

# Lars Larsen Group

## Employee Code of Conduct

Version 3.0

Lars Larsen Group is family owned, named after the founder of JYSK, Lars Larsen. We are active within a broad range of business areas as majority owner and investor.

We are aware of our responsibility.

The way we do business in Lars Larsen Group is anchored with the family values; Tradesmanship, responsibility and growth.

With the family values as our framework, we continuously strive towards long term, successful development of Lars Larsen Group, while at the same time leaving a significant positive imprint on society.

Our most significant impact, in a sustainability context, is based on our role as majority owner and through our investment activities. As majority owner, we set forth requirements to the companies within Lars Larsen Group and impact is realised primarily by the performance of these companies.

This Code of Conduct communicates requirements for all employees within Lars Larsen Group as well as representatives and other business partners acting on behalf of Lars Larsen Group, hereinafter referred to as employees<sup>1</sup>. If a company within Lars Larsen Group participates in joint ventures as a non-controlling shareholder, our Code of Conduct should be introduced to the other parties, with the intention to commit the other shareholders to adopt the Code of Conduct or a similar policy.

Lars Larsen Group operates globally and is represented in many different countries and across different cultures, traditions, local laws and legislation. On behalf of Lars Larsen Group, we will do our utmost to continuously perform business with integrity.

Jesper Lund  
President and CEO  
Lars Larsen Group

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<sup>1</sup> Employees, Board members, and business partners in companies where Lars Larsen is majority owner.

## Introduction to the Code of Conduct

We support the UN Global Compact and make every effort to align our business activities with universal principles on Human Rights, Labour, Environment and Anti-Corruption.

The CEO of subsidiaries, within Lars Larsen Group, is responsible for implementation of the Code of Conduct, Group Policies as well as supporting company policies and procedures. This Code of Conduct is published together with a Guide<sup>2</sup> that instructs on implementation requirements. The Guide sets a minimum-level, allowing for our subsidiaries to aim for a higher ambition level.

Managers, in companies owned by Lars Larsen Group, have a special responsibility and should lead by example as well as implement appropriate processes, as part of the company's sustainability agenda. Managers are advised to go through the Code of Conduct with relevant employees to ensure that all parties concerned are aware of the guidelines and what they mean in relevant contexts.

Lars Larsen Group Employee Code of Conduct communicates, amongst other, our Group policies<sup>3</sup>.

- Human Rights
- Anti-Corruption and Bribery
- Environment and Climate
- Social and Employee Terms
- Gender Equality

Requirements towards suppliers<sup>4</sup> are communicated via a Supplier Code of Conduct<sup>5</sup>. Compliance audits<sup>6</sup> are mainly managed via a membership with Amfori Business Social Compliance Initiative (BSCI) and are performed by BSCI approved 3<sup>rd</sup> party auditors.

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<sup>2</sup> The Guide is published internally in the form of an internal work document.

<sup>3</sup> Cf. Danish Financial Statements Act §99a and §99b.

<sup>4</sup> Primarily first tier suppliers, related to core business.

<sup>5</sup> Companies, who have not yet implemented a Supplier Code of Conduct, will communicate supplier requirements in standard supplier contracts.

<sup>6</sup> Suppliers, for the majority of our companies, located in risk countries cf. Worldwide Governance Indicators by the World Bank.

## **Compliance with Legislation and Regulations**

In addition to this Code of Conduct, all employees within Lars Larsen Group must comply with the laws and regulations of the legal system in which they are operating. Where a local legislation sets higher standards than those set out in this Code of Conduct, the local law takes precedence.

## **Product Safety**

Products sold through Lars Larsen Group must comply with laws and regulations relating to product safety, within the countries where Lars Larsen Group is present. Management of subsidiaries, owned by Lars Larsen Group, is responsible for implementation of adequate procedures for compliance.

## **Human Rights**

This chapter of our Code of Conduct communicates our policy on Human Rights Cf. §99a of the Danish Financial Statements Act.

The purpose of this policy is to define the labour and human rights standards to which employees in Lars Larsen Group are entitled.

Lars Larsen Group respect Human Rights. We accept the responsibility we have towards our employees and the communities in which we operate, and we expect the same of suppliers.

We comply with the laws and regulations that apply in the countries in which we operate, and we aim to ensure that Human Rights are an integral part of relevant processes.

## **Labour Rights**

We offer our employees fair and reasonable working conditions.

- Our employees are our most important resource and employment must be based on compliance with relevant legislation as well as mutual respect and trust.
- Our employees shall be offered a safe and healthy work environment, which we continuously seek to improve.
- The conditions of employment offered to employees must meet the minimum requirements in national law and/or collective agreements as well as relevant ILO conventions.
- We make every effort to pay fair salaries and remuneration in accordance with relevant norms in the locations in which the Group is present.

We reject child labour and forced labour.

- We do not accept child labour, and will follow guidelines by the International Labour Organisation (ILO).
- We do not accept forced labour, slave labour or other forms of involuntary labour.

We respect our employees' right to be organised.

- Our employees are entitled to form or join a trade union and we respect the rights of our employees and their trade unions to negotiate collective agreements.

### **Respect and Non-Discrimination**

We are a non-discriminatory workplace.

- We offer all individuals equal opportunities regardless of skin colour, gender, nationality, religion, ethnicity or other distinguishing characteristics.
- We make active efforts to achieve a corporate culture and workplace free from discrimination and harassment of any kind.

### **Personal Information**

We respect individual personal information that the company can obtain or use in information processing.

Management of each subsidiary, within Lars Larsen Group, is responsible for ensuring that personal data is handled in accordance with applicable laws and regulations.

### **Anti-Corruption and Bribery**

This chapter of our Code of Conduct communicates our policy on Anti-Corruption and Bribery Cf. §99a of the Danish Financial Statements Act.

The policy requires compliance with all applicable laws and regulations relating to corruption and bribery, including, but not limited to, the UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act (FCPA).

The purpose of this policy is to outline compliance requirements relating to Anti-Corruption and Bribery, to reinforce our commitment to conduct business with the highest level of integrity.

All employees, representatives, and third parties acting on behalf of Lars Larsen Group, are expected to show honesty and integrity in dealing with other employees, customers, suppliers, business partners, organisations and authorities.

Lars Larsen Group has zero tolerance for all forms of corruption and makes active efforts to ensure that this does not occur within the Group.

The term corruption refers to abuse of a position of trust for personal or the company's gain, for example by using bribes.

It is forbidden to offer, promise or give as well as request, accept or receive a bribe.

A bribe is a gift or other benefit that might influence another person, as part of his or her employment or duties, to show improper favour to the giver.

Employees within Lars Larsen Group may, for example, not offer, give, receive or request gifts, services, entertainment or other rewards that:

- Violate accepted business practice and norms.
- Have an unreasonable value.
- Violate existing laws and/or go beyond local custom.
- Are offered to people employed in the public sector in conjunction with decision-making and/or the exercise of authority.
- Are likely to improperly influence the recipient in the exercise of their professional duties or in another manner risk distressing the company or the employee in the event they become public knowledge.

This does not prevent employees within Lars Larsen Group from receiving or offering rewards designed to retain and promote good business relationships with customers and other business partners. This subject to the condition that such rewards are modest, openly offered and accepted, and otherwise compliant with this Code of Conduct.

Subsidiaries within Lars Larsen Group are responsible for sufficient analysis of the risk of corruption, related to the respective company, as well as for implementing adequate Anti-Corruption procedures.

Subsidiaries within Lars Larsen Group are responsible for preparing company-appropriate guidelines for employees concerning travel, entertainment and gifts. Such guidelines must be detailed and provide adequate guidance for employees to make responsible decisions.

## **Facilitation Payments**

Lars Larsen Group does not allow the use of facilitation payments.

A facilitation payment is a form of payment made with the purpose of unduly expediting or facilitating the performance by a public official of a routine public service which the payer is already entitled to without such payment.

## **Fraud**

Employees within Lars Larsen Group should never compromise honesty and integrity by committing fraud. The term fraud refers to misuse of company resources, when intentionally concealing, altering, falsifying or omitting information for own benefit or the benefit of others.

## **Conflict of Interest**

Employees within Lars Larsen Group work in the best interest of the company. Employees within Lars Larsen Group must avoid all acts that might be perceived as favouring a company, organisation, individual or other stakeholders at the expense of Lars Larsen Group. Employees

must avoid all types of activity that violate the company's interests or have a negative effect on the employee's judgement and integrity.

### **Fair Competition**

Lars Larsen Group supports the importance of free competition and will perform our business activities lawfully and fairly in every market and country where we operate. Employees within Lars Larsen Group must comply with all relevant legislation regarding competition and refrain from concluding unlawful anti-competitive agreements as well as exchanging unlawful price and/or market information with competitors.

### **Money Laundering**

Companies within Lars Larsen Group are obligated to have adequate due diligence processes in place to prevent actions related to money laundering. Financial transactions and activities must always be compliant with legislation and performed with transparency.

### **Non-compliance**

If an employee has questions relating to practical situations (e.g. giving or receiving gifts/rewards or conflict of interest) the immediate manager should be consulted in the first instance.

Confirmed non-compliance with our policy on Anti-Corruption and Bribery, by employees, traders, agents or other business partners can lead to dismissal, end of contract as well as court proceedings if the non-compliance involves infringement of law.

### **Respect for Confidential Information**

Employees within Lars Larsen Group may not spread or abuse confidential information. This principle may be waived if specific permission has been given by the immediate manager. Examples of confidential information include, but is not limited to, non-public information about financial position, strategies, business transactions, business plans, business processes. Detailed information and instruction is communicated in the Lars Larsen Group Communications Policy.

## Environment and Climate

This chapter of our Code of Conduct communicates our policy on Environment and Climate Cf. §99a of the Danish Financial Statements Act.

The purpose of this policy is to outline our effort to reduce the negative environmental and climate impact of our business activities. It is our belief, that consistent and long-term environmental work creates both environmental benefit and value for our company.

We aim to have environment and climate considerations incorporated as an integral part of business activities, striving to reduce the negative impact of our business activities.

Our Environment and Climate policy is supported by initiatives defined within the individual companies, including company specific actions to reduce CO2 emissions.

In support of this policy, companies within Lars Larsen Group are obligated to;

- Implement a company-specific Environment and Climate policy, linked to their respective business strategy and core business activities of the individual company.
- Integrate environment and climate considerations into their Sustainability strategy, striving for environmentally sustainable business conduct throughout the value chain.

## Social and Employee Terms

This chapter of our Code of Conduct communicates our policy on Social and Employee Terms Cf. §99a of the Danish Financial Statements Act.

Lars Larsen Group aim to provide responsible work conditions and employment terms for all employees within the Group. We follow and comply with legislation, collective agreements as well as ILO conventions.

We seek to attract, develop and retain qualified and motivated employees in a professional environment.

We perform Surveys on Employee Satisfaction<sup>7</sup>. The results of these studies are followed by a process, where we work attentively to improve identified focus areas, while also maintaining a continued effort within already successful areas.

We perform employee/manager-dialogue regarding Personal Development Plan (PDP). A structured dialogue between employee and nearest Manager, with the purpose to systematically follow and support the development of the individual employee.

The purpose of this combination of the employee/manager-dialogue (PDP) and the Employee Satisfaction Survey is to establish a foundation for continued development, ensuring that companies are performing effectively, leading to improved employee satisfaction and thereby a balanced and effective workplace.

We perform workplace assessment according to national legislation.

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<sup>7</sup> Employee Satisfaction Survey is obligatory only for companies required to report annually according to the Danish Financial Statements Act §99a

Furthermore, Lars Larsen Group<sup>8</sup> work for community engagement. We aim to engage with community work through strategic partnerships, donations, sponsor agreements, events or other ways of supporting.

## Gender Equality

This chapter of our Code of Conduct communicates our policy on Gender Equality Cf. §99b of the Danish Financial Statements Act.

Companies not legally required to report on §99b of the Danish Financial Statements Act are not legally bound to live up to the Policy on Gender Equality, but are strongly encouraged to do so, while ensuring always to employ the most qualified candidate for any given position regardless of gender.

The purpose of the policy on Gender Equality is to ensure career development on an equal basis. At an overall level, Lars Larsen Group has not yet reached equal gender composition within managerial levels. Lars Larsen Group is family owned and top management within our subsidiaries have a long history of consistent management teams with very limited change and replacement.

The policy on Gender Equality is supported by the following objective, for boards encompassed by §99b of the Danish Financial Statements Act.

The Board of Directors aim for male and female board members to be represented equally<sup>9</sup> by year 2024.

The following requirements aim to support a development towards more equal gender representation at managerial levels throughout Lars Larsen Group.

Companies within Lars Larsen Group will ensure that:

- Process of recruitment and/or promotion must be transparent and based on thorough consideration.
- Process of recruitment and/or promotion includes, when possible, presentation of both female and male candidates, equally qualified.
- Adequate Management development processes are implemented to support equal opportunity for female and male employees, as well as to ensure an adequate and competent pipeline for management positions.

We aim at reaching a balanced gender composition within Lars Larsen Group workforce on a long-term perspective. Processes of recruitment and/or promotion must at all times identify the person best qualified for the position at focus. The policy does not require of the companies within the group to make changes in top management solely to achieve a more even gender composition. The policy communicates a requirement to ensure equal opportunity.

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<sup>8</sup> Community Engagement work is obligatory only for companies required to report annually according to the Danish Financial Statements Act §99a

<sup>9</sup> Cf. guidance on equal gender representation, by Danish Commerce and Companies Agency

## **Reporting Non-Compliance**

Employees are responsible for knowing the laws, guidelines and regulations relevant for their working duties.

### **How to Report a Concern**

If an employee suspects a possible behaviour that deviates from the Code of Conduct, this should be reported to the immediate manager as soon as possible. If such person is involved in the situation of possible non-compliance with the Code of Conduct or otherwise is disqualified, the concern should be reported to the next-highest manager, or otherwise to the CEO of the company. Suspected deviation from the Code of Conduct can also be reported anonymously via Lars Larsen Group Whistleblowing service. This Whistleblowing service can be accessed via a link at [www.larslarsengroup.com](http://www.larslarsengroup.com).

All reports of concern will be taken seriously and investigated if necessary. There shall be no form of retaliation (termination of employment, harassment, discrimination, etc.) for reporting in good faith a concern of violation of the Code of Conduct or participation in the company's investigation of a report.

Any breach of the Code of Conduct may result in disciplinary action, including dismissal. Should a breach of the Code of Conduct involve an infringement of the law, it may result in court proceedings.

### **Exception**

The safety of our employees is not something that is open to discussion. Under no circumstances may any of our employees be exposed to personal danger and in that regard, a breach of the Code of Conduct may be acceptable in the event of an emergency situation. If an employee is involved in an emergency situation, where a breach of the Code of Conduct takes place, the employee is required to report the incident as soon as possible.