

Code of Conduct for

Flügger A/S, subsidiaries and partners

1. Purpose and scope - Flügger

Flügger employees and Flügger partners (i.e. suppliers, sub-suppliers, franchisees, retailers, dealers, consultants and other partners, hereinafter referred to as 'Partners') are expected to observe high business and personal ethical standards and to comply with this code of conduct (hereinafter referred to as the 'Code of Conduct') during the performance of their work for Flügger.

This Code of Conduct applies to the Flügger Group, including all local units which are part of the Group (hereinafter referred to as 'Flügger'). The Code of Conduct is based on the UN Universal Declaration of Human Rights, the International Labour Organization (ILO) conventions on Fundamental Principles and Rights at Work and the OECD guidelines for multinational enterprises.

Flügger must observe local and international legislation, relevant codes, industry standards and established contracts at all times. This Code of Conduct sets forth the minimum level for acceptable behaviour, and Flügger will not accept breaches.

If national legislation is more stringent than the Code of Conduct, Flügger employees and Partners must observe the national legislation.

This Code of Conduct has been approved by the Flügger CEO and Flügger SLT (Senior Leadership Team). The CEO has responsibility for compliance with the Code of Conduct, while managers of local units are responsible for implementing the Code of Conduct by ensuring that the content is known and understood by all Flügger employees and Partners.

2. Business principles

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Flügger respects fair trade and competition law, acts on bribery and relevant codes of conduct on business ethics in the countries in which Flügger operates, and Flügger expects its Partners to do the same. Unfair competition, bribery and corruption distort competition and inhibit economic, social and democratic development. Flügger is working to prevent such practices in the countries in which we are operating.

Please also see the Flügger Anti-corruption and Bribery Policy, which is available on the company' intranet or can be provided on request.

a. Fair competition

Flügger supports fair and unrestricted competition in all its activities. We compete in a manner which is both ethical and just, without getting involved in inappropriate activities or unfair trading methods. Any form of price collaboration, competition limiting activities or contracts, or abuse of a leading position in the market, either between local units or in league with external partners, is prohibited.

In their contact with competitors, Flügger employees and Partners must not discuss or pass on information about markets, prices, costs or commercial conditions in relation to customers or suppliers. In the event of a local, unannounced investigation by a competition authority, employees must work with the officials and not hinder the investigation in any way.

b. Bribery and fraud

Flügger employees and Partners are not permitted to engage in any form of fraudulent conduct, defined as the provision of deliberately misleading information for the purpose of obtaining an advantage.

Purchasing and sales activities must be handled professionally and with integrity. Terms and conditions for discounts, commissions and bonuses must be reasonable and set out in writing.

All gifts, rewards and benefits, including hidden commission or kick-backs, are regarded as bribery, if they are able to influence the recipient's behaviour. Employees must not accept, offer or give gifts, benefits, allowances or entertainment which may affect the professional judgement of employees, customers or Partners.

Only moderate gifts, rewards or benefits (up to local, maximum tax-free amount) which do not affect the recipient's behaviour are allowed, provided that the presentation, promise or offer of such gifts, rewards or benefits is out in the open.

c. Impartiality and conflicts of interest

Flügger business relationships must be impartial, and all business decisions must be based on the company's interests without regard for personal circumstances or advantages.

Conflicts of interest between employees and the company must be avoided.

Employees are not allowed to involve themselves in activities outside the Group which are in conflict with Flügger's interests. If a conflict of interest arises, the employee must immediately inform his or her immediate superior. Flügger has a neutral stance towards political parties and candidates, and Flügger's name and funds must not be used to promote the interests of political parties or their candidates.

Employees and Partners must not use their connection to Flügger for unjust personal gain. Business relations with Flügger which involve personal or family interests must be avoided. Purchases from family members or personal friends must also be avoided. If such an action is still justified, it must be approved by a supervisor.

Employees and partners must not unjustly pass on confidential information about Flügger. Please also refer to the Flügger rules for trading Flügger shares and handling internal knowledge, which are available on the company's intranet or can be provided on request.

3. Human rights and working conditions

Flügger supports and respects international conventions on human rights and local labour market legislation. Everybody who works directly or indirectly for Flügger is entitled to their fundamental rights as set out in the UN Universal Declaration of Human Rights. Flügger conducts evaluations of its suppliers to ensure that there are no breaches of human rights.

a. Respect for the individual

Flügger respects the individual and works to promote diversity and equal opportunities. No employee, customer or partner must be discriminated against due to their age, ethnic, social or national affiliation, race, gender, sexual orientation, religion, political convictions, disability or for any other reason whatsoever. Dismissal or discrimination based on pregnancy or parenthood is not accepted.

Physical, psychological, sexual or verbal harassment of any employee or partner is not tolerated under any circumstances.

Flügger values a healthy work/life balance and encourages its employees to create such a balance.

Flügger respects the individual's right to privacy. Personal information about Flügger employees and Partners is protected in line with the applicable personal data legislation at any time.

Flügger respects the individual's right to freedom of speech. Flügger employees and Partners must therefore not be prevented from expressing dissatisfaction with their working conditions in an objective and loyal manner, and company employees and partners must be able to express dissatisfaction with their working conditions confidentially.

b. Forced or child labour

Flügger permits no actions which limit the free movement of employees. Forced labour, slavery or other forms of involuntary work are not acceptable at Flügger workplaces or at the workplaces of our business partners.

Flügger does not tolerate child labour at its own workplaces or at the workplaces of its business partners. We comply with local legislation in relation to the minimum age for workers, but the minimum age must not be below 15 in any circumstances.

c. Fair working conditions

Working conditions must comply with national laws, regulations, industry standards and collective bargaining agreements. All employees must be given their terms of employment in writing and must be informed about the terms and conditions of their employment in a language they understand.

Flügger respects its employees' right to form or be members of voluntary labour market organisations or trade unions and to negotiate collectively. Union representatives at Flügger must to a reasonable extent be given the opportunity to perform their related tasks.

d. Wages, leave entitlements and working hours

National laws and regulations regarding minimum wages and sick leave and maternity leave entitlements must be observed.

e. **Safety in the workplace**

The working environment must comply with national laws, regulations and industry standards. Flügger must have a safe and healthy working environment to reduce risks which may cause accidents or be detrimental to the health or welfare of its employees. Preventive measures must be taken to reduce the risk of accidents, injuries and absence due to long-term illness.

The necessary safety conditions must be made available, including relevant information. Managers, team leaders and health and safety representatives must have the skills needed to undertake their health and safety responsibilities. Production and logistics departments must make sure that safety systems, including fire alarms, relevant fire-fighting equipment and first-aid equipment, are of a high standard. Regular testing and instruction must be carried out.

4. Environment

All national environmental laws, regulations and standards must be observed by Flügger employees and Partners.

Flügger is committed to protecting the environment and works to reduce the environmental impact of its activities, products and processes. Flügger is constantly looking for sustainable methods for conserving resources, with a special focus on improving energy consumption and transport efficiency.

In addition, Flügger is working to reduce its climate impact by complying with or exceeding rules or agreements regarding the reduction of all discharges and emissions, greenhouse gases and discharges and emissions to air, soil or water.

Flügger works systematically with the ISO 14001 environmental management system and similar systems.

5. Procedures for compliance, implementation and follow-up

All employees and Partners must follow this Code of Conduct.

All managers at Flügger and its Partners are responsible for informing their organisations about the contents of this Code of Conduct, in a way that is easy to understand, and for ensuring that it is respected in their organisations. Employees with external contacts must

inform their respective business contacts about this Code of Conduct. Flügger suppliers are evaluated on their ability to meet the requirements of the Code of Conduct.

Non-compliance or failure to comply with the Code of Conduct may result in disciplinary action, including termination of employment or, in the case of Partners, termination of business relations. Such steps do not preclude legal action by the company.

a. Reporting of non-compliance

Flügger employees or Partners who become aware of unethical or illegal behaviour must report this to their manager or contact at Flügger, or via the Flügger whistleblower scheme (see below). If the Flügger contact is part of the problem the employee or Partner is concerned about and is thus not the right person to handle the problem, the employee or Partner is advised to report the case to a superior or a higher-ranking contact.

All such communication must be confidential, and no-one should experience negative consequences or discrimination as a result of reporting problems in good faith and in accordance with the intentions of this Code of Conduct.

A business ethics committee headed by the CEO must handle any problems reported in a timely fashion. The person who reported the problem must be informed of the outcome of the case.

Serious irregularities, breaches of the law or suspicion of the same may also be reported via the Flügger whistleblower scheme, in accordance with the Flügger whistleblower policy. The scheme and the Flügger whistleblower policy are available via www.flugger.com.

Reports could be information on matters such as:

- Economic crime, including embezzlement, bribery, fraud, forgery, corruption, accounting fraud etc.
- Serious breaches of work safety or environment regulations
- Physical violence or sexual abuse

Situations may arise which are not regulated by specific guidelines. In such situations, the conduct of all the parties involved must be in the spirit of the Code of Conduct. Concerned persons can contact their immediate supervisor or Flügger contact for advice, and the Flügger Group General Counsel is always ready to answer questions.