



LOGS TIMBER VENEER
PANEL PRODUCTS

THE PREFERRED PARTNER FOR BUYERS AND SUPPLIERS

Code of Business Conduct

Acting with Integrity

At ALL Times

April 2023

Act with integrity

Be honest

Follow the Law

Comply with the Code

Be accountable



April 2023

Dear Colleagues,

APP Timber is committed to the highest standards of social and environmental responsibility as well as ethical conduct. Our business is built on this trust and this reputation. It influences how buyers feel about our service and products, how buyers respect us as their representatives and for future parties to invest in our Company.

There are many examples in recent years of powerful companies who once had fantastic reputations but now tarnished forever by unethical actions of a few people or even just one person. As Warren Buffett once reminded us, "it takes years to build a reputation and only a few seconds to ruin it."

Our industry is, regrettably, often associated with de-forestation, illegal logging and other harmful practices for the world's environment. As a matter of fact, there are indeed many companies, governments and/or individuals who disregard the environment just for the sake of short-term profits.

APP Timber's Vision is "to be the trusted and customers' ultimate choice for legally sourced sustainable timber solutions" and one of Core Values is "integrity". Acting with integrity is not just about your or our company's image and reputation, it is about sustaining a place where we all are proud to work knowing that we are doing **the right thing the right way**. This means acting with honesty, treating each other and our buyers, suppliers and shareholders fairly and with dignity.

This Code of Conduct is our guide to appropriate conduct and sets standards ensuring this so please do read this Code carefully and act accordingly. Do not hesitate to ask your superiors any questions.

With your commitment, I am confident that our Company will continue to deserve the trust that everyone has in us. Our reputation for integrity will endure. Thank you for joining me in this effort.

Sincerely,
APP Timber – *a great place to work!*

Michael Hermens
Group Managing Director

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Acting with Integrity All Times at Any Location

Integrity is fundamental to **APPTimber** along with our other Core Values of Reliability, Committed to be the best and Teamwork. These are our Guiding Principles of our Vision.

Integrity means doing what is right. By acting with integrity, we reflect positively on the values and reputation of **APPTimber's** operations and activities all around the world.

We all want to do what is right, for ourselves and for **APPTimber**. The Code of Conduct will help guide us. The Code defines how employees have to conduct themselves as representatives of **APPTimber**. The Code addresses our responsibilities to **APPTimber**, to each other, and to buyers, suppliers, investors and even governments.

We all must follow the Law, act with integrity and honesty in all matters, and be accountable for our actions.



Integrity In the Company

General Conduct

APPTimber is a respectable company and we treat all employees with dignity and respect.

- The Company ensures that there is no discrimination in employment and occupation.
- The Company respects freedom of association and the effective right to join worker organizations.

Employees have to show the same dignity and respect for all colleagues, buyers and suppliers (= Customers) and all other parties dealing with **APPTimber**.

- Employees must not engage in sexual harassment, or conduct themselves in a way that could be construed as such, for example inappropriate language, keeping or posting inappropriate materials in their work area, or accessing inappropriate materials on their computer.
- Swearing, drinking, gambling, fighting, introduce/possess/use of habit forming drugs and similar unprofessional activities are strictly prohibited.
- Employees must not make disparaging, libelous or slanderous statements about other employees, customers, products, performance and plans of either the company or its competitors.
- Do not deliberately restrict/obstruct output and prompting others to do so or interference with the work performance of others.

Labour Requirements

- The Company gives due consideration to the rights and obligations established by the national law and shall not use child labour nor employ workers below the age of 15, or below the minimum age as stated under national, or local laws or regulations, whichever age is higher.
- The Company shall eliminate all forms of forced and compulsory labour.
- The Company shall ensure that there is no discrimination in employment and occupation.
- The Company shall respect freedom of association and the effective right to collective bargaining.



Integrity In the Company (cont'd)

Computer Usage Policy

All employees are equipped with a variety of equipment, technology, data-bases, including the capability to send and receive emails and access the internet in order to carry out appropriate company business.

It is the duties of all employees to use this equipment and whatever technology, data-bases or other information with confidentiality.

- All equipment provided by the Company is strictly to be used by the employee only and not by other persons (including family members).
- All equipment issued by the Company is strictly to be used for company business and NOT for private usage.
- All employees are required to exercise good judgment when conducting business using **APPTimber's** equipment and technology.
- **APPTimber** reserves the right to monitor employee activity using the Company's equipment and technology.



Integrity In the Company (cont'd)

Business and Financial Records

Ensure the accuracy of all Company business and financial records. These include not only financial accounts, but other records such as quality reports, time records, expense reports and submissions such as benefits claim forms and resumes.

Ensuring accurate and complete business and financial records is everyone's responsibility, not just a role for accounting and finance personnel. Accurate recordkeeping and reporting reflects on **APPTimber's** reputation and credibility, and ensures that the company meets its legal and regulatory obligations.

- Always record and classify transactions in the proper accounting period and in the appropriate account and department. Do not delay or accelerate the recording of revenue or expenses to meet budgetary goals.
- Estimates and accruals must be supported by appropriate documentation and be based on your best judgment.
- Ensure that all reports to regulatory authorities are full, fair, accurate, timely and understandable.
- Never falsify any document.
- Do not distort the true nature of any transaction.
- Never enable another person's efforts to evade taxes or subvert local currency laws. For this reason, payments generally should be made only to the person or firm that actually provided the goods or services. Payments should be made in the supplier's home country, where it does business, or where the goods were sold or services provided, unless the supplier legitimately has assigned payment or sold its accounts receivable to another entity. Exceptions must be approved by the Director of Finance.



Integrity In the Company (cont'd)

Company Assets

Protect the *Company's assets*, and use those assets in the manner intended.

Do not use Company assets for your personal benefit or the benefit of anyone other than the Company.

- Use common sense. For example, the occasional personal phone call or e-mail from your workplace is acceptable. Excessive personal calls or e-mail is a misuse of assets.
- Company policy may allow additional personal use of certain assets, such as a company car or wireless communication device. Always check relevant local policies to ensure that you are using company assets as intended.
- Company credits cards issued to employees are strictly to be used for company business only; any unauthorized use is theft and will be considered as a criminal offense and reported to the Authorities.

Theft of Company assets - whether physical theft such as unauthorized removal of company product, equipment or information, or theft through embezzlement or intentional misreporting of time or expenses - may result in termination and criminal prosecution. The Company treats workplace theft of assets belonging to other employees the same way it treats theft of company assets.

Employee has to observe protection of Company's information at work place or outside work place at all times. All data and documents stored either in the systems, laptop, ipad, thumb drive, dvd or files should be properly secured when not in use. All unwanted data or documents should be destroyed or shredded accordingly.

The use of company assets outside of your company responsibilities - such as using Company's business contacts (suppliers, buyers, etc) and/or equipment (laptops, iPads, etc) to support personal interests - requires prior written approval from the Managing Director.



Integrity In the Company (cont'd)

Use of Time, Equipment and Other Assets

- Do not engage in personal activities during work hours that interfere with or prevent you from fulfilling your job responsibilities.
- Do not use Company computers and equipment for outside businesses, or for illegal or unethical activities such as gambling, pornography or other offensive subject matter. Refer to the Acceptable Use Policy for additional information and guidance.
- Do not take for yourself any opportunity for financial gain that you learn about because of your position at the Company, or through the use of Company property or information.

Examples of Company Assets

- Company money
- Company credit cards
- Company product
- Employees' time at work and work product
- Computer systems and software
- Telephones
- Wireless communication devices
- Photocopiers
- Company vehicles
- Proprietary information
- Company trademarks
- Contact details of buyers, suppliers



Integrity In the Company (cont'd)

Use of Information

*Safeguard the Company's **nonpublic information**, which includes everything from contracts and pricing information to marketing plans, technical specifications and employee information.*

Nonpublic Information

Do not disclose nonpublic information to anyone outside the Company, including to family and friends, except when disclosure is required for business purposes. Even then, take appropriate steps, such as execution of a confidentiality agreement, to prevent misuse of the information.

Do not disclose nonpublic information to others inside the company unless they have a business reason to know.

Employees are obligated to protect the Company's nonpublic information at all times, including outside of the workplace and working hours, and even after employment ends.



Integrity In the Company (cont'd)

What Is Nonpublic Information?

It is any information that the Company has not disclosed or made generally available to the public. Examples include information related to:

- Employees
- Inventions
- Contracts
- Strategic and business plans
- Major management changes
- New product launches
- Mergers and acquisitions
- Technical specifications
- Pricing
- Proposals
- Financial data
- Product costs



Integrity In the Company (cont'd)

Privacy

The Company respects the privacy of all its employees, business partners and customers. We must handle personal data responsibly and in compliance with all applicable privacy laws. Employees who handle the personal data of others must:

- Act in accordance with applicable law;
- Act in accordance with any relevant contractual obligations;
- Collect, use and process such information only for legitimate business purposes;
- Limit access to the information to those who have a legitimate business purpose for seeing the information; and
- Take care to prevent unauthorized disclosure.



Integrity Of the Company

Towards Well Managed Forests

APPTimber has a good reputation of providing sawn timber and veneers originating from well managed forests.

"Well managed forests means managing forests to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic which integrates the growing, nurturing, and harvesting of trees for useful products with the conservation of soil, air and water quality, and wildlife and fish habitat."

- **APPTimber** does not knowingly trade in illegal timber and timber products. The Company complies with internationally well known certification programs such as FSC, PEFC and acts in line with policies outlined in The Lacey Act and the European Timber Regulations (EUTR).
- **APPTimber** encourages landowners, loggers, foresters and others to promote and support well managed forests, environmentally sound forestry practices. We are committed to long-term forest management to ensure productive, healthy forests for future generations. We are concerned with the protection of water quality, prompt reforestation after harvest, promoting wildlife conservation, and are continuously improving our practices and forest management activities to ensure long-term forest productivity and usage.
- The practice of well managed forestry requires all parties involved in the production of wood products to work together. This allows us to better address environmental as well as forest productivity issues to ensure sound management practices. Landowners are encouraged to utilize the services of qualified resource professionals and qualified logging professionals. Timber harvesters need to be fully knowledgeable of the local regulations affecting timber harvesting.
- It is our collective responsibility to ensure that the utilization of forest products today does not jeopardize the usage of the same resources by future generations. Our goal is to try to make sure that all our products are obtained from trees that are grown and harvested in an environmentally responsible and well managed forest.
- All employees are expected to join us in our commitment to a long-term approach to the caring for environment.



Integrity Of the Company (cont'd)

Charity is a Responsibility

APPTimber views charity as a responsibility and contributes to accredited organizations primarily to contribute to communities in those areas where APPTimber operates.

- Employees are invited to suggest for which causes and/or organizations to contribute.
- The senior management of the company decides to which causes and/or organizations to contribute.
- The company ensures that all charitable donations are legal and ethically under local Laws.



What is Expected of All Employees?

Comply with the Code and the Law

Understand the Code. Comply with the Code and the Law wherever you are. Use good judgment and avoid even the appearance of improper behavior.

Consider Your Actions, and Ask for Guidance

If ever in doubt about a course of conduct, ask yourself:

- Is it consistent with the Code?
- Is it ethical?
- Is it legal?
- Will it reflect well on me and **APPT**imber?
- Would I want to read about it in the newspaper?

If the answer is "No" to any of these questions, don't do it.

If you are still uncertain, ask for guidance from the senior management at HQ.



Conflict of Interests

Act in the best interest of APPTimber while performing your job for the Company. A conflict of interest arises when your personal activities and relationships interfere, or appear to interfere, with your ability to act in the best interest of the Company.

Take particular care if you are responsible for selecting or dealing with a **supplier or buyer** on behalf of the Company. Your personal interests and relationships must not interfere, or appear to interfere, with your ability to make decisions in the best interest of the Company. When selecting suppliers, always follow applicable Company procurement guidelines.

Outside Investments

Avoid investments that could affect, or appear to affect, your decision-making on behalf of the Company. If you have **discretionary authority in dealing with a company** as part of your job with **APPTimber**, you may not have any financial interest in that company.

Conflict of Interests (cont'd)

Gifts, Meals and Entertainment

Do not accept gifts, meals or entertainment, or any other favor, from customers or suppliers if doing so might compromise, or appear to compromise, your ability to make objective business decisions in the best interest of **APPTimber**.

Gifts

- Do not accept gifts in exchange for doing, or promising to do, anything for a buyer or supplier.
- Do not ask for gifts from a buyer or supplier.
- Do not accept gifts of cash or cash equivalents, such as gift cards.
- Do not accept gifts of more than modest value. Examples of acceptable gifts include a logo pen or t-shirt, or a small gift basket at holiday time and festive seasons.
- Gifts of symbolic value, such as trophies and statues that are inscribed in recognition of a business relationship, may be accepted.
- Gifts or discounts offered to a large group of employees as part of an agreement between the Company and a customer or supplier may be accepted and used as intended by the customer or supplier.

Meals and Entertainment

- Do not accept meals or entertainment in exchange for doing, or promising to do, anything for a customer or supplier.
- Do not ask for meals or entertainment from a buyer or supplier.
- You may accept occasional meals and entertainment from buyers and suppliers if the event is attended by the buyer or supplier, and the costs involved are in line with local custom for business-related meals and entertainment. For example, ordinary business meals and attendance at local sporting events generally are acceptable.



Integrity in Dealing with Others

Dealing with Governments

In general, do not offer anything to a government official - directly or indirectly - in return for favorable treatment. **You must obtain prior approval from APPTimber's senior management before providing anything of value to a government official.** Ensure that any such payments are properly recorded in the appropriate Company account.

Anti-Bribery

Many countries, such as the United States and the United Kingdom, have passed legislation criminalizing bribery of government officials. The sanctions for violating these laws can be severe, including significant individual and corporate fines, and even imprisonment.

Bribes Are Prohibited

A **bribe** is giving or offering to give anything of value to a government official to influence a discretionary decision. Examples of bribes include payment to a government official to encourage a decision to award or continue business relations, to influence the outcome of a government audit or inspection, or to influence tax or other legislation. Other payments to government officials also may constitute bribes in some jurisdictions. Consult Company legal counsel regarding local anti-bribery laws.



Integrity in Dealing with Others (cont'd)

Dealing with Buyers and Suppliers (= Customers)

APPTimber values its partnerships with Customers. Treat these customers in the same manner we expect to be treated.

Always deal fairly with customers and, treating them honestly and with respect:

- Do not engage in unfair, deceptive or misleading practices.
- Always present **APPTimber's** products in an honest and forthright manner.
- Do not offer, promise or provide anything to a buyer or supplier in exchange for an inappropriate advantage for **APPTimber**.

We expect that our suppliers will take no action contrary to the principles of our Code. Accordingly, the owner of each supplier relationship should ensure that adherence to this Code of Business Conduct is a condition to do business with **APPTimber**.



Integrity in Dealing with Others (cont'd)

Dealing with Competitors

Competitive Intelligence

Employees are encouraged to collect, share and use information about our **competitors**, but to do so only in a legal and ethical manner. Just as **APPTimber** values and protects its own nonpublic information, we respect the **nonpublic information** of other companies.

Acceptable Intelligence Gathering

It is acceptable to collect **competitive** intelligence through publicly available information or ethical inquiries. For example, you may gather and use information from sources such as:

- Publicly available filings with government agencies and/or customers
- Public speeches of company executives
- Annual reports
- News and trade journal articles and publications

You also may ask third parties about our competitors, or accept competitive intelligence offered by a third party, as long as there is no reason to believe that the third party is under a contractual or legal obligation not to reveal such information.

Prohibited Activities

The following basic restrictions apply to our ability to gather competitive intelligence:

- Do not engage in any illegal or illicit activity to obtain competitive information. This may include theft, trespassing, eavesdropping, wiretapping, computer hacking, invasion of privacy, bribery, misrepresentation or searching through trash.
- Do not accept, disclose or use competitive information that you know or have reason to believe was disclosed to you in breach of a confidentiality agreement between a third party and one of our competitors.

