



Code of Conduct

January 2019



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PREFACE

Holzindustrie Schweighofer is a traditional company of Austrian origin, strongly rooted in Central and Eastern Europe, especially in Romania. We are open to new approaches and face opportunities courageously. We are committed to our responsibility for communities and a sustainable timber industry. Our employees are best in class and our greatest asset. As a company we strive to grow globally and sustainably while respecting the environment. We constantly invest in our core competences of sawmilling and industrial timber processing, as well as in diversifying our business. We do this by building a global presence with strong regional roots.

Clearly stated rules characterize a good coexistence. Rules provide protection from unpredictable consequences, be it of legal, economic or social nature and are therefore cornerstones of sustainable development. Moreover, this clear commitment to integrity increases the trust of our partners and society in our company. However, it is not only a matter of complying with laws; it is also about dealing with each other within the company as well

as with our business partners and stakeholders.

We expect honesty and compliance with rules and laws as well as the willingness for continuous development and improvement from ourselves and our partners, this is also stated in our Mission statement (<https://www.schweighofer.at/en/company/our-model.html>). At the same time, we stress that teamwork is the basis for our success - close collaboration makes us strong. This is only possible if we treat each other with respect, fairness and integrity and if we adhere to laws and rules without compromise.

This Code of Conduct is one of the cornerstones of our company and lays the baseline of how we do business. We should uphold the values laid down in this Code and protect them against any intention of breach. Our engagement in the field of health and safety and our commitment towards sustainability is already laid down in the mission statement and in more specific company policies. We therefore do not address these issues in this Code.

Each and every one of you is encouraged to follow these rules. The Compliance Office will assist you in this respect and will always be open to solve any type of problem or concern.

SCOPE

This Code of Conduct applies to all employees of Schweighofer Group subsidiaries.

We expect all our employees and managers to know and follow this Code of Conduct. Failure to do so will result in disciplinary action and, based on the severity of the incident, could even result in termination of employment.

The decision on terminating employment is taken by the management and is made on a case-by-case basis.

Any subsidiary of the Schweighofer Group is entitled to make more detailed or stricter regulations if required by the national legislation of the respective country or other specific conditions. This Code in any case is the baseline.

RESPONSIBILITY FOR IMPLEMENTATION - SEEK GUIDANCE

Each and every employee is responsible for complying with and implementing this Code of Conduct. Compliance from the management at all levels shall be a living example of implementation for the entire staff. This Code of Conduct is considered in every business decision and the employees are supported in complying with this code by their superiors.

Every employee is encouraged to seek advice and assistance with their direct superior or, if they assume this necessary, with the responsible Compliance Officer or the Group's Compliance Office in order to comply with the rules as stated in this Code.

Regular trainings regarding this Code of Conduct will be conducted and will be supervised by the Group's Compliance Office.





I. **WE TREAT ALL PEOPLE WITH RESPECT**

Treating each other with respect and dignity improves our working conditions. We treat each other with respect and fairness.

We treat people equally and in a non-discriminatory manner regardless of age, disability, ethnicity, gender, marital status, national origin, religion or sexual orientation.

Sexual harassment is not tolerated. Bullying, mobbing or any other form of physical or psychological violence will not be tolerated and will result in disciplinary measures.

II. **WE RESPECT THE LAW**

Compliance with the law, literally and logically, is the basis of HS' ethical standards.

As part of their work in our company all employees and members of the management must respect and obey the laws, rules and regulations of the cities, states and countries in which we operate.

Where internal regulations surpass the legal standards, all employees are required to apply these stricter rules.

III. **WE COMPETE FAIRLY**

Antitrust violations are illegal, harm the economy and hamper the free market. We commit to free market principles and fair competition rules.

We therefore compete fairly and within the legal boundaries.

We do not make any arrangements with competitors, suppliers or customers that restrain trade such as price-rigging, arrangements regarding the terms of sale, market allocation, or any arrangements that restrict competition or influence the outcome of bidding processes.

IV. WE ARE AGAINST BRIBERY AND ANY OTHER FORMS OF CORRUPTION

We do not offer any direct or indirect advantages to officials or staff members of state-owned institutions, and would rather forgo business opportunities than paying bribes.

Compliance with anti-corruption legislation in each country we are active in is of the highest priority to our company.

Any employee that loses business due to the refusal of unethical practice will be supported by the company in his or her decision.

V. WE ARE ACCURATE AND ETHICAL WITH OUR FINANCES

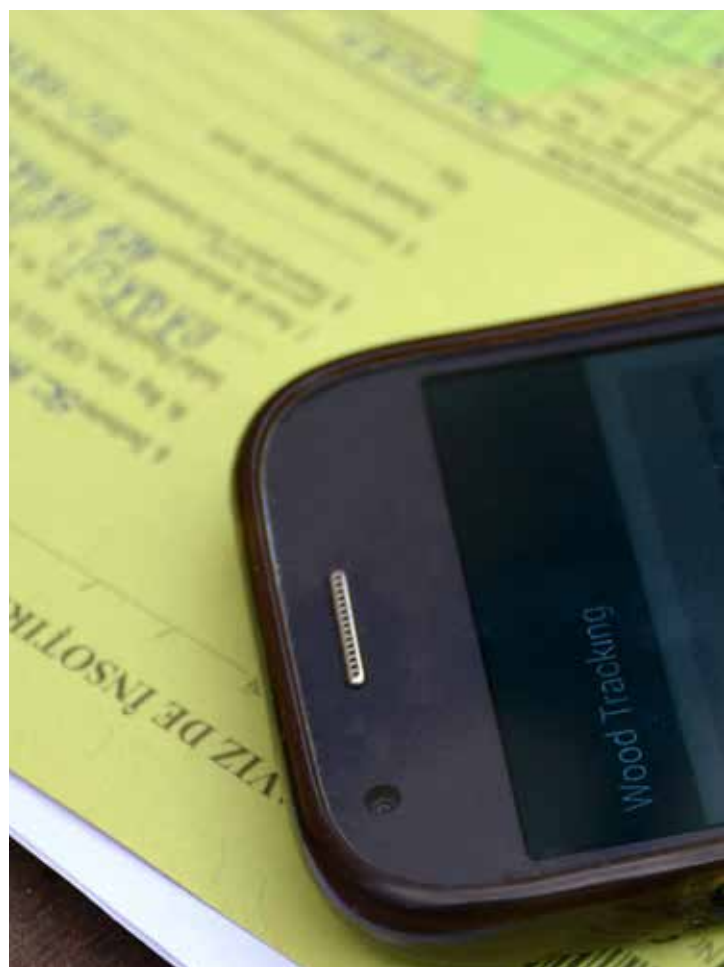
Tax evasion is illegal and harms public finances. We are therefore very accurate with our finances and our taxes.

We ensure that our money is appropriately spent; our financial records are complete and accurate, and internally controlled. Employees do not interfere with the independent auditing of financial records. Similarly, they never falsify any company record or account. This is the basis for correct finances and a proper tax base.

VI. WE ARE FIGHTING FRAUD

Fraud unlawfully restricts the financial ability of the company or a third party and may result in severe civil, criminal, financial and other penalties against the individual and the company. We therefore fight fraud.

This regulation obliges the management of each company of the Schweighofer Group to carry out appropriate controls to ensure that the risk of fraud is identified, monitored and mitigated.



VII. WE AVOID CONFLICT OF INTERESTS

A conflict of interest might create negative effects on the performance of the company and on its reputation.

Employees and members of the management must therefore carefully separate and transparently disclose their own personal interests from those of the company.

VIII. WE DO NOT ACCEPT NOR OFFER GIFTS OF VALUE

We do not accept nor offer any gift of more than low monetary value. We therefore do not accept anything which exceeds the level of reasonability and adequacy of any type of gift.

Gifts shall not be offered or accepted if doing so could influence the outcome of a business transaction or be perceived as influencing such a decision.

Appropriate benchmarks for adequacy of gifts can be set at the local level in consultation with the Group Management.

IX. WE SUPPORT LOCAL COMMUNITIES AND CHARITIES, AS PART OF OUR SOCIAL RESPONSIBILITY

Supporting local communities and charities is part of our understanding of good corporate citizenship.

We have a structured decision making process and transparently communicate any contribution made in this aspect in order to exclude any link to corruptive practices.



X. WE RAISE OUR VOICE TRANSPARENTLY AND PUBLICLY

Public affairs management strictly respects any form of regulatory framework.

Any direct contact with decision makers and authorities shall be documented.

XI. WE PROTECT OUR PHYSICAL ASSETS AND THE INTELLECTUAL PROPERTY IN OUR HANDS

All employees are responsible for protecting our company assets and using good judgment to ensure that physical and intellectual property as well as financial assets are not damaged, stolen, misused or wasted and confidential information is handled carefully.

Any sort of confidential information must be protected against unauthorized disclosure and will also be internally reprimanded.

XII. WE RESPECT PERSONAL DATA

Personal data is one of the highest goods for HS. The core processes of General Data Protection Regulation (GDPR) are known and understood by anybody handling personal data.

Our company fully commits to implementing the EU GDPR principles, in respect with protection of personal data privacy. Detailed policies, procedures and flows were set up in this respect.



REPORT CONCERNS

We want to have open and transparent communication. So speak up if you get aware of a breach of this Code of Conduct! The first contact point for reporting is your direct superior.

However, you can of course also reach out directly to the legal department (if set up), the management and/or the local and the Group's Compliance Office.

In case a legal department or a local Compliance Office is not established, the Group's Compliance Office is at your disposal.

To simplify reporting procedures, employees shall provide their name when reporting an incident. However, if requested, their identity will be treated confidentially. Abusive disclosure of the identity of an internal rapporteur also constitutes a breach of this Code of Conduct.

All reports received shall be carefully investigated. The Group's Compliance Office needs to be informed on each case, even if it is resolved locally.

Reported violations by external stakeholders are in principle investigated by the Group's Compliance Office.

NON-RETALIATION POLICY

In order to promote a culture of open and transparent communication, employees and management shall not demote, suspend, threaten, harass or in any other manner discriminate or retaliate against an employee/

member of the management because he or she reports any such violation in good faith. However intentional false accusations can be subject to disciplinary measures.



