

15 November 2019

Koskisen Group (Koskisen Oy and Koskitukki Oy with their subsidiaries), hereinafter Koskisen, engages in wood products industry at its Järvelä, Hirvensalmi, Toporow and Sheksna locations. This operating policy covers all of Koskisen's operations, including quality, environmental, safety and corporate social responsibility policies and the chain of custody for wood. Koskisen's subcontractors, contractors and sales representatives are expected to comply with the Group's Code of Conduct which is based on the operating policy.

### 1. Profitability

In all operations, the objective is to find solutions that are sustainable in the long term. In order to safeguard continuity, operations need to be profitable. Short-term gains shall not be sought by compromising on the principles of this operating policy.

### 2. Customers

Operations and their development are focused on customers' needs, emphasising the value added created for the customer and customer satisfaction.

### 3. Values, mindset, Koskisen spirit, Koskisen brand

Koskisen's operations are based on the company's values and the characteristic Koskisen mindset. Our values and our commitment to wood must be taken into account in all decision-making, management and daily operations. Our jointly defined values are *integrity, creativity, courage and profitability*.

Koskisen's leading themes are the drive to "go the extra mile" that stems from our heritage as a family business, superior customer service, diverse special expertise and an absolutely reliable operating culture. We go the extra mile; we do not settle for mediocrity. We are ready to work hard to find the product and service solutions that best cater to our customers' needs.

Excellence is only achieved through total commitment. That is why Koskisen is **committed to wood**.

### 4. Quality

Customer needs are determined together with the customer. We collaborate across different functions and processes, and develop our processes to ensure that the products and services delivered to customers meet the agreed quality level and that they can be produced cost-effectively also in the future.

### 5. The environment

Environmental matters are a question of honour and a competitive asset for us. We aim to continuously reduce the load caused by our operations on the soil, water and air. The development of products and production processes aims at minimising harmful environmental impacts over the entire lifecycle of the products. In all operations, the minimum requirement is to fulfil the obligations laid down in Finnish environmental legislation.

### 6. Safety

Our occupational safety and health activities meet the statutory requirements as a minimum. Efforts are made to identify and prevent risks related to human health and safety, to the products and their use and to the company's assets. The company creates the conditions for a safe workplace. Every employee is responsible for his or her own safety and also looks after the safety of his or her colleagues and the company's assets. All workers or their representatives are guaranteed to communicate safety issues and participate safety committees work.

### 7. Personnel

The Koskisen spirit, Koskisen's values and operating policy come to life through the employees' work and actions. Koskisen's employees create the company's future just like they create its success. Focusing on excellent working conditions for the employees, continuous development of competence, well-being at work and health ensures Koskisen's success and competitiveness. Koskisen Group is as strong as its personnel.

The employees understand the importance of quality, environmental and safety matters and everyone needs to take responsibility for their maintenance and development.

### 8. Responsible way of operating

Koskisen Group operates in accordance with the principles and practices of social responsibility based on the guidelines laid down in the ISO 26000 standard. Our objective is to abide by the principles of sustainable development in everything we do.

### 9. Management system, continuous improvement and development

The purpose of the management system is to support and enhance the efficiency and capability of the processes. The management system is being developed to meet the international standards (ISO 9001, ISO 14001, ISO 45001 and ISO 26000) and its effectiveness is verified through internal audits and external certifying bodies. ISO 26000 is not a certifiable standard; the use of external certifying bodies for it is subject to a separate decision.

Both Group and unit level targets and goals are set for the various operations and processes within the company's strategy process and their realisation is monitored using selected indicators.

The chain of custody for wood is managed in accordance with the FFCS system so that part of the products can bear the PEFC label (PEFC ST 2002:2010,3CoC).

Future competitiveness is secured by constantly increasing the level of value added and renewing operating procedures. Synergy benefits are utilised whenever possible and innovation and R&D play a key role in our operations.

Our operations and performance are developed with the principle of continuous improvement across all aspects of the management system.

### 10. Commitment

The company's management and the entire personnel acknowledge that this operating policy and the Code of Conduct based on it are a key component of business and commit to abiding by them.

The company's management allocates sufficient and appropriate resources for implementing, maintaining and developing the operating policy.

### 11. Verifying the origin of wood

The origin of wood is always known, whether it comes from a certified or uncertified forest. Koskisen has been granted the wood chain-of-custody certificate, PEFC CoC.

It ensures that no wood is accepted from controversial sources, which include:

- a) Illegal logging
- b) Logging that violates indigenous peoples' rights or other human rights
- c) Forests where important environmental values have been threatened or destroyed
- d) Natural forests that have been transformed into plantation forests
- e) Forests containing genetically modified trees

Koskisen's wood CoC systems and the ISO 14001 environmental standard ensure the level of control of the origin of wood in all of the countries in which the Group procures wood.

Internal audits and the wood traceability system cover the operations of wood suppliers and logging contractors (Koskitukki). Thus, a wide variety of sustainability issues, such as preserving natural values and legal wood origin and social matters, such as occupational safety, are taken into account in our operations. We have a certified ISO 45001 system for managing occupational safety.

These measures allow us to ensure the legal and sustainable origin of wood and to officially determine the proportion of certified wood raw materials used in our production units.

All available information and suppliers' self-declarations are used in verifying the origin of wood. A forest system and digital maps are used in logging to trace the wood transport chain from the stump to the mill.

### 12. Data protection and information security

We maintain a high level of data protection, and we comply with the obligations laid down in the EU's General Data Protection Regulation and national legislation. The rights of data subjects are taken into account in all our operations. We protect our company's register data and the register data we manage, as well as our services, with the help of legislation and special measures based on the company's governance. We assess the level of data protection and we develop information security in order to minimise identified risks.