



SKY-WATCH

CODE OF CONDUCT





OUR COMMITMENT TO GOOD BUSINESS CONDUCT

Dear colleagues and business partners,

At Sky-Watch, we are more than just a technology company. We are pioneers in the field of unmanned aircraft systems (UAS) dedicated to developing combat capabilities through innovative solutions. Our mission is to deliver value to our clients, and this commitment extends to how we conduct our business every day.

In an industry where trust and reliability are paramount, it is crucial for Sky-Watch and our business partners to demonstrate an unwavering commitment to ethical practices. We understand the profound responsibility that comes with developing defense technologies, and we are dedicated to conducting our business with the utmost integrity. By doing so, we uphold not only our high quality but also contribute to the success and trust of our employees, customers, business partners and other stakeholders.

Our Code of Conduct is a reflection of our core values and our strong commitment to integrity and ethical behavior. It provides clear guidelines on how we operate, ensuring that we maintain the highest standards of decency and transparency in all our interactions. As a cornerstone in our business, we expect all employees and business partners to comply with all applicable laws and regulations.

This Code of Conduct also sets out our requirements and expectations regarding responsible business conduct in relation to environmental matters, respect for human rights, and good governance. It is built on the foundation that is provided in applicable law, international conventions, the OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on both Global Compact and Business and Human Rights.

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Sincerely,

Martin Schousboe
CEO, Sky-Watch



1. OUR REQUIREMENTS AND EXPECTATIONS

Our business at Sky-Watch is built on principles of decent behavior, integrity and honesty. We integrate these principles into all of our own operations and our value chain.

Therefore, we require all our employees and business partners to act in accordance with applicable law, internationally recognized conventions and principles of good business conduct and this Code of Conduct. We expect that our employees and business partners maintain awareness and comply with applicable law and best practices. Even if the law or this Code of Conduct does not specify, we expect our employees and business partners to act with the outlined principles and common sense.

This Code of Conduct sets out the foundation for our engagement with employees and business partners in relation to good business conduct. To emphasize our expectations, we include certain specific topics in this Code of Conduct, while it is important that Sky-Watch and our business partners continuously stay updated on developments that require continuous improvement without discriminating between equally material topics.

2. BUSINESS PARTNER COMPLIANCE WITH THIS CODE OF CONDUCT

We expect business partners of Sky-Watch to adhere to this Code of Conduct.

We also expect our business partners to impose the same, or similar requirements at least at the level of applicable law, on their business partners in the value chain of Sky-Watch.

3. OUR EMPLOYEES AND BUSINESS PARTNERS

"Employee" means any individual engaged in performing tasks or services under the direction or control of Sky-Watch or our Business Partners, including but not limited to employees, contractors, subcontractors, temporary staff, interns, volunteers, and any other personnel providing labor or services.

"Business partner" means any entity which Sky-Watch has a direct commercial agreement. The term "Business Partner" includes but is not limited to customers, suppliers, contractors, sub-contractors, service providers, agents, contract manufacturing organizations, joint venture partners, distributors, and vendors.



4. OUR INTEGRITY

As a developer and provider of drones, our integrity is fundamental to our business.

Sky-Watch is dedicated to delivering solutions that adhere strictly applicable law and international conventions. We ensure that all our products are developed and deployed within the legal and ethical boundaries set by global standards. We honor the international principles of distinction, proportionality and decency to maintain the trust and confidence of our employees and business partners.

5. CONFIDENTIALITY AND INDUSTRIAL ESPIONAGE

As our business relies on advanced knowledge for mission-critical solutions, we do not tolerate industrial espionage or the unauthorized sharing of our or our partners' confidential information. To mitigate this risk, it is essential that all employees and business partners adhere to applicable law and our high standards of security and confidentiality and exercise caution when handling sensitive information.

6. TRADE COMPLIANCE

Trade compliance includes relevant laws concerning dual-use items, sanctions, weapons, war material, and other international trade restrictions. All employees and business partners must act diligently and in compliance with all applicable law and practices concerning trade compliance. This includes obtaining all required licenses and guidance from competent authorities to ensure compliance.

7. PHYSICAL AND INFORMATION SECURITY

Sky-Watch is committed to upholding physical and information security. We implement robust measures to safeguard our facilities and data.

Therefore, our employees and business partners must follow security protocols, report incidents promptly, and participate in regular training and must handle all data with integrity.



8. HUMAN RIGHTS

At Sky-Watch, we respect human rights. We do this by integrating a principle of decent behavior that does not discriminate among individuals based on protected characteristics or otherwise treat individuals unfairly. The principle applies to our own operations and employees as well as the value chain of Sky-Watch.

9. LABOR RIGHTS

Sky-Watch is committed to respecting labor rights and upholding a high standard of social ethics.

All employees in our own operations and value chain must be treated with dignity and respect. We work against all forms of forced labor, bonded labor and modern slavery and child labor.

We ensure fair and safe working conditions for our employees and require our business partners to do the same. We practice ethical sourcing and production practices and conduct regular training and implement initiatives to maintain these standards and promote continuous improvement.

10. INTELLECTUAL PROPERTY

Intellectual property rights ("IPR") are the rights afforded to an individual or entity based on their unique creations, innovations, and contributions in various fields. At Sky-Watch, we are committed to protecting our IPR and respecting the IPR of others.

Therefore, we require our employees and business partners to appropriately safeguard Sky-Watch's innovations, trademarks, and copyrighted material to avoid unauthorized use or infringement.

11. DATA PRIVACY AND DATA PROTECTION

All employees and business partners of Sky-Watch must respect the privacy of individuals. They must safeguard personal data with appropriate measures, ensure the confidentiality of sensitive information and use personal data lawfully and proportionately, and responsibly manage and mitigate data breaches, ensure transparency. Data provided by or collected for Sky-Watch must only be used as permitted by Sky-Watch, with access limited to the greatest extent possible.



12. ANTI-BRIBERY AND ANTI-CORRUPTION

We are committed to combating bribery and corruption in all its forms and have a zero tolerance policy against corruption and bribery.

Sky-Watch does not accept any form of bribery or corrupt business behavior. Business Partners must never accept, give, promise, or offer any form of undue financial or material benefits or facilitation payments that would entail a risk of unduly influencing business decisions to or from Sky-Watch or any business partners or other third parties in connection with their business relationship with Sky-Watch.

13. ENVIRONMENT AND CLIMATE

All our employees and business partners must work to protect the environment and seek to optimize consumption of resources and reduce negative impacts on the climate, pollution, waste and biodiversity. At Sky-Watch, we will strive to mitigate our climate impact, and we expect our business partners to do the same for example by providing solutions that mitigate adverse impact on the climate and adapt to climate change, such as weather conditions and other geological changes.

14. COMPETITION LAW

Sky-Watch and our Business Partners must not enter into any agreements or practices that may restrict or distort competition, including market or customer sharing or price fixing. In our interactions with business partners, commercially sensitive information must not be dispersed, shared, or received. Sky-Watch is also prohibited from certain market practices where we hold a significant market position.

15. WHISTLEBLOWING AND REPORTING CONCERNS

Sky-Watch values a culture where our employees and Business Partners can speak up and raise concerns confidentially about potential or actual violations of applicable law, this Code of Conduct, or other material matters related to responsible business conduct without fear of retaliation. Employees must seek clarification from our Management if laws or instructions are unclear. We expect our Business Partners to establish appropriate speak-up channels and provide remediation where needed. Our employees must ultimately use our whistleblower channel to report concerns.



16. RED FLAGS

Even when people act responsibly, other individuals can attempt to interfere with good business practices. Some of the "red flags" that our employees and business partners should be aware of include:

- Unwillingness to provide regular business information regarding end-use, customers, destinations or the like.
- Previous involvement in material, substantiated legal disputes, violations of the law, or activities to evade or circumvent legal obligations.
- Severe adverse media findings that appear substantiated.
- Unusual shipping or payment terms, such as paying an unreasonably high price, offering cash or kick-backs, or indicating willingness to act in non-compliance with laws.
- Payments to or from parties other than the direct business partner.
- Risks of individuals or business partners having military affiliations, or that a product or financial resources are used for military purposes or to support military actions, that are not allied with Denmark, the EU, NATO, or other allied countries.

Any of these red flags or other issues must be reported to a direct manager or ultimately the leadership of Sky-Watch.

17. DUE DILIGENCE AND IMPACT MANAGEMENT

We believe that transparency and continuous improvement in due diligence and impact management practices can help foster a responsible business environment.

As we continue to grow, Sky-Watch will continuously work on our due diligence practices and management of adverse impacts on the environment, human rights, and good governance. We expect our business partners to do the same.

This includes:

- Identifying, preventing, and mitigating adverse impacts in own operations and value chains.
- Integrating the elements of this Code of Conduct clear policies which must be endorsed by the leadership.
- Cascading the requirements to business partners.
- Providing access to reporting concerns and offering remediation where damage has been caused or contributed to by Sky-Watch, or where Sky-Watch is directly linked to such damage.

The design of an appropriate management system for good business conduct must be tailored to the individual company, in line with internationally recognized standards such as the OECD Guidelines on Multinational Enterprises, and the UN Guiding Principles on both Global Compact and Business and Human Rights.