

The background is a complex geometric composition. It features several overlapping shapes: a large white triangle in the upper left, a dark purple triangle in the lower left, a dark grey/black marble-textured triangle in the center, and a large red triangle in the lower right. The top and right portions of the image are filled with a light brown wood-grain texture.

CODE OF CONDUCT

December 2017



VISION

To be recognised as a sustainable world leader in the wood-based panels industry, consistently providing our customers with the best value products, upholding the highest standards of service and promoting responsible business and environmental practices.

MISSION

Our aim is to deliver the full potential of wood-based panels for the benefit of our customers, shareholders, employees and society. We base our operations on sound corporate governance, continuously improving the efficiency of our operations, actively promoting innovation and providing a motivated, safe and fair working environment.

VALUES

Our values are the foundation on which we build our business and they guide our behaviour.

AMBITIOUS

Value: AMBITION

Principle: We set challenging but attainable goals. We continuously challenge ourselves to go beyond previously established limits, focusing on becoming and remaining market leader and creating sustainable value for our shareholders.

INNOVATIVE

Value: KNOWLEDGE/EDUCATION

Principle: We believe that knowledge is one of the greatest sources of personal fulfilment and career development. We strive to attract motivated people and expect everyone to contribute ideas and be fully committed to the success of the company. We offer professional training and encourage active participation in academic programs.

Value: RISK TAKING

Principle: We do not accept the status quo. We search for alternatives, new ideas, new approaches and solutions to overcome barriers. We take calculated risks.

Value: INNOVATION

Principle: We believe that our long-term competitive advantage depends on our ability and determination to innovate, to achieve continuous improvements and to increase our efficiency. We encourage our people to generate new ideas, we evaluate their ability to do so and we expect our managers to set an example. We encourage a risk-taking culture, within adequately managed degrees of risk exposure.

Value: **READY TO CHANGE**

Principle: We seek customer oriented solutions. Our employees and our companies have to be sufficiently flexible to accept new ideas, new ways of doing business and be ready to embrace changes, improve products, processes and respond to new organisational challenges.

AUTHENTIC

Value: **AUTHENTIC**

Principle: We remain true to ourselves and are humble, consistent and coherent.

Value: **OPEN AND TRANSPARENT**

Principle: We hold ourselves accountable and expect others to do likewise. We foster a culture of openness, transparency and accountability and welcome the opinion of employees and outside observers as a means of obtaining an independent evaluation of our performance, our degree of compliance with best practices and our own values and principles. We strive to be responsive to stakeholder concerns.

Value: **COOPERATION**

Principle: We empower our people and expect them to take responsibility. We believe in cooperation and teamwork as a means of sharing know how, experience and responsibilities amongst our people, both in the execution of day-to-day tasks and when solving complex problems.

RESPONSIBLE

Value: **ETHICAL BEHAVIOUR**

Principle: Relationships with our stakeholders are founded upon respect, transparency, honesty and integrity and we do not tolerate bribery or corruption in any shape or form. We strive to preserve our independence from political pressures in order to speak and act freely, first and foremost in the interests of the company.

Value: **SOCIAL AWARENESS**

Principle: We are aware that our business activity has an impact on our social environment and that we have a responsibility to support local communities. We may become involved with social institutions or charities, support cultural, sporting or other activities as part of our corporate responsibility and encourage the active participation of our people at all levels of our organisation.

Value: **NON-DISCRIMINATION**

Principle: We believe every person has equal working opportunities. We do not accept any form of discrimination in the workplace may it be related to age, gender, race, social background, religion, sexual orientation, or physical ability. Our career development and reward systems are based on merit.

Value: **HEALTH AND SAFETY**

Principle: The physical and mental welfare of our people is of paramount importance to us and we strive to provide a safe and healthy work environment for all. We expect all employees to comply with safety guidelines and practices.

Value: **ENVIRONMENTAL AWARENESS**

Principle: We are conscious of the environmental footprints we leave behind and consider that the responsible management of environmental issues is critical to our business success. We are committed to the concept of eco-efficiency and to sustainable sourcing of raw materials and actively respect these principles in all our business practices.

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1. INTRODUCTION

1.1. SCOPE AND PURPOSE

Our Code of Conduct (“Code”) contains a set of standards based on our shared values that govern the activities of the Sonae Indústria Group (hereinafter referred to as the “Group” or “Sonae Indústria”). It applies to everyone employed by the Group, including members of the statutory governing bodies of Sonae Indústria, SGPS and Group companies, managing directors, senior executives, employees and people whose status is equivalent to that of employees, such as temporary staff (hereinafter referred to as “Employees”) and service providers. Our Code sets out guidance on those matters of business ethics to be complied with by all Employees and service providers when carrying out their professional duties.

1.2. COMMITMENT FROM SONAE INDÚSTRIA

Sonae Indústria adheres to and actively promotes the highest ethical standards of professional conduct and strict legal compliance at all levels of the Group. Commitment to standards of conduct must emanate from the top. Therefore, Sonae Indústria’s top managers are expected to set an example for the rest of the organisation through their actions, by actively leading the adoption and by monitoring the enforcement of these standards, by ensuring the strict enforcement of law within their area of responsibility, by maintaining a constant monitoring of its compliance, and by clearly communicating to its employees that the non-compliance with any applicable law may have legal and also disciplinary consequences.

1.3. COMMITMENT FROM EMPLOYEES AND SERVICE PROVIDERS

It is particularly important that a commitment to these standards of conduct is accepted by all Employees and service providers at all Group companies. Furthermore, Sonae Indústria operates across many geographic boundaries and adopts principles and actions that are appropriate to deal with specific ethical issues that can arise in those countries in which they operate.

2. RELATIONS WITH STAKEHOLDERS

2.1. RELATIONS WITH EMPLOYEES AND SERVICE PROVIDERS

2.1.1. **KNOWLEDGE SHARING AND PERSONAL DEVELOPMENT:** the Group places a high value on the professional and personal development of its people and promotes the constant renewal of ideas and knowledge. Employees and service providers are expected to take advantage of all opportunities that are presented to them to achieve both personal and professional development. It is Sonae Indústria’s aim to provide them with the training and the support necessary to achieve their full potential, by maximising their skills and motivation.

2.1.2. **INNOVATION AND INITIATIVE:** new ideas are actively encouraged as a means of achieving innovative and more efficient ways to attain corporate goals.

2.1.3. **RESPECT, ACCOUNTABILITY AND COOPERATION:** relations with Employees and service providers are founded upon respect for the individual. Employees and service providers are expected to treat each other with respect, politeness and fairness and to adhere to principles of cooperation, teamwork and accountability in their pursuit of excellence and achievement.

2.1.4. **CONFIDENTIALITY AND RESPONSIBILITY:** employees and service providers are obliged to protect the confidentiality of business information related to the company and its customers and suppliers and must not exploit insider knowledge in any kind to obtain personal benefit. Employees and service providers are required to safeguard the corporate property through judicious and rational utilisation of resources.

2.1.5. **SUSTAINABILITY:** this is viewed as the shared duty of all Employees and service providers and each manager is responsible for ensuring his or her team meet this responsibility.

2.1.6. **CONFLICT OF INTEREST:** involvement in activities that may compete with those of Sonae Indústria should be avoided and in the event of a potential conflict of interest arising, Employees and service providers should immediately disclose in writing the potential conflict to their superior and to the local Human Resources Department.

2.1.7. **HEALTH AND SAFETY:** Sonae Indústria aims to provide a healthy and safe work environment for all Employees and service providers.

2.1.8. **SOCIAL CONSCIENCE:** Sonae Indústria adheres to global principles set out under international law and international declarations on Human Rights. Our minimum admission age is the legally permitted in each country and we impose a minimum age of 18 for hazardous work. We do not tolerate discriminatory behaviour of any kind and we promote equal opportunities for all and the right to moral integrity and dignity in the workplace.

2.1.9. **COMMUNICATION:** we recognise the need to develop effective processes for communication and consultation with Employees and service providers.

2.1.10. **COMPLIANCE:** strict adherence to the provisions of this Code and to the applicable laws is expected from all Employees of the Group. Violations of this Code may have disciplinary consequences, as provided by the law.

2.2. RELATIONS WITH SHAREHOLDERS AND OTHER INVESTORS

- 2.2.1. **CREATION OF VALUE:** Sonae Indústria's main objective is to maximise the value created for its shareholders. We believe that this objective can only be met in the short, medium and long term if the company simultaneously creates wealth for other stakeholders such as our Employees and service providers, suppliers, financing institutions and local, regional or national authorities.
- 2.2.2. **TRANSPARENCY:** our accounting and sustainability statements will be true and timely. We will communicate business achievements, policies and performance honestly.
- 2.2.3. **COMPLIANCE:** as Sonae Indústria, SGPS is listed on the Euronext Lisbon stock exchange, the Company's statutory governing bodies and Employees with access to privileged information must comply with the law. This requires that they understand the responsibilities that this implies.

2.3. RELATIONS WITH GOVERNMENTS AND COMMUNITIES

- 2.3.1. **ETHICAL BEHAVIOUR:** we are legally bound to comply with all national and international legislation. However, if our internal standards are more rigorous than those imposed by local laws, we go beyond compliance with local legislation and adopt the most demanding standards. Our Code is regularly reviewed, and, when necessary, updated to incorporate all relevant changes in legislation and any new issues or anticipated trends that we feel merit coverage and guidance in terms of corporate behaviour.
- 2.3.2. **SOCIAL CONSCIENCE:** we will consider the concerns of the wider community including both national and local interests and will support the communities in which we operate. We aim to contribute to the economic well-being and social development of the countries and communities in which we conduct our business. We respect the traditions and cultures of each country in which we operate.
- 2.3.3. **TAX STATEMENT:** we will not evade tax obligations and will record and report all transactions. National legislations usually allow for certain economic activities to be implemented in different formats or under different structures which may have different economic or fiscal implications. Selecting the format or structure that best suits the Group's objectives is regarded not only as a legitimate activity but also a management imperative.
- 2.3.4. **ENVIRONMENTAL AWARENESS:** we are concerned about conserving the environment and recognise that resources must be used responsibly.

2.4. RELATIONS WITH BUSINESS PARTNERS

- 2.4.1. **CUSTOMER FOCUS:** the activity of Sonae Indústria should be oriented to the customers' needs, always looking for their satisfaction by providing them a product according to their expectations, supported by a reliable service through simple interactions and increasing ease and convenience for the customer.
- 2.4.2. **INTEGRITY:** we believe that integrity in the relationships we establish with our business partners is a prerequisite for successful long-term business relationships. Our Employees are expected to act with integrity, honesty and transparency. Restrictive trade practices are not permitted nor the abuse of any dominant position in the market.
- 2.4.3. **ETHICAL BEHAVIOUR:** occasional gifts or other low-value benefits may be accepted or given if deemed to be consistent with local business practices. However, if the nature or value of the gift is excessive and likely to influence the outcome of a business decision, it should be refused or withheld. All gifts, irrespective of their value, must be reported by all Employees to their supervisor or manager and to the local Human Resources Department.
- 2.4.4. **TRANSPARENCY:** business decisions should be taken based on rational criteria such as quality, competitive pricing and service level agreements, thereby contributing to uphold fair dealing. Sonae Indústria is a totally committed defender of transparent and equitable business practices and we do not tolerate active or passive bribery nor corruption. In all external communications, untruths, concealment and overstatement will be avoided. We will never deliberately give inadequate or misleading product descriptions. No Employee may, either by his/hers own or together with third parties, practice any action that violates national or foreign laws relating to money laundering, expressly in converting, transferring, assisting or facilitating any operation of conversion or transfer of benefits obtained by them or third parties, directly or indirectly for the purpose of disguising their illicit origin.

2.5. RELATIONS WITH COMPETITORS

- 2.5.1. **ENFORCEMENT OF COMPETITION LAWS:** all Employees should promote fair competition, being obliged to comply with the applicable local and international competition laws. Employees should therefore refrain from having any discussions with competitors, which may constitute anticompetitive practices, particularly on sale conditions to customers, including price. In case of doubt in matters of a competitive nature, employees should contact the local Legal Department or the Corporate Legal Department.
- 2.5.2. **ETHICAL BEHAVIOUR:** we will not unfairly damage the reputation of competitors either directly or by implication or innuendo.

3. THE ETHICS COMMITTEE

The Ethics Committee is composed by the Chairman of the Board Audit and Finance Committee and by the head of Legal Department, being responsible for receiving any communication of irregularity and for initiating and supervising the investigation of any alleged irregularity.

The Ethics Committee shall inform the Statutory Audit Board of any non-ethical behaviour received.

4. DISCLOSURE OF NON-COMPLIANCE (“IRREGULARITIES”)

This Code is available on Sonae Indústria’s website and on its Intranet. We aim to create the climate and opportunity for our Employees and service providers to voice genuine concerns in relation to any behaviour or decisions that they perceive to be unethical or in breach of this Code.

Employees and service providers may report alleged irregularities detected in the organisation without fear of repercussions. However, anonymous reports are not accepted. Employees and service providers are assured that all disclosures will be treated in the utmost confidence and that measures will be taken to investigate the alleged irregularity. This will be followed by swift corrective action and disciplinary proceedings when warranted.

Detailed irregularity reporting procedures have been established. The Ethics Committee is responsible for initiating and supervising the investigation into all irregularity reports and for ensuring that appropriate disciplinary action is taken, when required.

The Employee may write a description of the alleged irregularity using a form which can be downloaded from the Company’s website ‘www.sonaeindustria.com’ or from the Company’s Intranet ‘<http://communication.ind.sonae>’.

The completed form must then be submitted by e-mail or post to one of the following addresses:

by e-mail: ethics.committee@sonaeindustria.com
by post: Sonae Indústria, SGPS, S. A.
Ethics Committee
Lugar do Espido, Via Norte
Apartado 1096
4470177 Maia
Portugal

A meeting to clarify the alleged irregularity can then be arranged with the Ethics Committee as required.

