

Code of Conduct

Our Commitment to Compliance

Our Code of Conduct defines how everyone works in Kährs Group operations globally. We are proud of the ethical business practices that we have established.

We do not tolerate any form of corruption, bribery, unfair anti-competitive activities, discrimination or harassment. We promote ethical business practices, fair treatment of all employees, including diversity and equal opportunities.

Health and safety is of vital importance to us. Our goal is to remove the risks of worksite injuries. Our commitment is to create safe and healthy workplaces as described in our Code of Conduct.

We are also committed to protect and care for the environment and are constantly striving to do more to reduce our environmental footprint and to produce better products.

We expect all employees of Kährs Group to read, understand and live by the Code. Kährs Code of Conduct also applies to our business partners and suppliers and we encourage our suppliers to impose these requirements up-stream in their supply chains.

Christer Persson, President and CEO
2015-03-17



General Principles

This Code of Conduct is intended to provide information about Kährs Group's operating principles and offer tools to help make decisions that align with our ethical expectations and legal obligations. Within the area of our influence we strive to ensure that employees and business partners follow the principles of our code of conduct when working with us. Adhering to high ethical standards and doing the right thing are the driving forces behind Kährs Group's success and have been a core component of how we have done business since our beginning.

The requirements stated in this Code of Conduct are mainly based on internationally agreed standards such as the Universal Declaration of Human Rights, the principles in the UN Global Compact, the UN Convention on the Rights of the Child and applicable ILO Conventions.

- Doing business ethically and with integrity is critical to our success and ethics is the foundation of our culture.
- We comply with legal requirements that apply in the countries where we do business.
- We respect the United Nations Universal Declaration of Human Rights and recognize our responsibility to observe those rights that apply to our relationship towards our employees and the communities in which we operate. This commitment includes activities that relate to the rights and entitlements of Indigenous Peoples.
- We are open-minded in dialogue with those who are affected by our operations. We respond to inquiries from external parties and communicate with affected parties in a timely and effective manner.
- We put great emphasis on transparency and we expect communication to be open, truthful, complete, timely and not in any way misleading.
- Kährs Group has made a public commitment to incorporate corporate social responsibility principles in the way we behave with our Code of Conduct and this is best served by respecting the interests of all our stakeholders.

Business Conduct

We act with integrity and a spirit of fair dealing and we do not tolerate any activities that distort markets and hamper economic, social and democratic development such as corruption, bribery and unfair anti-competitive actions.

We shall follow the national laws in the countries in which we operate. Should any requirement in this Code conflict with the national law in any country or territory, the law must always be followed. However, Kährs requirements may go beyond the requirements set out in national law.

- We strictly observe all national and international anti-corruption, sanctions and anti-bribery laws and regulations. Kährs Group is committed to compete for business by the quality and price of its products and services, but not by offering or receiving improper advantages or benefits to others.
- We are all required to comply with antitrust and related competition laws in jurisdictions in which we do business including entering into agreements, reaching "understandings" or exchanging information with competitors about how we do business and sharing confidential and proprietary business information with or requesting such information from competitors.
- We have a zero tolerance policy in regards to money laundering and terrorist financing with all employees, clients, and potential clients.
- We do not tolerate any situation in which an employee's activities conflict or appear to conflict with the interests of Kährs Group. It is the duty of each Employee to give undivided commercial loyalty to the Company and to make business decisions only in the best interest of the Company, not based on her/his potential personal interests.
- Kährs Group is committed to providing full, fair, accurate, timely and understandable reports and disclosures to regulatory authorities and the public. This includes making sure that our financial statements conform to generally accepted accounting principles, the Kährs Groups accounting policies and its system of internal controls.
- Employees and/or business partners of Kährs must never disclose confidential company information to any person outside or within the Company, except with a prior permission from Kährs Group.
- We must ensure that proprietary and confidential information is adequately protected and controlled.

Employment

Kährs Group has a strong commitment to corporate ethics and integrity. We believe that all people should be treated with dignity, and we will not accept conduct that fails to show appropriate respect to others.

All who take part in our operations, as an employee or as a business partner shall have a workplace where the well-being and health are neither jeopardized nor compromised. Employment conditions offered to employees will at least meet minimum requirements of national legislation and relevant ILO conventions to ensure a safe and healthy workplace

- We are committed to providing our employees a safe working environment and to continuously improve the work environment. Kährs Group should never ask or expect an employee to perform any task that is considered unsafe.
- We do not tolerate substance abuse in the workplace. Employees under the influence of alcohol or drugs at work is a safety risk, both for themselves and their colleagues.
- We will not discriminate against any associate or applicant with regard to race, color, gender, sexual orientation, gender identity or expression, age, religion, national origin, disability or any other characteristic or basis protected by applicable law.
- We will not tolerate harassment in the workplace, verbal, non-verbal or physical.
- We have a zero tolerance for violent actions that threaten our employees, customers, suppliers, visitors or property.
- All employees have the right to form or join associations of their own choosing, and to bargain collectively.
- All employees are entitled to a written employment contract, in the local language, stipulating the employment terms and conditions.
- We encourage employees to voice their concerns and offer suggestions about workplace issues. All employees have access to an anonymous, intranet based "speak-up system" to improve corporate governance.
- We do not accept any form of forced or involuntary labour in the production of our goods or services.
- Kährs does not accept employment of anyone younger than 15 (or 14 where the national law so allows) or younger than the legal age for employment if this age is higher than 15.

Environment

We are committed to act responsibly to conserve and preserve natural resources. Any materials used and products produced must comply with legislation and regulations regarding the protection of the environment. As a significant purchaser of goods and services, we work to use our influence to minimize impacts on the environment by supporting and promoting innovation in the responsible use and sustainability of natural resources.

- Our Environmental Management Systems are certified according to ISO 14001.
- Kährs Group works to improve in the fields of recycling, conservation of energy and natural resources, safe use and disposal of hazardous materials and the development of environmentally sound alternatives.
- We continuously work to develop more sustainable products that reduce demand on ecosystems and creating healthier indoor spaces for our customers.
- Kährs expects from its suppliers to guarantee that any materials used and products produced do comply with legislation and regulations regarding the protection of the environment.
- Any business partner must have the relevant environmental permits and licenses for its operations.
- Kährs only sources wood meeting the EU Timber Regulation, Lacey Act, and is FSC, PEFC and or meets Kährs Controlled Wood Standard*. Kährs prioritizes suppliers that promote sustainable forest management.
- Any waste, and in particular hazardous, must be taken care of in a responsible manner and in accordance with local laws and regulations related to the handling, storage, transportation, recycling and disposal.
- Chemicals used must be in compliance with applicable environmental laws and regulations in the country of operation and they must be stored, handled and transported in a way that prevents emissions to air, ground and water, prevent risks of ignition/explosion and ensure workers health and safety.
- Kährs and its business partners shall actively work to reduce their carbon footprint and other logistic impact on the environment.

* More information about our environmental work and Kährs Controlled Wood Standard can be found on kahrsgroup.com.

Kährs Group

www.kahrsgroup.com