

# **Bona Group Code of Conduct**

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## ***“Bringing out the best in wooden floors”***

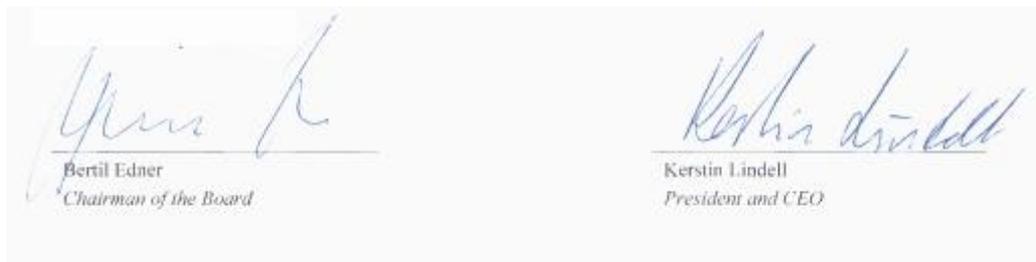
This is our mission and our way of thinking. To always bring out the best in everything we do – in our products and in our relations with all stakeholders. “Bringing out the best...” is our guiding principle, giving us a common identity and purpose.

Our Code of Conduct connects our mission with our core values and policies, providing additional guidance on how we should act in our daily business operations to bring out the best and ensure the success of our company.

The Code of Conduct is founded on the ten principles of the UN Global Compact, the core conventions of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises.

The Code applies to all Bona employees in all positions, in all markets and at all times. We expect suppliers, sales agents, and other business partners to respect the principles set out in our Code of Conduct, and encourage them to adopt similar business principles.

Malmö, May 26, 2008



The image shows two handwritten signatures in blue ink on a light background. The signature on the left is for Bertil Edner, and the signature on the right is for Kerstin Lindell. Below each signature is a horizontal line, and under the line is the name and title of the signatory.

Bertil Edner  
*Chairman of the Board*

Kerstin Lindell  
*President and CEO*

## **Core values**

Our mission brings together our core values and our Code of Conduct expresses how we do business in line with these values to fulfil our mission.

### **Professional**

We provide our customers with reliable products and optimal solutions throughout the wooden floor's lifetime.

### **Innovation**

We encourage new ideas and offer innovative products and solutions to our customers. Being innovative is the core of our business.

### **Respect**

We constantly strive to keep an open dialogue with our customers, partners and employees.

### **Concerned**

We are leading the work concerning health and environment, taking our responsibility for the future.

## ***Our workplace and the environment***

### **Safety, health and environment**

The safety, health and environmental (SHE) impacts of our products and processes are top priorities for Bona. We continuously offer our customers better products through our commitment to always consider SHE issues in our product development. We aim to go beyond current regulatory SHE requirements to ensure the future success of our business.

Bona's key SHE principles are stated in our *SHE policy*, and include the following:

- All of us shall take our personal responsibility for our health and the environment in our daily work. Everyone is responsible for following instructions and routines as well as noting and reporting risks for the health and the environment.
- Our health and the environment should be given priority in the event of disruptions and major breakdowns.
- SHE issues will be evaluated through risk analyses and impact assessments before taking decisions on investments or other changes.
- The evaluation of Bona's new products shall be based on a lifecycle perspective.
- We shall work to prevent accidents and releases of chemicals to the environment.
- We have a close cooperation with the authorities to maintain a good level of preparedness for any accidents and to limit the effect of these.
- Our ability to comply with the SHE policy shall be taken into account when selecting suppliers.
- Bona's SHE work shall continuously be planned, controlled and followed up in order to find possibilities for improvements and to implement these.

Additional SHE principles related to product development in particular are expressed in the *Research & Development policy*.

### **Fair and decent workplace**

To attract and retain the best employees, we strive to create a fair, decent and supportive work environment – a place where people want to work. At Bona we have a professional attitude in everything we do, and show each other decency and respect in the workplace. Violence, harassment or threatening behaviour shall not be tolerated.

- We believe in equal employment opportunities and shall not discriminate any current or potential employee on the basis of gender, race, religion, age, nationality, sexual orientation, disability, political opinion, or any other personal trait or belief.

- We respect the right of all employees to be represented by trade unions or other employee representatives for purposes of collective bargaining.
- We do not accept any form of forced labour in our operations or those of our suppliers and business partners. “Forced labour” is defined as work that is demanded of any person under the menace of penalty and for which the person has not offered himself voluntarily.
- We do not accept any form of child labour in our operations or those of our suppliers and business partners. “Child labour” is defined as work for children under the age of 15 that in some way harms or exploits them.
- We shall ensure that all wages and salaries at least meet local legal and industry minimum standards, and are always paid as agreed and on time.
- We shall comply with all applicable local legal and industry standards on working hours.

## **Education and training**

Bona shall always have the best employees in all aspects. This means that we must strive to continuously challenge and develop ourselves in order to bring out our best. Bona shall offer a working environment that encourages and supports our continued education and training.

Bona’s key principles regarding education and training are expressed in our ***Human Resources Policy***, and include the following:

- To be able to fulfil Bona’s core values we have to develop our employees and ensure that they themselves also take part in their education and personal development.
- Each employee should have an annual personal development discussion and the need for education should be discussed at this time.
- All new employees should be given an introduction program and an overall job description.
- Bona encourages internal recruitment of employees to new positions.

## ***Conducting our business***

### **Business integrity**

At Bona, we always conduct our business professionally and with the highest ethical standards. We comply with all relevant laws and regulations applicable to our business in the countries where we operate, and seek to avoid any actions that may put our reputation at risk.

- We believe in fair competition and all Bona products shall be marketed and sold openly and honestly on the basis of their specific attributes. We shall not enter into any agreements with competitors regarding pricing, market sharing, or similar activities.
- We shall not offer or accept any form of gift, benefit, personal favour or entertainment to or from any stakeholder, unless such courtesies are of modest value, clearly consistent with customary business practices, and cannot reasonably be interpreted as a bribe.
- We must avoid situations where our personal interests may conflict with the best interests of Bona. This means that we shall not engage in any activity that impairs our job performance or interferes with our loyalty towards Bona. This may include financial interests in Bona's competitors, suppliers or customers, or outside employment that creates a conflict of interest. All potential conflicts of interest shall be disclosed to Bona management.
- We shall maintain accurate and complete business records in full compliance with all applicable standards. All business transactions must be verifiable and reported in a correct and non-misleading manner.

### **Company assets**

In conducting our business, we use a wide variety of assets, including physical and financial resources, proprietary information and intellectual property. All of these assets are valuable in their own right, and it is therefore imperative that we all take steps to protect company assets from loss, theft, and misuse.

- Each of us is responsible for protecting Bona property entrusted to us in the course of our work, and for returning this property upon leaving Bona. We should be mindful of how we safeguard company assets in our daily work, including how we store proprietary information and to whom we disclose such information.
- The group owns and controls all intellectual property centrally. When it is in the interest of Bona, patents and other appropriate legal protection is applied for. Group Management, who also covers the costs involved, takes the decision for such applications.

Additional principles and guidance on protecting company assets are expressed in the ***IT policy*** (IT Security User Guide) and in the ***Research & Development policy***.

## Supply chain

An efficient supply chain is critical to our company's success. We will give priority to dependable business partners that supply high-quality products at competitive prices, provided that they are also able to comply with the main principles in Bona's Code of Conduct.

- We require that our suppliers be in full compliance with all applicable laws and regulations.
- We encourage our suppliers to implement certifiable quality and environmental management systems, and work towards reducing their negative SHE impact.
- We will evaluate and select major suppliers on the basis of a number of objective factors, including their SHE performance and respect for fundamental human rights.

Other important principles regarding the supply chain are stated in Bona's *Supply Chain policy*.

## ***Engaging with the community***

### **Community involvement**

Bona strives to be a reliable and responsible corporate citizen in all communities where we operate. Recognizing that each local community is different, we must be sensitive to local concerns and customs to interact meaningfully with each community.

- As individual Bona employees we are encouraged to participate in activities that benefit the people of the communities where Bona operates.
- As a business enterprise our main contribution to local communities is by creating local employment and paying taxes, while following the principles of this Code of Conduct.
- On occasion, we will sponsor social or humanitarian initiatives that benefit the local community and are in line with Bona's values. Such sponsorship agreements must be submitted to Group Management for approval.
- Bona will not make direct or indirect contributions of any kind to political parties, individual candidates, or other political endeavours.

### **Communication**

Good communication is an effective tool to help us reach our business goals. Good communication is characterised by openness and honesty, and contributes to a positive and uniform image of the company that is shared by all Bona stakeholders.

Bona's key communication principles are stated in our *Communication policy*, and include the following:

- Bona's information must be objective and honest, up-to-date, adapted to the relevant target groups, and easily available.
- All managers are responsible for ensuring that the communication within their areas of responsibility is working well. They are responsible for clear communication to their own employees and to other relevant internal target groups.
- Communicating correct external information is the top management's responsibility. The basic principle is that the person in Group Management who is responsible for and competent in the relevant area should provide information about such issues.
- Only the CEO may make general statements on all issues concerning the company and its future.

## **Governance and responsibilities**

### **Corporate governance**

Bona is a privately held company and all major shareholders are represented on the Board of Directors. The Board is responsible for approving the overall Bona group strategy and organization, and for making major business decisions that exceed certain limits as defined in the **Rules and Regulations** for the Bona Group.

In urgent cases, the Chairman of the Board and the President and CEO of Bona may jointly decide a matter requiring a Board decision. Any such decision shall be reported to the Board at its next meeting and added to the minutes.

The President and CEO of Bona is responsible to the Board for the daily operations of the Bona Group. This includes making investments, financing, purchasing, sales, and employment decisions within specified limits as defined in the **Rules and Regulations** for the Bona Group. The **Rules and Regulations** specify decision-making responsibilities and limitations also for other directors and managers within their areas of responsibility.

A set of **Delegation Instructions** has been developed for Bona AB and each subsidiary company within the Bona Group. These instructions indicate which manager at each legal entity is responsible for ensuring compliance with local regulatory requirements, particularly regarding safety, health and environment.

### **Implementation of the Code**

The Code of Conduct brings together Bona's mission, core values, and key principles expressed in significant policies. It also states some additional business principles in areas where there currently are no applicable policies. The Code supplements, but does not replace, existing policies and internal guidelines.

It is the responsibility of all employees to understand and comply with the principles expressed in the Code of Conduct, as applicable to their individual job tasks. It is the responsibility of all managers to ensure that their employees are aware of the Bona Code of Conduct.

The officer responsible for the Code of Conduct is the Senior Vice President, Human Resources. Every employee has the right, without fear of retaliation, to report any suspected case of non-compliance with the Code to the nearest supervisor or the appropriate Group compliance officers. Non-compliance with the Code will result in prompt disciplinary action, including the possibility of dismissal.

#### **Compliance officers:**

Senior Vice President, Human Resources	+46 40 38 73 69
Chief Financial Officer	+46 40 38 73 74
Chief Technical Officer	+46 40 38 73 68

Address: P.O. Box 21074, SE-200 21 Malmö, Sweden.

## ***Employee's confirmation***

I hereby confirm that I have read, understood and will do my best to comply with the letter and the spirit of the business principles and policies set out in the ***Bona Group Code of Conduct***.

I am aware that non-compliance with the ***Bona Group Code of Conduct*** may result in disciplinary action, including the possibility of dismissal.

\_\_\_\_\_  
Place

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee signature

*This confirmation should be signed personally by all Bona employees and filed with the employee's manager or the local human resources manager, and kept available for possible future inspection.*