates shall refrain from any behaviour that is harmful to the Company or other persons.

All employees and associates shall maintain a work environment which is conducive to open communication regarding legal or ethical problems and concerns related to work or providing services. Employees and associated companies must seek guidance when they have questions and take actions against improper conduct by reporting it.

#### Assets of the Company

who violates the applicable contract, code, law or policy.

Employees and associates shall look after the Company's assets and all equipment or objects belonging to the Company, including in particular:

- using business property, including telephone, computer, computer software, Internet and business e-mail box exclusively for business purposes, in accordance with their intended use
- not making any modifications to business property, including installing or removing software from computers without the Company's consent,
- complying with the rules of safe use of Internet and computers,
- returning to the Company, at every request and in the event of termination or expiration of the contract with the Company, all documents and materials pertaining to the Company's activities, which also includes all copies thereof recorded on any carriers.

Employees and associates shall report to the Company any misuse, misappropriation of the Company's assets and any lost or stolen data devices.

#### Mobbing, harassment and discrimination

The Company is committed to sustaining a workplace environment that is free from any forms of behaviour that are degrading or hostile. With regard to the binding provisions of law and occupational health and safety, the Company declares and assures the prevention of and zero-tolerance policy towards any behaviour that violates binding provisions of law and ethics rules, including mobbing and any form of discrimination at work.

#### What is mobbing?

Mobbing can be described as a form of aggression occurring in the workplace and is a long-term bullying of one or a small number of employees aimed at

isolating or eliminating them from a group.

Mobbing is a concept that is defined by law in the Labour Code, which applies to employees. Basically, under art. 94 [3] of the Labour Code, mobbing, within the definition of law, is the application of all of the following factors, i.e.:

- action or behaviour affecting an employee or directed against the employee,
- the effect of which is persecution or intimidation,
- which is systematic and long-lasting,
- the purpose of which is to humiliate or ridicule an employee, to isolate said employee from colleagues, or
- exclude him/her from a group of employees,
- what results in lowering self-esteem related to career suitability of said employee, causes humiliation or ridicule, isolation from colleagues, or exclusion from a group of colleagues.

Mobbing is not action that usually comes within normal management such as ensuring completion of tasks set by superiors, changing work time organisation, checking the quality of work, requiring overtime, etc.

Mobbing, however, can occur when there is long-term action, or inaction, against an employee which can be intended as harassment and which adversely affects the mental well-being of the employee. The activities (which come within the remaining requirements) include, e.g., insulting or shouting at a colleague, publicly criticizing colleagues in a degrading manner, excluding the employee from information (e.g. habitually not informing of meetings which the employee should attend), ridiculing and commenting on appearance, challenging competences (e.g. you are no good for anything), spreading rumours, excessive and uneven workload or not assigning tasks, assigning tasks exceeding employee competence, frequently entrusting tasks which are unnecessary.

#### **Can an isolated situation constitute mobbing?**

No, mobbing is not in isolation, but it is a process, and to be able to assess whether mobbing is in fact occurring, it is necessary to consider a situation as a whole while considering specific events in a specific period of time.

One of the features of mobbing as defined in law is that it must be long-term, but the law does not specify the period of time that is to be considered. It had previously been believed that it must be at least half a year, but it is currently understood that it can be a shorter period,

but long enough for undesirable activities to adversely affect the mental well-being of the person being mobbed.

The sole sense on the part of the employee that he/she is being mobbed is not enough. An assessment of the situation must be based on objective criteria from a reasonable perception of reality; e.g., when assessing behaviour the question to be answered is whether a person of average sensitivity would in assessing the situation objectively assess that there would be a lessening of self-esteem as regards career suitability.

#### **What is harassment?**

Harassment is undesirable behaviour the purpose or effect of which is to infringe upon the dignity of a person and to create in the person a feeling of intimidation, hostility, degradation, or being under attack. Harassment can consist of an isolated action.

For example, humiliating the disabled colleague and joking about the disability could constitute harassment.

Sexual harassment is a specific type of harassment

#### **When does sexual harassment occur?**

Sexual harassment is discrimination on the grounds of sex. Meaning:

- any unwanted behaviour of sexual nature or relating to the sex of the employee,
- the purpose or effect of which is to infringe upon the dignity of a person and to create in the person a feeling of intimidation, hostility, degradation, or being under attack.

This behaviour can be physical, verbal, or non-verbal; e.g.,

- sexual gestures (touching, stroking, hugging),
- inappropriate remarks about dress, appearance,
- showing pornography,
- sending in electronic form obscene content, or personal delivery of notes, drawings of that nature,
- using terms of endearment,
- making direct, inappropriate, ambiguous proposals.

#### **Discrimination in employment is prohibited, but does every differing situation of employees constitute discrimination?**

In general, labour law permits differences because of work performance (e.g., because of predispositions, skills, qualifications, pace of work, various tasks, etc.) An example of such legislation on differentiation of

employee remuneration can be found in Article 78 of Labour Code by which remuneration is to be set to correspond to the type of work, the qualifications required to perform it, and the quantity and quality of the work provided.

The law, however, prohibits discrimination of persons who work; i.e., unauthorised, worse treatment in employment (i.e., in establishing and terminating employment, conditions of employment, promotion and access to training to improve qualifications) of persons on the grounds of specific features compared with persons that do not have the feature. The features are termed the cause of discrimination or criteria for discrimination to occur. In essence, the law prohibits discrimination on the grounds of the following criteria:

- sex,
- age,
- disability
- race, nationality,
- political beliefs, union affiliation,
- ethnicity, religion, sexual orientation,
- employment for a definite or indefinite period employment contract, full-time or part-time employment.

### **What measures are to be taken when someone acts against a person in an undesirable manner?**

In such a situation, it would primarily be necessary to bring the undesirable conduct to the attention of the relevant person. As a rule, conflicts should be resolved directly by the persons that are involved.

However, this is not always possible or effective, and in such situations the Company should be notified. A detailed procedure for conducting internal proceedings, which also applies to undesirable conduct of employees as mobbing or discrimination, including harassment, is described in the Procedure for reporting Compliance Irregularities.

It must be remembered that all persons at the workplace are under an obligation to follow the principles of community life, which means respect for colleagues and responding if rules are being broken. It is important for group leaders to regularly check for undesirable action in a group and to react promptly.

### **Amendments**

The Company has a the right to unilaterally amend the guidebook in its entirety at any time, without prior notice, to the extent that is permitted under applicable law.