

SWISS KRONO AG Company Policy

1 Our aim is to protect people and the environment

We produce high quality timber products using ecological, sustainable processes. Our enthusiastic employees are the key to our company's success. We encourage an open, pleasant operating environment and active exchange to create a positive working atmosphere.

We also greatly value people who do not work directly in our operations. We like to get involved in the world around us and look for partnership solutions to help us develop as a company.

2 Personal ecological and economic responsibility

SWISS KRONO AG pledges to uphold all applicable laws, regulations and standards in the environmental, social, and product and service quality sectors. Good, open cooperation with the authorities goes without saying. Our company is aware of the importance of proactive, ecological behaviour. All of our activities are therefore tested for their impact on their environment and improved if necessary. The environmental aspect is given particular weight in new projects. From an economic and ecological point of view, energy and raw materials must be used sparingly. An economically solid and sustainable foundation can only be achieved if the employees reach the required quality in their daily work and play an active part in shaping the processes involved. This will increase productivity, customer satisfaction, and the company's success.

3 Management's responsibility

The management system helps to ensure economic, social and ecological success by formulating clear rules, regulating responsibilities, making implementation measures available, structuring individual tasks in a comprehensible and transparent manner for all those involved. The company's task is to ensure long-term economic success. The sustainability strategy helps to fulfil this management aim. Every employee must also be aware of their responsibility with regard to others. We place great emphasis on open and appropriate communication.

The management's responsibility serves to implement a wide-ranging safety concept:

- A healthy financial foundation protects and creates jobs and facilitates investment, all of which contribute to the continual improvement and strengthening of the company.
- The guarantee of good operational and working safety protects both employees and the environment.

4 Customer orientation

It is important that we have our customers' trust. We aspire to create long-term connections with our customers. Therefore, customer demands are a significant value which we use as a guide. Our aim is to achieve high customer satisfaction with high-quality services and clearly defined products which we manufacture in accordance with the relevant European standards (EN). We carry out regular checks so we can constantly improve and remain customer oriented.

5 Continuous improvement

The input (material, energy, labour) required per unit should be gradually reduced. But at the same time, customer satisfaction should increase – this means that defects and idle periods should be minimised. A control that detects potential for improvement exists for this purpose. This potential should be reached with the implementation of suitable measures. The aim is to use resources sparingly; employees are therefore largely responsible for success. All employees are informed, instructed and involved accordingly. Management continually assesses the measures employed in order to ensure continuous improvement. Our suppliers are also involved in continuous improvement, as this is key for ensuring consistent high quality. Suppliers are assessed to create good, beneficial and long-lasting relationships on both sides.

6 Sustainability

We think in flows, which cannot be better expressed than by timber. Timber use in the cascade determines our strategy. We create the highest possible value added unit that the available timber allows by transforming industry and sawmill waste into innovative products of Swiss quality for furniture and interior design. We also take back used furniture with a sophisticated return concept, saving energy for CO₂-free product manufacture.

We strive for sustainable action at all levels with the most complete possible use of the available resources. This applies in our purchase policy (timber from sustainably-managed forests, using Swiss timber when possible), during production (careful production with minimal emissions) and in sales (offering ecological, quality products). We also make every effort to counteract negative developments by pledging not to be involved, directly nor indirectly, in the following unacceptable activities:

- a. Illegal felling or trade with illegally-felled wood or forestry products
- b. Violation of human rights and traditional, fundamental civil rights in forest areas
- c. Destruction of forests where conservation is endangered by forest management
- d. Transformation of natural forests into plantations or non-forest areas
- e. Introduction of genetically engineered plants and trees in forest areas
- f. Violation of the ILO main convention, as set out in the ILO fundamental principles and as a labour right (ILO: International Labour Organisation, regulates basic labour rights)

We pledge to adhere to the European Timber Regulation (EUTR) and the standards required by the FSC® and PEFC™ chain of custody system/legality.

The Managing Board

SWISS KRONO AG

Menzna, 20.05.2016