



# Code of Conduct

May 1, 2014



Dear Employees,

As a multinational company we provide top-quality products and services throughout the world. Our commitment is the basis for our success, both today and in the future.

The Forbo Code of Conduct sets out our most important business principles and basic values which are based on the Forbo Way to Win. These principles and values define the identity of Forbo.

The Code of Conduct is central to the way we protect and develop our reputation. It is built on the principles of integrity, transparency and fairness and describes how we behave. The Code of Conduct shall serve you as a guideline in your daily work even if not each and every situation can be covered.

The Code of Conduct not only ensures but goes beyond compliance with the laws and regulations wherever we run our business. It demonstrates our commitment to acting ethically and with integrity in every situation while at the same time respecting people's rights as individuals. We expect this of every single employee, everywhere, every day. We also expect this of all our business partners. High standards in our relationships are the foundation for lasting success.

We ask you to comply with the Forbo Code of Conduct and play your part in turning into action the high standards of conduct which all of our stakeholders expect from Forbo.

A handwritten signature in black ink, appearing to read "This E. Schneider".

This E. Schneider  
Executive Chairman

A handwritten signature in black ink, appearing to read "Stephan Bauer".

Stephan Bauer  
CEO

flooring. movement.

# Forbo Core Values

**Forbo Way to Win** In order to ensure a strong and common organizational culture throughout the Group, we have defined three core values which encompass three specific guiding principles:



## Inspiring

- Developing ideas and seizing opportunities
- Knowing what matters and focusing on it
- Raising enthusiasm and convincing others



## Daring

- Taking bold and decisive action
- Giving our all with power and passion
- Achieving goals with determination and stamina



## Caring

- Challenging and encouraging oneself and others
- Taking responsibility and making a difference
- Leading by example to shared success

# Responsibilities

**Shareholders** It is Forbo's aim to increase shareholders' value. This includes protecting shareholders' investment and providing a sustainable long-term return higher than those of other leading companies in the same or similar industries.

At Forbo, the concept of Corporate Governance encompasses the entire set of principles and rules on organization, conduct and transparency designed to protect the shareholders' interests. Further information on the Forbo concept of Corporate Governance can be found in the Annual Reports.

**Employees** The Forbo employees play a fundamental role in the performance of Forbo as a business. Forbo ensures fair treatment of all employees and aims for the highest, internationally acknowledged benchmarks of fairness, honesty and integrity.

**Customers** Forbo is committed to providing products and services which consistently offer value in terms of price and quality, and which are safe for their intended use.

**Suppliers, Distributors and other Business Partners** Forbo pursues mutually beneficial relationships with its business partners, in particular suppliers and distributors. It seeks to award business to suppliers and business partners who are committed to act fairly and with integrity towards their stakeholders and to protect the environment and who observe the applicable laws of the countries in which they operate.

**Society/Community** Forbo strives to make a positive contribution to the well-being of society and the local communities in which it operates.

**Environment** Forbo is committed in actively protecting the environment within its sphere of influence and aims to minimize the environmental impact of its operations and products by integrating environmental policies, laws and regulations and practices into each business entity.





# Business Principles and Standards

## Compliance with Laws and Internal Regulations

**Forbo and its employees comply with all applicable laws and regulations, national and international codes and conventions wherever they do business.**

The laws and regulations may differ per country and some times may be in conflict with each other or hard to interpret. In that case employees are expected to comply with the applicable laws to their best knowledge and belief and to ask for advice when uncertain.

Forbo has implemented such laws and regulations through internal regulations and guidelines which may go beyond the minimum legal requirements. Forbo employees are expected to go the extra mile in not only ensuring strict compliance with laws and regulations but also in contributing towards the achievement of the goals of such laws and regulations.

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**We undertake to be aware of the laws and Forbo regulations and guidelines that are relevant for the exercise of our professional duties. We undertake to comply with each and any such law, regulation or guideline.**

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# Business Integrity: No Tolerance of any Form of Corruption

**Corruption distorts competition, leads to higher costs and, destroys the trust of customers and suppliers and finally puts jobs at risk. Forbo, hence, does not accept that competition is interfered with or falsified by bribery, facilitation payments, fraud, industrial espionage, theft, coercion etc. Also, no donations to political parties, to political organizations or to individual persons holding political office may be made.**

Forbo generally prohibits the offer, gift or acceptance of a bribe in whatever form (including, but not limited to, kickbacks or other means to provide improper benefits to customers, agents, suppliers, officials or contractors). Forbo also prohibits its employees from arranging or accepting a bribe or kickback, being it for the employee's benefit or that of their families, friends, associates or acquaintances.

Employees, who attempt unfairly to influence officials or allow themselves to be unfairly influenced by acts as mentioned above will be punished by either disciplinary or labor law measures – penal consequences notwithstanding.

## **Facilitation treatments**

Any sort of facilitation treatments (or so-called "speed" or "grease" payments) to local, national or international officials, even when these be small in amount, which are made to secure or expedite the performance of a routine or necessary action to which the payer of facilitation payment has a legal or other entitlement, are a form of bribery. Hence, such payments may not be made.

## **Gifts, entertainment and other advantages**

Forbo prohibits the offer or acceptance of gifts, entertainment, hospitality, expenses or other advantages whenever such arrangements have any affect or might reasonably be believed to influence the outcome of business transactions or are not reasonable and bona fide expenditures.

All gifts received by an employee should be notified to its supervisor.

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**We do not engage in any form of bribery (including facilitation payments), whether active or passive or direct or indirect. We do not offer or accept any inappropriate gifts or other advantages.**

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# Fair Competition

**Forbo is committed to the principles of fair competition. It ensures that all business practices fully comply with the applicable competition laws and laws against unfair competition wherever business is conducted.**

In particular, the following practices are prohibited:

- Explicit or tacit agreements with competitors on pricing, allocation of territory and quantities and the exchange of information on any of these;
- Explicit or tacit agreements with suppliers and distributors or other customers which unlawfully restrain competitors, suppliers, distributors or customers;
- Abuse of a dominant market position (monopolization).

Any acquisition or entering into a joint venture agreement requires the consent of Corporate M&A who will arrange for the necessary clearances of the competent authorities.

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**We comply with the applicable competition laws.  
We deal fairly, honestly and in good faith with  
customers, business partners, the public, our competi-  
tors, third party service providers and others.**

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# Rights of Employees

## **Labor rights**

Forbo complies with all labor laws, national and international codes and conventions. Forbo recognizes the employee's rights to become members of labor unions and similar associations. The representatives of such unions or associations shall not be discriminated.

Forbo does not use forced or compulsory labor and refrains from any form of child labor.

## **Discrimination and harassment**

Forbo is committed to maintaining a workplace environment free from discrimination and harassment. Forbo does not tolerate any form of discrimination based on race, sex, religion, creed, national origin, disability, age, sexual orientation, political views or any other similar characteristics.

## **Career development**

Forbo fosters the development of the careers of its employees, in particular through continuous education, job enrichment, job rotation and management development.

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**We provide equal opportunities and an environment  
where we respect the rights of colleagues to work free  
from any form of discrimination or harassment.**

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# Health, Safety and Environment

**Forbo attaches great importance to the protection of the environment and the health and safety of its employees as well as other individuals who could be affected by its activities or products.**

It is the responsibility of each individual working for Forbo to comply with all environmental regulations and all legal regulations concerning the protection of health and safety. Beyond these legal requirements every employee shall aim at conserving the environment in which he or she works and reduce the ecological footprint of its activity for Forbo. Forbo will provide information, training, and motivation to encourage employees to act environmentally responsible and sustainable.

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**We comply with the wording and the spirit of health and safety laws as well as environmental regulations and respect and protect the environment wherever we work.**

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# Conflicts of Interest

**Forbo employees shall act in an objective manner and therefore avoid any activities or engagements which might conflict with or be detrimental to the interests of Forbo or which may appear to be in conflict with their job commitment.**

Conflicts of interest mostly arise when an employee is in the position to award business contracts, hire staff, has access to potentially interesting information to the financial market or is offered employment by a competing company. Situations which lead to conflicts of interest are in particular:

- Outside employment or collaboration which may conflict with the performance of the job at Forbo;
- Contracting with business partners that are managed by family members or friends;
- Investments in undertakings that compete with Forbo.

Employees shall not take part in any business activities where they may be influenced by their personal relations that are, or may be, construed as a hindrance to objective decision taking.

In situations when an employee's personal, family or financial interests are in conflict or may be in conflict with those of Forbo, the employee is expected to disclose all relevant information and ask advice from its superior or Corporate Legal Services.

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**We conduct all business transactions with the best interests of Forbo in mind. Under no circumstances will we exploit any business opportunity that conflicts with the interests of Forbo.**

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## Use and Protection of Assets and Information

**Employees entrusted with property belonging to or controlled by Forbo are responsible for the careful use and protection of such assets. Company assets are intended to be used for business purposes only. Personal use is limited and only allowed if it is not in conflict with the interests of Forbo, this Code of Conduct or other rules and policies.**

Proprietary information and intellectual property is kept confidential except to the extent that Forbo or a Forbo employee is required to disclose such information in the proper course of its duties or by law.

### **Protection of data and privacy**

Forbo respects and protects personal data and the privacy of the individual. Employees who process personal data are required to comply with specific regulations and to treat those data in a way that complies with the applicable laws and respects in particular the privacy of the individual.

### **Use of information technology**

Email and internet systems are provided by Forbo for business use. Regarding the use of computers, the internet and the software at work, all employees are requested to follow the Forbo internal guidelines. Any employee is requested to protect the networks of the Forbo group, avoid criminal acts and the misuse of software.

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**We protect Forbo's assets and intellectual property rights. Personal data shall be processed ensuring the privacy of the individual.**

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## Records and Accounting

**All business transactions are recorded in an accurate, complete, true, fair, consistent and timely fashion. All books and accounts must be available for internal and external audit.**

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**We properly record all business transactions in our books.**

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# Regulations regarding Trading of Forbo Securities

**Forbo Holding Ltd is listed at the SIX Swiss Exchange, Zurich, Switzerland. Its shares are publicly traded and, therefore, Forbo and its employees are subject to particular rules and restrictions.**

## **Ad hoc publicity**

Forbo is subject to the SIX rules on ad hoc publicity. These rules regulate the use and disclosure of potentially price-sensitive, not publicly known information that occurs in connection with the business activities of Forbo. Price-sensitive information consists of new facts or other information (such as financial figures, acquisitions, etc.) which is likely to result in significant movements in the price of securities. The disclosure of such information is subject to particular rules that ensure that disclosure is made in a coordinated, timely and equal treatment ensuring manner.

Forbo employees may not disclose price-sensitive information. All disclosure of price-sensitive information has to be coordinated by Corporate Communications.

## **Insider trading**

Forbo prohibits securities trading with Forbo securities (such as shares, options, etc.) based on material non-public information. Such information is material if an investor could consider it as important in deciding whether to buy or to sell a Forbo security.

Forbo employees shall not use material non-public information for personal gain or for the personal gain of anybody else. They shall not disclose such material non-public information to anyone, including friends and family. In the event of an employee obtaining material non-public information that employee is prohibited to trade on, or otherwise profit from, such information.

Details on this subject are contained in the Forbo Holding Ltd Securities Trading Policy to which all Forbo employees are subject to.

## **Swiss Code of Best Practice**

Forbo goes beyond what is legally required and gears itself to the principles of the Swiss Code of Best Practice.

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**We undertake not to disclose price-sensitive information regarding Forbo to the public and not to use material non-public information for personal gain or for the personal gain of any body else.**

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# Implementation and Compliance

**This Code of Conduct replaces the Code of Conduct of January 1, 2013. It applies to all employees of Forbo and forms an integral part of the employment contract. Every employee receives a copy of the Code of Conduct when he joins Forbo.**

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**We know the content of this Code of Conduct and abide by its obligations.**

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The Code of Conduct is public and, therefore, also available on Forbo's website.

Regular compliance audits will be performed with respect to the adherence to applicable laws and regulations as well as this Code of Conduct.

Managers at all levels are required to ensure compliance with this Code of Conduct.

Any violations of this Code of Conduct will be punished by either disciplinary or labor law measures – penal and/or civil law consequences notwithstanding.

Any violations of this Code of Conduct must be communicated to the superior line manager or – if not appropriate – to the Head Corporate Legal Services (compliance@forbo.com; +41 58 787 25 46) of Forbo. Forbo welcomes all information of this kind passed in good faith. Forbo strives to ensure that employees who communicate violations are in no way disadvantaged at their workplace as a result. However, deliberately false accusations will lead to sanctions, including termination of the employment.

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**We will report immediately when expecting or noticing a violation of the law, this Code of Conduct, other company policies, ethical guidelines and principles or if asked to do something that might constitute a violation.**

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Baar, May 1, 2014



This E. Schneider  
Executive Chairman



Stephan Bauer  
CEO