

# CODE OF CONDUCT



2019

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think  
innovate

**GRUNDFOS** 



# *Dear colleagues,*

Grundfos pioneers solutions to the world's water and climate challenges and improves the quality of life for people.

Grundfos is one of the world's leading companies in pumping systems and solutions for buildings, industry and water utilities.

Grundfos is a truly global company, operating in more than 55 countries and across many different cultures, traditions, local laws and legislations. Grundfos is a company with strong values, high ethical standards, and a reputation built on honesty and integrity. The Grundfos Code of Conduct has existed for years and has been continuously updated and strengthened to improve our ethical governance.

The Code of Conduct applies for all employees and members of board of directors in all countries and in all positions in the Grundfos Group of the board and in the Poul Due Jensen Foundation. It applies whether you are a member of a supervisory board, a part of Group Management, hold a managerial position or are at any other level. It applies whether you are an office worker or a factory worker.

The purpose of the Code of Conduct is to guide you in your daily work; setting the standard for how we do business.

Thank you for your continued support.

Mads Nipper  
*Group President*

# INTRODUCTION TO CODE OF CONDUCT

The purpose of the Code of Conduct is to set the standards for the business ethics, which all employees in the Grundfos Group must adhere to. The Code of Conduct is meant to answer the majority of questions and dilemmas you face as an employee of Grundfos. However, if you are in doubt as to how to interpret the Code of Conduct or how to apply it to a situation please contact your line manager, the Legal Department or the Ethics Committee.

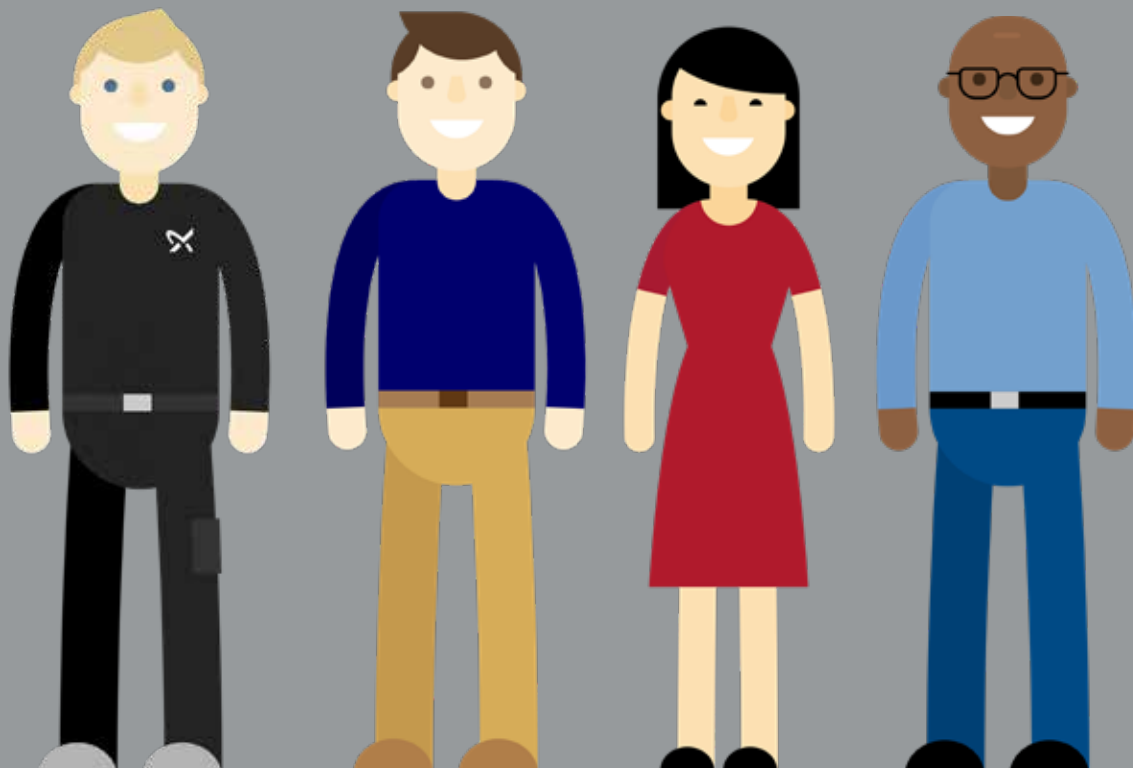
The Code of Conduct is divided into three easy-to-use sections; the left-hand column explains what Grundfos will do, the middle column states what is expected of you as an employee, and the right-hand column offers an explanation and additional information. Grundfos has established a system for anonymous reporting of suspected noncompliance with the Code of Conduct. Information about this “whistleblowing” function can be found on Grundfos Insite.

The latest version of the Code of Conduct (including all amendments) will always be available on Grundfos Insite and [www.grundfos.com](http://www.grundfos.com).

Finally, there will be training of all employees in the Grundfos Group on the Code of Conduct

# THE CODE OF CONDUCT CONSISTS OF **15 RULES**:

- 1.** Grundfos purpose and values
- 2.** Compliance with laws and regulations
- 3.** Sustainability
- 4.** Bribes
- 5.** Facilitation Payments
- 6.** Travel, entertainment, gifts and personal benefits
- 7.** Conflicts of interest
- 8.** Political contributions
- 9.** Confidentiality: Trade secrets and data privacy
- 10.** Competition law compliance
- 11.** Bookkeeping and accounts
- 12.** Human rights
- 13.** Discrimination
- 14.** Working Environment
- 15.** Code of Conduct



# 1

# THE GRUNDFOS PURPOSE AND VALUES

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**WHAT** WILL GRUNDFOS DO?  
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Grundfos will adhere to the Grundfos purpose and the Grundfos values in everything Grundfos does.

Our purpose and values provide the strong and timeless foundation that Grundfos has been built on.



## The Grundfos purpose is:

We pioneer solutions to the world's water and climate challenges and improve quality of life for people.

## The Grundfos values:



**SUSTAINABLE**



**OPEN AND TRUSTWORTHY**



**FOCUSED ON PEOPLE**



**INDEPENDENT**



**PARTNERSHIP**



**RELENTLESSLY AMBITIOUS**

## WHAT IS EXPECTED FROM YOU?

### **You should:**

- Acquaint yourself with the Grundfos purpose and values and what lies behind them;
- When interacting with colleagues, suppliers, customers or any other stakeholder, keep the Grundfos purpose and values in mind and act accordingly;
- If you are a manager of people in Grundfos you should take the responsibility to inform any current or new employee about the Grundfos purpose and the Grundfos values; and
- If you are in doubt whether an act or a situation is in line with the Grundfos purpose or values, ask your manager for help.

## ADDITIONAL INFORMATION

For more information about the Grundfos purpose and values, please ask your line manager or visit Grundfos Insite or [www.grundfos.com](http://www.grundfos.com)

The Grundfos values should be the basis for everything we do, and understanding them is essential when working for Grundfos.

Here is a recap of the Grundfos values:

### **SUSTAINABLE:**

Grundfos runs its business in a responsible and evermore sustainable way.

### **OPEN AND TRUSTWORTHY:**

We do what we say, and we say what we do.

### **FOCUSED ON PEOPLE:**

Grundfos is our people.

### **INDEPENDENT:**

The main shareholder of Grundfos – now and in the future - is the Poul Due Jensen Foundation. Profit is a means to growth – not a goal in itself.

### **PARTNERSHIP:**

Grundfos creates value through close relations with customers, suppliers and other stakeholders.

### **RELENTLESSLY AMBITIOUS:**

In Grundfos, we never stop challenging ourselves to create better solutions faster.

# 2

# COMPLIANCE WITH **LAWS AND REGULATIONS**

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**WHAT WILL GRUNDFOS DO?**  
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*Grundfos will:*

- Comply with both international and local laws and regulations that apply to our activities in the countries where we operate;
- Comply with all applicable and relevant sanctions globally;
- Comply with international standards that Grundfos has undertaken to adhere to, such as the UN Global Compact; and
- Enable each employee to the extent necessary to acquaint themselves with all relevant international and local laws, regulations and sanctions which apply to the activities and duties of the individual employee.





## ADDITIONAL INFORMATION

Compliance with international and local laws, sanctions and regulations is needed to make sure that Grundfos acts responsibly.

Grundfos endorsed the UN Global Compact in 2002. The Global Compact principles are now considered an integral part of the overall values of Grundfos. The principles can be found at [www.unglobalcompact.org](http://www.unglobalcompact.org).

Combined, the Grundfos corporate values and the Global Compact initiatives provide a platform for the Grundfos holistic approach to corporate social responsibility (CSR).

Breaching applicable legislation, even when motivated by a misguided devotion to Grundfos, is unacceptable.

Grundfos strives to comply with all relevant laws, sanctions, and regulations applicable to its business where it is conducted and to ensure through its actions that Grundfos does not inadvertently violate these laws, sanctions and regulations.

When doing business globally it is important that Grundfos comply with all applicable sanctions. Non-compliance with sanctions can lead to blacklisting, substantial fines and severe reputational damage to Grundfos.

## WHAT IS EXPECTED FROM YOU?

### ***You should:***

Acquaint yourself with the international and local laws, sanctions and regulations that are relevant to your activities and employment by:

- Asking your line manager to introduce you to them;
- Complying with applicable laws, sanctions and regulations;
- Participating in available education concerning applicable laws, sanctions and regulations; and
- Asking your line manager or the Legal Department for help if you are uncertain about the understanding or interpretation of applicable laws, sanctions and regulations.



# 3

## SUSTAINABILITY

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### WHAT WILL GRUNDFOS DO?

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*Grundfos will contribute to the United Nations' (UN) adopted Agenda 2030 with a total of 17 Sustainable Development Goals (SDGs). Grundfos will work towards fulfilling that ambition in everything it does.*

Being a global company with a passion for water and climate creates a unique opportunity for Grundfos to impact the UN's Agenda 30 by focusing on water and climate, thereby primarily supporting SDG6 and SDG13:

The SDGs are the blueprint for achieving a better and more sustainable future for all. The SDGs address the global challenges we face, including those related to poverty, inequality, water scarcity, climate, environmental degradation, peace and justice.

***Grundfos will:***

Grundfos will continue its long tradition of minimising its environmental impact. This is what we have always done.



## ADDITIONAL INFORMATION

For Grundfos, it is important to bring value to the world in the most sustainable way by always pushing the boundaries of possibility in energy efficiency and water conservation.

Grundfos aims to minimise its impact on the environment and the climate which, as addressed in the SDGs, calls for urgent attention and action due to:

- A fast growing population requiring even more freshwater resources in the future and an expected shortfall in freshwater resources by 2030; and
- The fact that climate change today is already affecting countries and people on every continent.

More information on the Grundfos sustainability agenda towards 2030, the measures chosen by Grundfos and the SDG6 and SDG13 can be found on Insite and more information about the SDGs can be found at [www.un.org](http://www.un.org).

Group Environment, Health & Safety (EHS) has a SharePoint site where it is possible to read more about our ambitions and different initiatives regarding the environment.

Every year information about our progress is published in the sustainability report.

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## WHAT IS EXPECTED FROM YOU?

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### *You should:*

- Acquaint yourself with the SDGs and the measures chosen by Grundfos to reach its 2030 ambition or ask your line manager to introduce you to these;
- Support the SDGs and the measures chosen by Grundfos to reach its 2030 ambition in your daily work for Grundfos;
- Acquaint yourself with other environmental initiatives taken by Grundfos besides the SDGs and support those that apply to you in your daily work for Grundfos; and
- Ask your line manager for help if you are uncertain about the impact on your daily work of the environmental initiatives, the SDGs or the measures taken by Grundfos to reach its 2030 ambition.



# 4

## BRIBES

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**WHAT WILL GRUNDFOS DO?**  
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*Grundfos will conduct its business in a fair and legal way.*

For that reason, Grundfos will not pay or receive bribes, and Grundfos does not allow for an employee to pay or receive bribes.

Grundfos will not accept that third parties such as agents or representatives pay a bribe on behalf of Grundfos or in the interest of Grundfos.

As a consequence hereof, Grundfos does not allow:

- Paying out commission to agents or similar service providers without a written agreement containing a detailed job description; and
- Making prepayments of commission.



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## WHAT IS EXPECTED FROM YOU?

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Do not pay or accept bribes

**You should not:**

- Pay or accept bribes;
- Agree to enter into any arrangement or agreement containing commission or another type of monetary reward including gifts to persons not working for or employed by Grundfos;
- Make any payments to public officials that are not required by law or a written and signed agreement with the public authorities;
- Pay out commission to agents or similar service providers without a written agreement containing a detailed job description; and
- Make any prepayments of commission.

If you are approached with a request to pay a bribe, you must always (to the extent possible):

- Reject paying the bribe and refer to the Grundfos Code of Conduct, which does not allow bribes;
- Get the name of the official requiring the payment; and
- Report (without delay) the incident in writing to your line manager and the Legal Department.

## ADDITIONAL INFORMATION

### *What is a bribe*

Any payment or granting of valuable advantages to persons not employed by Grundfos, including public officials, with the intention of obtaining an advantage for Grundfos.

### *Bribes are illegal*

Bribes are illegal in almost all the countries in which Grundfos conducts its business.

Bribes are considered a violation of the American Foreign Corrupt Practices Act and the UK Bribery Act, and both acts are intended to apply globally.

The consequence for an employee if he/she engages in paying or accepting a bribe might lead to personal fines or even prison.

The consequence of paying a bribe for Grundfos might be fines and/or potentially prison for the responsible persons.

Finally, paying a bribe might severely damage the image of Grundfos or relationship with suppliers, customers, and other stakeholders as well as creating an unsustainable situation with the authorities.



# 5

## FACILITATION PAYMENTS

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**WHAT** WILL GRUNDFOS DO?  
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*Grundfos will conduct its business in a fair and legal way.*

For that reason, Grundfos will not make facilitation payments and Grundfos does not allow for facilitation payments to be made for the benefit of Grundfos.

In extraordinary circumstances, facilitation payments can, nevertheless, be made if the payment is vital to protect a person against loss of life, limb, or liberty.

“Vital” means that there are no other prudent alternatives and that the provision of such service cannot be postponed.



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## WHAT IS EXPECTED FROM YOU?

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### Do not make facilitation payments

In the situation where you are asked to make a facilitation payment and the exception below does not apply, you should:

- Not make the facilitation payment and make reference to the Grundfos corporate policies;
- Call your line manager or Legal Department (showing the customs official that this is not your “secret”);
- Report the incident and the request of payment to your line manager and Legal Department; and
- Share the knowledge of the incident with your colleagues.

An extremely limited **exception to protect against loss of life, limb or liberty applies:**

If (i) you are facing necessary and urgent need of governmental or public service to protect loss of life, limb or liberty and (ii) you are approached with a request to make a facilitation payment, you can make the facilitation payment but you must always:

- Reject making the facilitation payment and refer to the Grundfos Code of Conduct, which does not allow facilitation payments;
- Call your line manager or the Legal Department (such a call makes it clear to the official requiring the payment that this is not your “secret”);
- Get the name of the official requiring the payment;
- Demand a receipt (even though a receipt may not be provided to you);
- Any payment must be formally noted and fully accounted for; and
- Report (without delay) the incident in writing to your line manager and the Legal Department.



## ADDITIONAL INFORMATION

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. A facilitation payment is often called a “grease payment”.

The practice of making facilitation payments is not considered sustainable and is not in accordance with our values.

### The difference between a bribe and a facilitation payment

The difference between a bribe and a facilitation payment is, that while a bribe is made to obtain an advantage to which the payer was not entitled to, a facilitation payment is made to unduly expedite or facilitate a routine public service, which the payer is already entitled to.

Facilitation payments can be avoided by planning ahead. In respect of transport of goods; with good planning, expected delays in customs can be handled.

In the past, facilitation payments have been considered normal course of business in certain countries. This is not the case anymore. Facilitation payments are not considered sustainable or in accordance with the Grundfos values.



# TRAVEL, ENTERTAINMENT, GIFTS AND **PERSONAL BENEFITS**

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**WHAT** WILL GRUNDFOS DO?  
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*Grundfos will conduct its business in a fair and legal way.*

Historically, Grundfos has a strong tradition of building good relationships with suppliers and customers - and Grundfos will continue to do so.

However, Grundfos will not grant any benefit which might unduly influence the representative of a supplier or a customer in their dealings with Grundfos.

Grundfos will not tolerate any employee accepting benefits from a supplier, a customer, or any other stakeholder, which might unduly influence the employee in dealings with such supplier, customer, or stakeholder.

In order to ensure our independence, Grundfos will always pay travel and overnight expenses for its employees attending events arranged by current or potential customers, suppliers, or other business relations.





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## WHAT IS EXPECTED FROM YOU?

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You should not accept gifts or other personal benefits from a work associate or give the same to a work associate:

- If the gifts or other personal benefit has a value that will be considered disproportionate or inappropriate in the context of the relationship to the work associate or the situation;

In respect to travel and entertainment, you should not accept from a work associate:

- Tickets of any event including a sporting event, a concert or other form of entertainment without the purpose of strengthening the work relationship by enjoying the event together; or
- Travel or overnight expenses.

**You should:**

- Ensure that any entertainment, gifts or other personal benefits have a clear business purpose.
- Ask your line manager if you are in doubt.

If declining a gift would be considered disrespectful and in conflict with local customs, acceptance of such gifts is acceptable only after prior written approval by your line manager.

## ADDITIONAL INFORMATION

The Grundfos founder, Poul Due Jensen, believed strongly in building strong relationships with customers and suppliers and invited them into his family home, and Frisholt is a continuation thereof. This tradition is still a fundamental value in Grundfos today.

Any decision you make on behalf of Grundfos should be in the sole interest of Grundfos. The exchange of entertainment, gifts, and other personal benefits is only allowed if the exchange has a clear business purpose.

Entertainment, gifts, or other personal benefits that are considered disproportionate or inappropriate might be understood as trying to unduly influence a decision. For that reason, Grundfos does not accept such practices.

As a general rule of thumb, gifts or other personal benefits with a value of more than EUR 150 will most likely be considered inappropriate. However, please note that local management in your country might have set another value limit for giving or receiving entertainment, gifts, and personal benefits.

For the avoidance of doubt, neither the Legal Department nor the Ethics Committee can approve any such travel, entertainment, gift or personal benefit. This can only be done by your line manager.



# CONFLICT OF **INTERESTS**

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**WHAT** WILL GRUNDFOS DO?  
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*Grundfos will ensure that business decisions are taken in the best interest of Grundfos.*

Grundfos will not accept that an employee uses his/her position in the organisation for personal gain or in the interest of anything else, other than Grundfos.

Grundfos will not accept that an employee uses position, role, or corporate information, or acts in any way contrary to the interest of Grundfos, to seek or gain benefits for themselves, their relatives, friends, or other third parties.

Grundfos will not accept that an employee lets other interests than the interest of Grundfos influence the business decisions taken in Grundfos.



## ADDITIONAL INFORMATION

### ***ACT ONLY IN THE INTERESTS OF GRUNDFOS***

At Grundfos, we want to ensure that business decisions are taken in the best interest of Grundfos. Business decisions taken in Grundfos should not be influenced by any private interest of an employee or anybody else.

### ***MITIGATION BY DISCLOSURE***

Grundfos understands that avoiding a conflict of interest may not always be possible or practical. The required action for an employee who does not or cannot avoid a conflict of interest is to disclose it to the line manager.

Having a conflict of interest is not necessarily wrong. However, it can become a problem or a legal matter if an employee tries to influence the outcome of a business decision with the purpose of obtaining direct or indirect personal benefits. This is why transparency, in the form of disclosure, is crucial and helps to protect the integrity and reputation of Grundfos and its employees.

### ***APPEARANCE COUNTS***

You should not end up in a situation where there is reason to suspect that you act or behave contrary to the sole interest of Grundfos.

## WHAT IS EXPECTED FROM YOU?

You should neither directly nor indirectly have interests in any competing companies, or companies with whom Grundfos has a significant business relationship. Examples being:

- Ownership or financial interest in any company which is competing with Grundfos, or a customer or supplier to Grundfos;
- Being a director, manager, employee, partner, consultant or representative of any company which is competing with Grundfos, and/or being a customer or supplier to Grundfos;
- Any other situation where you or any family member obtains a benefit directly or indirectly which is not specified in the employee's contract with Grundfos; or
- Any situation where your loyalty and/or integrity towards Grundfos is compromised.

You are expected to recognise when you have, potentially have, or could be perceived as having a conflict of interest and you should consult your line manager if in doubt about what circumstances might create a conflict of interest.

If you have a conflict of interest, you must agree with your line manager in writing on how to deal with the situation.



# POLITICAL CONTRIBUTIONS

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**WHAT** WILL GRUNDFOS DO?  
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*Grundfos has a clear purpose, which is independent of political parties.*

Grundfos does not support or make contributions to any political party or any political candidate.

Exceptions must have prior written approval of Group Management.



## ADDITIONAL INFORMATION

We believe in working together to solve the challenges that the world is facing today. In this respect we will try to influence leaders and decision makers, but we will not do it by making political contributions.

Instead, we will use arguments to support our point of views in the relevant forums.

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## WHAT IS EXPECTED FROM YOU?

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### ***You should not:***

- Support political candidates or parties financially by paying money or giving gifts on behalf of Grundfos;
- In any other way contribute to political candidates or parties by using Grundfos resources such as vehicles, premises or IT equipment; or
- Use your corporate email or other corporate communication platform to make statements, which could be considered to be political.

### ***You can:***

- Perform lobbying work in the line of your work duties on behalf of Grundfos; and
- Participate in political activities as a private person, not being a Grundfos representative.

If you are in doubt, consult with your line manager.





# CONFIDENTIALITY:

## Trade secrets and data privacy

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### WHAT WILL GRUNDFOS DO?

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**Grundfos will make sure that information of a confidential nature such as trade secrets and personal data are not disclosed to third parties or used in a non-compliant way.**

Grundfos will ensure that trade secrets and personal data of employees, customers, suppliers, and business partners are being handled confidentially by making sure that:

- Confidential information is not revealed to third parties;
- Employees do not use confidential information directly or indirectly for personal gain;
- Any confidential information received from customers, suppliers, or other business partners is handled and used appropriately in accordance with the terms and conditions under which it was disclosed;
- Grundfos does not violate any of its agreed confidentiality obligations;
- All its employees maintain confidentiality both during and after their employment with Grundfos; and
- Grundfos will update the Code of Conduct when appropriate.

All information received by Grundfos from third parties will as a starting point be treated as confidential..

## ADDITIONAL INFORMATION

Information of a confidential nature such as trade secrets and personal data are subject to strict regulation:

- A trade secret is a valuable piece of information for a company that is treated as confidential and that gives the company a competitive advantage and comprises a large amount of different information such as information about technologies, finance, sales, operations, intellectual property rights (IPR), know-how, and potential mergers and acquisitions (M&A).
- Personal data is any information that relates to an identified or identifiable, living individual and includes information about Grundfos' employees, customers, suppliers, and other business partners. Personal data is protected worldwide, including by the General Data Protection Regulation (GDPR).

Data protection is vital in our daily work so we do not disclose information of confidential nature unintentionally.

Information being leaked or unintentionally disclosed to a third party can lead to enormous damages such as fines and loss of reputation for Grundfos.



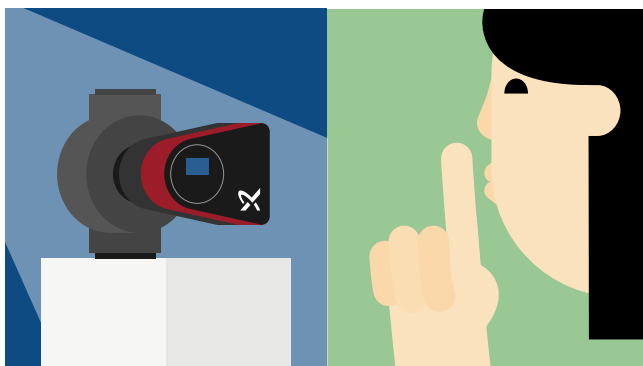
## WHAT IS EXPECTED FROM YOU?

### **You should not:**

- Reveal information of a confidential nature, such as trade secrets and personal data outside of Grundfos; or
- Reveal information of a confidential nature concerning internal confidential matters (such as personal information concerning other employees of Grundfos or information concerning certain projects) to colleagues inside Grundfos;

### **You should:**

- Obtain a proper understanding of the rules for handling different types of information;
- Comply with such rules;
- Ask your line manager or the Legal Department for help if you are uncertain about whether a piece of information is comprised by a confidentiality obligation; and
- Ask your line manager or the Legal Department for help if you have questions concerning your confidentiality obligation.



# 10 COMPETITION LAW COMPLIANCE

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**WHAT** WILL GRUNDFOS DO?  
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*Grundfos will, to the extent possible, ensure that competition in any market in which Grundfos operates is fair, free, and unlimited.*

Grundfos will adhere to all competition laws, which apply to its activities or business.

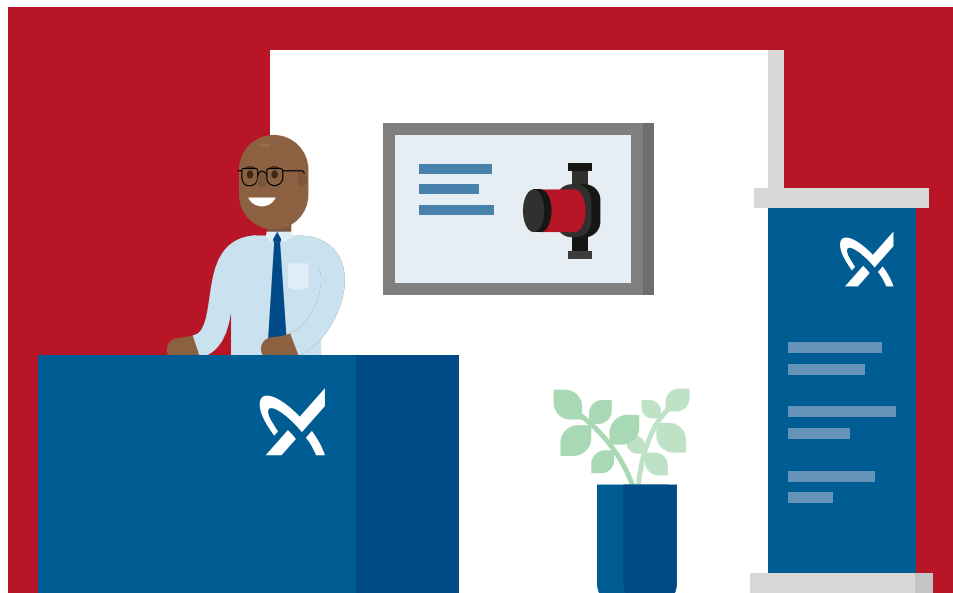
All agreements (written or verbal, signed or not signed), partnerships or other understandings which Grundfos enters into shall be compliant with such competition laws.

Grundfos will not exchange, compare or inform competitors of commercially sensitive information.

As a consequence, Grundfos will not enter into any agreement or understanding with any competitor, which sets prices or standard terms for customers.

Grundfos will enable each employee to the extent necessary to acquaint themselves with all relevant competition laws.





## ADDITIONAL INFORMATION

Grundfos is among the leading companies in pumping systems and solutions for buildings, industry, and water utilities.

Grundfos is subject to specific restrictions in competition rules to secure open and fair competition.

Any violation of the competition rules may result in severe fines from relevant competition law authorities and to a serious loss of hard won reputation.

Furthermore, in certain jurisdictions, violations of the competition rules may result in prison for the responsible persons.



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## WHAT IS EXPECTED FROM YOU?

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### ***You should:***

- Acquaint yourself with the competition rules that apply for Grundfos and your activities or ask your line manager to introduce you to these.

You should not take part in any action which might:

- Limit competition to a market;
- Exploit a dominant market position; or
- Agree or collude with a competitor to:
  - Fix prices (directly or indirectly);
  - Limit production or development;
  - Share or allocate markets and/or customers;
  - Rig bids; and/or
  - Share market sensitive information.

If you are encouraged to enter into any such arrangement (as set out above) or hear about it, you are under a strict obligation to:

- Walk away from the situation (immediately) and refer to the Grundfos' Code of Conduct, which does not allow such practices; and
- Report (without delay) the incident in writing to your line manager and the Legal Department.

# 11

## BOOKKEEPING AND **ACCOUNTS**

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**WHAT** WILL GRUNDFOS DO?  
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*Grundfos will ensure that all employees in the Grundfos Group adhere to:*

- Group accounting standards;
- International and local laws; and
- Generally accepted accounting standards and controls.

The accounts, budget proposals, economic evaluations of projects, etc. must reflect presented data and facts correctly.

Grundfos will ensure that all assets of each company shall be registered in the general ledger of that company.



## ADDITIONAL INFORMATION

The rules, requirements and policies applicable to your activities and employment should empower you to the extent necessary to take actions and make decisions without prior approval from your line manager.

Furthermore, the rules, requirements and policies applicable to your activities and employment serve to ensure that Grundfos has and can maintain an overview of its assets and liabilities.

Any deviation from the rules, requirements, and policies applicable to your activities and employment should be limited and always approved by your line manager.

If you expect or notice a violation of the rules, requirements, and policies applicable to a certain activity or employee, you should contact your line manager or the Group Finance immediately.

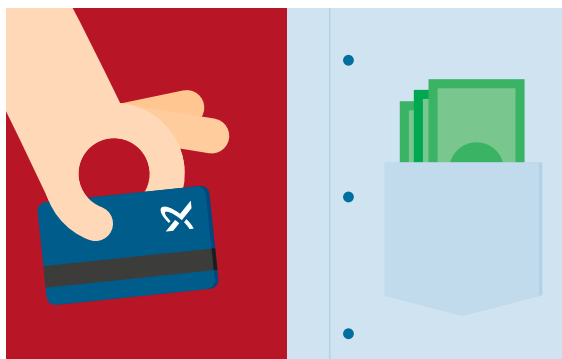
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## WHAT IS EXPECTED FROM YOU?

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### *You should:*

- Acquaint yourself with the Grundfos Group accounting standards, the international and local laws, and the accounting standards and controls that apply, or ask your line manager to introduce you to these;
- Acquaint yourself with the Grundfos policies concerning invoices, payments and expenses (including the travel policy) that applies or ask your line manager to introduce you to these;
- Comply with the applicable laws, regulations, standards, rules, requirements and policies;
- Ask your line manager for help if you are uncertain about the understanding or interpretation of applicable laws, regulations, standards, rules, requirements and policies; and
- Ask your line manager for help if you have questions concerning which laws, regulations, standards, rules, requirements and policies apply.



# 12 HUMAN RIGHTS

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## WHAT WILL GRUNDFOS DO?

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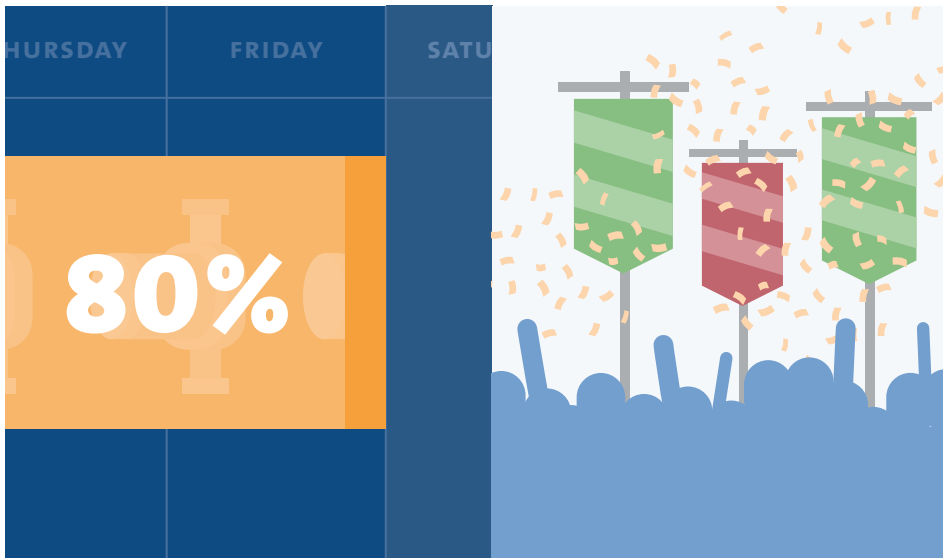
*Grundfos supports and respects the protection of internationally proclaimed human rights.*

In Grundfos we are committed to respecting human rights as described in the UN International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

This commitment extends to the company's operations and business relationships.

***Grundfos will:***

- Continuously assess the impact of its operations and business relationships on human rights and develop the means to address and prevent actual and potential adverse impact respectively, as well as proactively contribute to the areas where we have the most influence and leverage;
- Communicate our progress; and
- Extend this commitment to business partners through our Suppliers Code of Conduct.



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## WHAT IS EXPECTED FROM YOU?

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**You should:**

- Acquaint yourself with the Grundfos Human Rights Policy or ask your line manager to introduce you to this;
- Comply with the Grundfos human rights policy and any applicable human rights laws; and
- Ask your line manager for help if you have questions concerning whether a human rights violation has occurred.



## ADDITIONAL INFORMATION

Human rights refer to basic standards of how we treat each other; a treatment all people are entitled to.

This includes amongst others:

- The right not to be discriminated against;
- The right not to be subjected to forced labour;
- The right to a safe and healthy work environment; and
- The right to water and sanitation.

Ensuring that our business does not cause, contribute, or is linked to violation of human rights is not only the right thing to do - it is also what key stakeholders expect from us.

We also explore the opportunities for proactive contributions to human rights through our products and practices, such as Water2Life and our employees working under special terms.

The Grundfos Human Rights Policy can be found on Grundfos Insite. The International Bill of Human Rights can be found on [www.un.org](http://www.un.org) and the ILO's Declaration on Fundamental Principles and Rights at Work can be found on [www.ilo.org](http://www.ilo.org)



# DISCRIMINATION

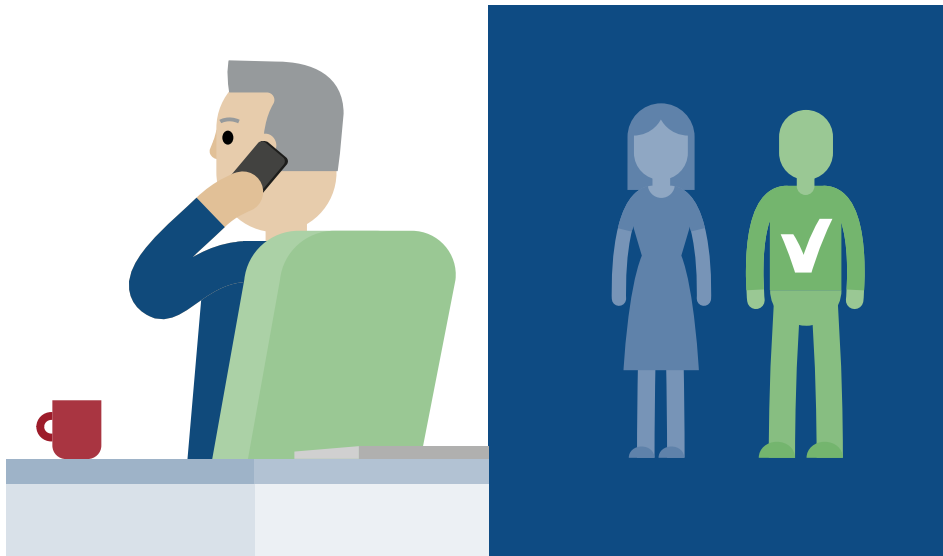
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**WHAT** WILL GRUNDFOS DO?  
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*Grundfos will provide an inclusive and welcoming environment for all members of our staff, clients, volunteers, subcontractors, vendors, customers, and any other parties doing business with Grundfos.*

Grundfos will not discriminate on the basis of

- Race;
- Colour;
- Religion or creed;
- Gender or gender expression;
- Age;
- National origin or ancestry;
- Mental or physical disability;
- Marital status;
- Sexual orientation; or
- Social status.

Grundfos does not accept physical, psychological, verbal, sexual, or any other kind of harassment.



## ADDITIONAL INFORMATION

*Grundfos is an equal opportunity employer.*

Grundfos will proactively take measures to prevent and eliminate all forms of discrimination against any employee or job applicant in:

- Recruitment;
- Advertisements for employment;
- Employment;
- Compensation;
- Termination;
- Promotion; and
- Other conditions of employment.

Furthermore, the measures taken by Grundfos to prevent discrimination shall apply to all activities of Grundfos, including selection of volunteers, vendors, and persons for provision of services.

When considering what is appropriate, always start with the viewpoint of any recipient or listener. Remember, what is funny to you might not be funny to others, especially taking into account cultural differences.



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## WHAT IS EXPECTED FROM YOU?

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***You should:***

- Treat everybody, including coworkers, suppliers, and current or potential customers, with respect and in a non-discriminatory way;
- Encourage and listen to those who speak up;
- Be respectful of cultural differences;
- Base your work-related decisions on merit;
- Not engage in offensive messages, derogatory remarks or inappropriate jokes; and
- Not make any inappropriate comments of a sexual nature or innuendo or undertake any sexually offensive behavior.

You must immediately inform your line manager, HR Business Partner or the Legal Department if you feel discriminated against or harassed or see anybody being discriminated against or harassed.

# 14

# WORKING ENVIRONMENT

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## **WHAT WILL GRUNDFOS DO?**

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Grundfos will ensure

- a safe and healthy working environment (both physically and psychologically); and
- a workplace free of discrimination, harassment or abuse; and
- that employees are cared for, including ensuring fair pay, fair working hours and travel security.

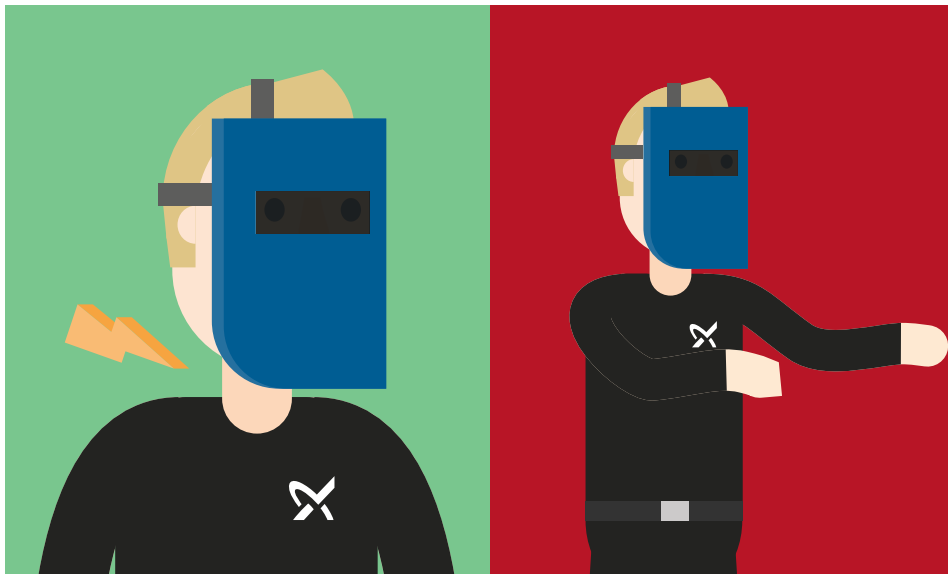
Grundfos will support and respect the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the freedom of association, and the effective recognition of the right to collective bargaining.

Grundfos will not discriminate against an employee for joining a union or for making the decision not to join a union.

Grundfos will ensure that workers' and employers' organisations are not interfered with in their own establishment, functioning or administration and will not try to control or direct unions through financial support or by other means.

Grundfos will measure the progress on its social responsibility to reach its 2030 ambition as part the sustainability agenda.





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## WHAT IS EXPECTED FROM YOU?

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**You should:**

- Acquaint yourself with the Grundfos Environment, Health & Safety policy (EHS policy) and the relevant policy on travel security or ask your line manager to introduce you to this;
- Comply with the Grundfos EHS policy, local safety rules and the relevant policy on travel security;
- Respect your colleagues' right to join a union, their choice of union and their right not to join a union;
- Remember to take care of yourself, not only physically but also your mental wellbeing; and
- Inform your line manager and/or local Health & Safety responsible, if you feel that your working environment is not safe and healthy or that you or your colleagues are being harassed or discriminated for joining a union or choosing not to join a union.



## ADDITIONAL INFORMATION

As a part of a corporate focus on sustainable development it is important for Grundfos to ensure that the working environment on Grundfos' premises is safe and healthy.

This means that Grundfos will continuously work on improving the health and safety environment for all employees at Grundfos, and we expect you to contribute and take action regarding your own health and safety as well as that of your colleagues.

You can find the Grundfos EHS policy on Insite.

The ILO's Declaration on Fundamental Principles and Rights at Work can be found on [www.ilo.org](http://www.ilo.org).

The International Labour Organization (ILO) has stated the following about forced labour:

“Various indicators can be used to ascertain when a situation amounts to forced labour, such as restrictions on workers' freedom of movement, withholding of wages or identity documents, physical or sexual violence, threats and intimidation or fraudulent debt from which workers cannot escape.”

For the avoidance of doubt, please note that paid overtime is not considered forced labour. More information on the Grundfos sustainability agenda and social responsibility can be found on Insite.

# 15 THE CODE OF CONDUCT

## WHAT WILL GRUNDFOS DO?

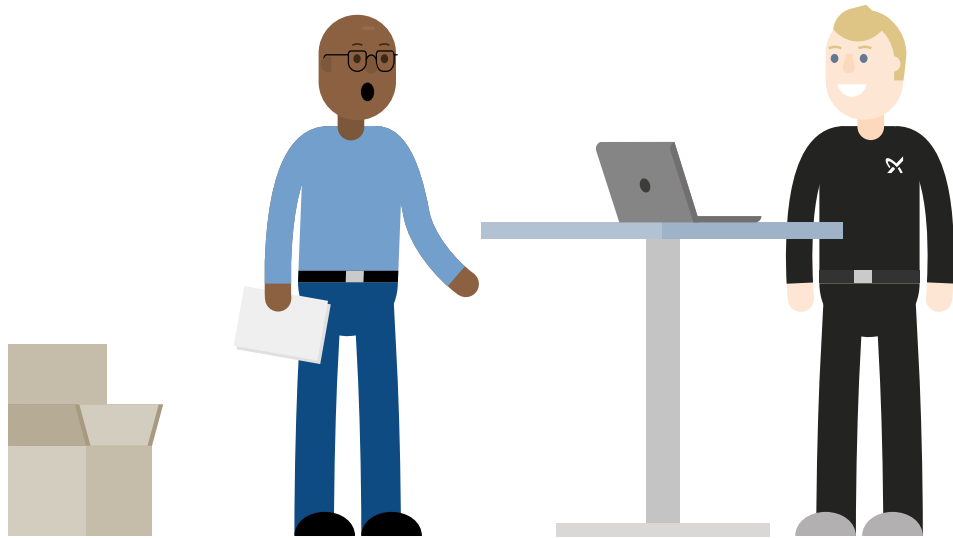
***Grundfos will conduct its business in a fair and legal way.***

When an employee fails to comply with the Code of Conduct or ignores someone else's failure to comply, a violation of the Code of Conduct has occurred. Failure to comply with the Code of Conduct can harm Grundfos' reputation and bottom line. All potential Code of Conduct violations must be taken seriously.

***Grundfos will:***

- Obligate its employees to adhere to the Code of Conduct in everything we do;
- Take the necessary disciplinary actions towards employees breaching the Code of Conduct matching the nature and circumstances of the violation, up to and including suspension without pay, loss of merit increases or annual incentives, and termination of employment; and
- Document any Code of Conduct violations in the employee records.





## ADDITIONAL INFORMATION

Grundfos is a global company that operates in more than 55 countries and across cultures, traditions, local laws and regulations.

Therefore Grundfos has made a common set of guiding principles that apply to us all and outline what we believe to be good business conduct.

Our Code of Conduct will help us make sure that we comply with all relevant legislation, and that we live up to being a company with high ethical standards.

Information about the “whistleblowing” function can be found on Grundfos Insite.

## WHAT IS EXPECTED FROM YOU?

### *You should:*

- Acquaint yourself with the Code of Conduct or ask your line manager to introduce it to you;
- Participate in education concerning the Code of Conduct;
- Notify your line manager or your manager’s manager or the Legal Department of any potential violation of the Code of Conduct; and
- Participate and actively cooperate in the investigative work regarding a potential breach of the Code of Conduct.

If you are uncomfortable about reporting a potential violation of the Code of Conduct to your line manager or your manager’s manager, please report it to the Ethics Committee or use the whistleblower hotline.

