

May 2025

At Palsgaard, our dedication to Corporate Social Responsibility is deeply-rooted. It is founded in our belief that we are all obligated towards society and our stakeholders and that this obligation goes beyond legal obligations.

Palsgaard is a signatory to the United Nation Global Compact (UNGC), and we are strongly committed to promoting the 10 principles of the UNGC in the interaction with our vendors. Our Supplier Code of Conduct, our company policies and our Code of Conduct are based on the principles of the UNGC as well as our strong corporate culture at Palsgaard - a culture of responsibility and commitment going more than 100 years back. Our corporate culture is expressed in how we approach business ethics:

- *We act as a good corporate citizen*
- *We act respectfully towards the environment, local communities and our stakeholders*
- *We conduct our business in a lawful manner in compliance with anti-trust laws*
- *We see ourselves as a company with high ethical and moral standards and we act accordingly*

In our vendor collaboration, alignment on values and commitments is important to Palsgaard. It is our expectation that our supplying partners at all times

- *adhere to applicable laws and regulations in the countries where you operate.*
- *treat your employees with dignity and respect.*
- *support the local communities and seek to reduce negative impacts that your operations may cause*
- *manage your production in an environmentally responsible manner and strive for increased use of renewable energy*
- *follow a zero-tolerance policy towards bribery and all other aspects of corruption*
- *respect International human rights principles and labor standards such as UN Universal Declaration on Human Rights and International Labor Organization's Declaration on Fundamental Principles and Rights at work (ILO)*

We expect that you have similar expectations towards your vendors.

As signatory to Palsgaard Supplier Code of Conduct

All vendors are expected to sign Palsgaard Supplier Code of Conduct.

By signing the Palsgaard Supplier Code of Conduct, you commit yourself to complying with the principles of good business conduct described herein.

To further improve Palsgaard's understanding of your business conduct and due diligence processes in place, we may require additional information about your social, environmental and ethical practices. Such information can be acquired via online questionnaires or onsite vendor audits.

At all times, please ensure to maintain necessary and relevant documentation to demonstrate compliance with the requirements of the Supplier Code of Conduct. Documentation must be made available to us on our request.

In case of non-compliance with our Supplier Code of Conduct, Palsgaard commits to engage in dialogue to further understand and thoroughly evaluate the area of non-compliance. Mutual collaboration will contribute to identifying concrete improvement areas with the objective of defining a timebound action plan to achieve. If breach with our Supplier Code of Conduct is severe, or we identify lack of progress according to the mutually agreed improvement plan, we may, as a last resort, be forced to terminate our business relationship.

Kindly ensure that the Supplier Code of Conduct to Palsgaard is signed and returned at your earliest convenience and no later than 3 weeks from the day you receive this document. This is your testament of your acceptance of the principles in Palsgaard Supplier Code of Conduct and an important prerequisite for doing business with Palsgaard.

Yours sincerely,



Mr. Anders Brix,
Group CEO, The Schou Foundation



Helle Müller Petersen,
CEO, Palsgaard A/S