

Desso Values and Code of Business Conduct

Dear fellow employees,

In the last year the headlines too often told of people and companies who have not done business the right way.

I want to impress upon all Desso employees the importance of complying with our Values and Code of Conduct, and the necessity of conducting ourselves ethically in all business practices.

We all want Desso to be a great company. Greatness demands making the right decisions quickly. Our Values and Code of Conduct helps us to understand the ethical considerations we must weigh when making the right decisions. It also tells us where to go when we need help fully understanding a situation.

Making a company great takes the work of teams of people. Yet the unethical or non-compliant actions of one individual can undermine a company's quest for greatness. This booklet provides sustainable development guidelines for business conduct that are based on Desso's Core Values and which summarize important policies and legal obligations. Desso relies on every employee to use good judgment and common sense in everything he or she does. By acting consistently with these guidelines, we can each do our part to assure that Desso earns its reputation as a company which conducts its business with the utmost integrity.

I urge you to read carefully our Values and Code of Conduct and acknowledge your understanding of these principles. Let's continue to do business the right way!



Stef Kranendijk
Chief Executive Officer

VISION

Desso has always been fully committed to its customers and we will continue to assess and evaluate every aspect of what we do in order to develop our business even further.

Our philosophy is founded on five key fundamentals:

- ✓ A commitment to delivering superior products in terms of quality, durability and design through continuous innovation. To achieve this Desso works in cooperation with key specifying and purchasing decision makers, including architects, designers and project developers.
- ✓ A dedication to make life easier for customers through a simple, common sense approach to business and greater flexibility of service
- ✓ A commitment to Cradle to Cradle (sustainability) by striving to exceed the highest standards and continuously seeking for further improvement in all aspects of our business to maximize the positive environmental impact of our products and production processes
- ✓ A belief in manufacturing products that foster pride in the workforce, and the promotion of open communication within the organization to ensure everyone is working towards a collective goal
- ✓ Investment in production facilities to ensure the quality of tufted and woven carpets and carpet tiles, along with artificial grass. The long-term aim is to reinforce Desso's reputation as a leading manufacturer in all three segments
- ✓ A dedication to work towards setting the industrial standard in our business in all we do.

BRAND VALUES

WHAT MAKES US GREAT

Standards exist to be improved upon, and the high standards we set in our work today present us with our challenges for tomorrow. We are determined to offer our customers the very best possible products, processes, applications and services. This dedication to excellence makes the company successful, and embraces our four core brand values of creativity, ambition, flexibility and responsibility

CREATIVITY

We are committed to extending the boundaries of what is achievable. We are constantly striving to create new and improved products and services which provide even better answers to our customers' needs.

AMBITION

Desso is a company of enormous drive and ambition. Our strategy is not only to build and strengthen our current markets but to develop and widen our product portfolio. We aim to target activities that will increase our profitability and earnings stability.

FLEXIBILITY

Desso possesses the ability to change – to respond quickly and effectively to the ever-changing business environment. We remain alert to what our markets and customers

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require, and can use our knowledge and resources to take any required action swiftly, effectively and efficiently.

Cradle to Cradle AND RESPONSIBILITY

Desso is strongly committed to its social and environmental responsibilities, regarding these as essential prerequisites to sustainable business. We wish to be known as a solid, trustworthy and dependable company; as a good 'corporate citizen' in terms of the way we treat our staff, and maintain our relationships with the communities in which we operate. The company will never lose sight of the fact that its goal is to enhance the quality of people's lives – and, among other things, that means safeguarding and where possible improve the environment. We have learned through experience that change is something to be embraced. And, at a time when the world is changing faster than ever, we continue to tackle fresh challenges with the same drive that has characterized our company since the business was launched almost 80 years ago.

We embraced Cradle to Cradle as our core value where Desso has the dedication to maximize our ecological positive footprint in order to improve the environment around us via our products and processes.

DESSO CORE VALUES

OWNERSHIP

We accept personal accountability to meet the business needs, improve our systems and help others improve their effectiveness. We all act like owners and go-getters, we do not wait and see, but we come up with a suggestion for improvement or a solution and approach. We actively follow-up and actually implement the desired improvements/changes. We dare to take a stance and voice an opinion. We treat the Company's assets as our own and behave with the Company's long-term success in mind.

COMMON SENSE

We form ourselves an independent opinion on the best approach/solution for a situation, based on objective information. We do not automatically go along with usual practices/rules but form our own opinion on the issue and come up with the best approach/solution for a situation, based on objective information. We see and call discrepancies and gaps. We endeavour to investigate a problem or find an answer to a question.

AMBITION

We want to make Desso a success and we continuously strive to achieve and increase results. We are tenacious in achieving objectives and want to produce quality work. We actively attempt to do things quicker, better or more effectively and efficiently. We get energized by starting something new. We set the highest standards, challenging but realistic. We carefully weigh costs and benefits, and advantages and disadvantages of decisions and strive for the best results.

INTEGRITY

We always try to do the right things right and not less bad We are reliable and cooperative when working with others. When working together with others, we act out of personal and social norms and beliefs on business ethics. We are open and honest towards others. We handle confidential information correctly and carefully. We stimulate

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(others in) the organization to act in line with Desso's social responsibility. We are data-based and intellectually honest in advocating proposals, including recognizing risks.

RESPECT OF GOVERNMENT AND THE LAW

GENERAL

The actions of Desso and its directors, managers, officers, employees, agents, consultants and other representatives must be in compliance with applicable laws, Desso values and Code of Conduct and our policies. When there is doubt as to the lawfulness of any proposed activity, seek advice from the Human Resources department.

Described on the following pages are summaries of certain legal obligations and policies that are particularly important to our business and reputation.

PRODUCT SAFETY AND QUALITY

Desso built its reputation on providing products of uncompromising quality. We will continue to serve the needs of our customers only if we maintain this dedication to protect safety and quality. Our products are subject to laws around the world relating to safety and performance. At the minimum we will comply with these laws. and, in some cases, may even set higher Desso standards for safety, durability, maintenance or appearance.

Our concern for product safety extends from product design and manufacture to products' use in commercial buildings and homes. It involves:

- ✓ The use of positively defined raw materials
- ✓ Product design
- ✓ Our manufacturing processes
- ✓ Installation safety
- ✓ Flammability and toxicity once installed
- ✓ Product performance
- ✓ Use of recycled materials and recyclability with positive defined materials

All products, whether manufactured by our own operations or sourced from third parties, must conform, at the minimum, to applicable safety and quality standards, and must be approved through our Quality department and Safety manager. Each business segment must be aware of standards for jurisdictions to which products will be supplied. Appropriate (positively defined) raw materials, manufacturing processes, quality controls and testing specifications and procedures must be utilized to verify the conformance of products with applicable requirements.

Product problems must be reported to the appropriate production manager and, in serious cases affecting health and safety, to the Chief Operations Officer and Human Resources. The production unit must take serious measures to protect health and safety and safeguard our customers' interests and our appreciation for quality.

ENVIRONMENTAL COMPLIANCE

Our policy on the environment recognizes the importance of exercising care in:

- the selection and use of energy.
- the selection, use and conservation of raw materials .
- providing for environmental safety in workplaces and communities;
- increase positive effect or if this is not possible reducing risks to the earth, its waters and atmosphere.

Desso is committed to exercising environmental stewardship in our dealings with customers, employees, community neighbors and government in meeting an obligation to future generations.

Violations of environmental laws can be serious for Desso, our employees, and the communities in which we operate and live. Desso and individual employees may be liable not only for the costs of cleaning up pollution, but also for significant penalties. Violations of pollution control and waste management regulations can subject us to enormous penalties, and responsible employees can be fined or imprisoned.

- ✓ Your activities must at least adhere to all applicable environmental laws and regulations, to all Desso policies and procedures, and to the requirements of all environmental permits
- ✓ Intentionally bypassing any environmental control or monitoring device in violation of any permit condition or regulation is strictly prohibited
- ✓ The entry of information known to be false on any governmental environmental form, on any monitoring report, or in response to any request for information from any government agency is prohibited. Tampering with or diluting of samples, or otherwise providing false information about sampling, as well as intentional failure to follow permit conditions or applicable protocols for collecting, sampling, testing, analyzing, or recording environmental data is prohibited
- ✓ If you become aware that any employee is violating any environmental law, regulation, or permit, providing false information or data, or bypassing any environmental control or monitoring device, immediately report that information to your manager, your manager's manager or Human Resources or manager sustainability

COMPETITION/ANTITRUST

It is our policy to compete vigorously, but fairly, and to comply with applicable antitrust and competition laws. While these laws are not easy to summarize, in general those require that there be no agreements or understandings with our competitors that affect prices, terms of conditions of sale or unreasonably restrain competition. Antitrust laws apply to many aspects of business behavior. Any questions about permissible conduct should be raised with the Human Resources department before any action is taken.

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Agreements with customers, suppliers, distributors, or retailers should be reviewed with the Chief Financial Officer prior to signing, as should any arrangements resulting in price differences to competing customers.

Desso's policy is that all employees strictly comply with antitrust laws and the competition and anti-monopoly laws of all countries, states and localities in which they conduct Desso business. Managers and supervisors are responsible for ensuring that employees under their responsibility are aware of and comply with this policy. It is very important for employees to understand and follow this policy so that Desso avoids even the appearance of an antitrust violation.

We believe in competing fairly because we all benefit from fair, free and open markets. We compete strictly on the merits of our products and services and make no attempts to restrain or limit trade.

ACCURACY OF COMPANY RECORDS

Desso's business records are dependant upon to produce reliable and accurate reports to management, shareholders, creditors, governmental entities and others. Thus, all official records of the conduct of the Desso business must be accurate, transparent, honest and complete, without any restriction or qualification of any kind. This means the accuracy of any records involves both factual documentation and ethical evaluation/appraisal.

Non-public inside information about Desso must not be communicated without a legitimate business reason and proper leadership authorization.

SECURITIES TRADING POLICIES

To ensure fairness and integrity in financial markets, we do not trade in Desso securities or those of any other company on the basis of material, non-public information acquired through our employment. Material information is any information that an investor would reasonably consider important in making investment decisions. Examples include knowledge of acquisitions or divestitures, new product launches or financial information.

WORKPLACE SAFETY

We are committed to eliminating hazards from the workplace, providing employees with a safe and healthy work environment and complying with all such applicable occupational safety and health laws and standards. Employees are required to comply with all such laws and related Desso policies. Employees are also required to appropriately report any adverse health or unsafe conditions, hazards, broken equipment or machinery, and accidents.

CONFLICTS OF INTEREST

A possible conflict of interest is based on the principle that an employee's decisions in the business must be made solely in the best interest of Desso. In reaching these decisions, an employee should not be influenced by personal or family considerations which might consciously (or unconsciously) affect his or her judgment as to what is in the best interest of Desso. Potential conflict situations may include, but are not limited to:

- ✓ Serving as a director, manager, officer, employee, partner, consultant or agent of a firm that is a present or potential supplier, customer, competitor or other

Desso Values and Code of Business Conduct business partner of Desso

- ✓ Owning stock or other interest in an enterprise described above or other investment such as trading in commodities used by Desso (except where the stock or interest is generally available to the public and does not adversely affect the employee's judgment, job performance or loyalty)
- ✓ Receiving from a vendor or other enterprise described above a gratuity, special allowance, discount, loan at a special rate or other benefit not generally available to the public is a violation of policy
- ✓ Any other significant direct or indirect personal interest in a transaction involving Desso
- ✓ Disclosing or personal use of Desso's confidential or proprietary information
- ✓ Appropriating for personal benefit a business opportunity that Desso might have an interest in pursuing, without first making the opportunity available to Desso

RESPECT IN THE MARKET PLACE

IMPROPER PAYMENTS

No employee, agent or consultant may offer, give, solicit, receive, or encourage any form of bribe, illegal rebate, improper gratuity, or kickback, whether directly or indirectly. Commercial bribery is illegal and subject to criminal penalties in many countries. Personal funds or resources may not be used to do anything that is otherwise prohibited. All payments and receipts must be recorded accurately in our books and records. Desso competition for business is conducted fairly and on the merits of our product and services.

FAIR DEALING WITH CUSTOMERS AND SUPPLIERS

Desso's success depends on building productive relationships with our customers and suppliers based on integrity, ethical behavior and mutual trust. Desso recognizes that our customers have individual needs and expectations representing unique opportunities for mutual success. Desso bases its worldwide supplier relationships on fundamental concepts of honesty, fairness, mutual respect and nondiscrimination. Desso encourages continued supplier support of all kinds that will enhance our, and their, prosperity and build sound, long-term relationships.

PUBLIC RELATIONS

Providing clear and accurate information to the media and general public maintains integrity in our relationships with the public. Because this is so important, the Desso business has a designated corporate communications manager responsible for communicating product information and Desso's position on a range of issues.

CONSUMER PRIVACY

The intent of Desso is to create an environment of knowledge, confidence and trust that encourages consumers to exchange information with Desso. That environment enables us to better understand and meet their needs, while reflecting our stewardship of their data.

Desso believes in protecting the privacy of personal information. We strive to treat information provided by an individual as that individual's, which has been entrusted to Desso. We inform people about the use and handling of data they provide us. This

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includes informing consumers about the information we collect, what we do with it, and the choices consumers have concerning further uses of the information.

DESSO Cradle to Cradle

Everything we do has an effect on the big issues facing us as a society. At Desso we are aware of the environmental impact of climate change and the overuse of scarce resources. We know the difference that can be made by interaction with our neighbours and society as a whole and we will concentrate our efforts in these areas. However we cannot succeed alone; our sustainable goals must encompass our workforce, our suppliers, our neighbours, our customers, and indeed our direct stakeholders.

Desso is committed :

- to deliver superior products in terms of high quality, durability, safety and design through continuous innovation.
- to design high tech carpet for indoor use and improved recyclability
- to use wherever possible 100% renewable energy
- to act sustainable by continuous improvement to reach the highest standards and to seek for improvement in all aspects of our business
- to do the right things right instead of less bad in order to obtain the biggest positive footprint and in order to maximize the positive environmental impact of our products and production processes, this by setting clear objectives and goals
- to use wherever and whenever possible the Cradle to Cradle philosophy
- to build an international community around the C2C and the C2C quality of raw materials
- to measure the progress of the Triple Top Line goals via KPI's derived from GRI (Global Reporting Initiative)
- to measure the environmental impact via LCA's
- to maintain a proactive vision striving to exceed law and regulations and act accordingly
- to exercise environmental and safety stewardship in our dealing with customers, employees, contractors, visitors, government and community neighbours and for the benefit of future generations
- to manufacture products that foster pride in the workforce, in a safe and healthy environment,
- to promote an open communication within the organisation to ensure everyone feels responsible and works towards the collective goals
- to invest in production facilities to ensure health and safety for the workforce, to ensure the care for the environment and to ensure the quality of tufted and woven carpets and tufted and fibre bonded carpet tiles, along with artificial grass with the aim to reinforce Desso's reputation as a leading manufacturer in all segments.
- to take responsibility throughout the supply chain since Desso sees the old carpet as nutrient with the ultimate goal to produce carpet 100% from post consumer materials.
- to consider health and safety in every decision and every activity. All accidents and injuries are preventable.
- to be prepared for emergencies and to act promptly and responsive in order to protect people and the environment
- to train all employees to participate in all elements of C2C, quality, environment, health and safety

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These commitments are achieved by continuously improving the performances, following the PDCA systematic, as well by improving the effectiveness of quality, environment, health and safety management systems exceeding the requirements of ISO 9001, AS/EN 9100, MED, ISO 14001 standards and C2C philosophy. Health, safety and environment care systems are based on risk assessments and regular being followed up .

CLIMATE

We will constantly determine the carbon footprint of our products, using the latest techniques. We will continually strive to maximize our positive footprint by using renewable energy and improving our transport,

SOCIAL RESPONSIBILITIES

We want our business to have a positive effect on those we deal with - not least our customers, our workforce and our suppliers. We aim to build a reputation as an honest and ethical trading partner, great employer and responsible neighbour. Our Company Policy encompasses a continual improvement process

As a company which endorses the Global Sullivan Principles we will respect the law, and as a responsible member of society we will apply these Principles with integrity consistent with the legitimate role of business. We will develop and implement company policies, procedures, training and internal reporting structures to ensure commitment to these Principles throughout our organization. We believe the application of these Principles will achieve greater tolerance and better understanding amongst people, and advance the culture of peace. Accordingly, we will;

- Express our support for universal human rights and, particularly, those of our employees, the communities within which we operate and parties with whom we do business.
- Promote equal opportunity for our employees at all levels of the company with respect to issues such as color, race, gender, age, ethnicity or religious beliefs, and operate without unacceptable worker treatment such as the exploitation of children, physical punishment, female abuse, involuntary servitude or other forms of abuse.
- Respect our employees' voluntary freedom of association.
- Compensate our employees to enable them to meet at least their basic needs and provide the opportunity to improve their skill and capability in order to raise their social and economic opportunities.
- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.
- Promote fair competition including respect for intellectual and other property rights, and not offer, pay or accept bribes.
- Work with governments and communities in which we do business to improve the quality of life in those communities - their educational, cultural, economic and social well-being - and seek to provide training and opportunities for workers from disadvantaged backgrounds.
- Promote the application of these Principles by those with whom we do business.

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We will be transparent in our implementation of these Principles and provide information which demonstrates publicly our commitment to them.

Respect in the workplace

Our distinct corporate culture is formed throughout the years by a proud heritage of several companies, innovation, commitment to sustainability, continuous improvement and a passion for safety. Our core values are reflected in the way we do business, which emphasize common sense, integrity, ambition and ownership.

We strive towards respect within all levels of our organization. We treat our customers with respect and courtesy and expect the same the other way around. Respect to us also means bearing in mind how one's actions will affect others and addresses issues in a way that maintains dignity at all times.

We at Desso recognize the power that comes from people of diverse backgrounds and experiences coming together around a common goal. We celebrate diversity and therefore detest any discrimination, harassment or intimidation because of race, color, religion, gender, age, national origin, sexual orientation or disability. Employees are encouraged to bring questions or concerns in this area to their management. Strict disciplinary action for violations of this policy will be taken, including termination of employment.