

Raute's Code of Conduct

In our daily work, we face challenging situations in which it is important to remember that compliance with local and international laws and regulations and responsible and ethical conduct serve as the cornerstones for our business throughout Raute. We must all abide by good business principles and practices.

The purpose of this Code of Conduct is to inform our own personnel, our partners and other stakeholders of Raute's requirements and expectations, and to draw special attention to our corporate social responsibility.

Our values and this Code of Conduct communicate our ethical principles and what, in our view, is the appropriate way to operate. We will not compromise these principles under any circumstances. The purpose is not, however, to add responsibilities but to define, promote and record best practices.

Integrity and ethical behavior apply to each of us at Raute. I expect everyone to familiarize themselves with this Code of Conduct and to make the right choices in their daily work.

Tapani Kiiski
President and CEO

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1. Values guide our operation

Customer success

We help our customers to achieve success through smart products and services. We are a reliable partner and aim for longstanding business relations.

Trust in people

We are experts in our own work. We live up to expectations in order to achieve mutual trust. We do our best to achieve shared success and act responsibly by following common rules.

Achieving together

We are ambitious, innovative and share information and knowledge actively to each other. Our shared success is achieved through close cooperation with our customers and other cooperation partners.

Responsibility

We highlight the environmental friendly aspects of wood products. We develop and offer technologies that help reverse the direction of environmental impacts of human activities. Responsibility is underscored in all our choices and tasks.

2. Business principles

2.1. Fair competition and compliance with competition laws

We promote fair competition and free markets. We refrain from discussing or agreeing on pricing, market shares or any similar activities with competitors.

Competition laws protect and promote efficient competition, and each Raute employee must comply with these laws in all our operations. In practice this means, for example, that we do not participate in price or bidding cartels and we do not abuse our strong market position nor do we exchange price or other commercial information with our competitors.

2.2. Uncompromising product and service quality

We always provide, without compromise, the quality we have promised, and we are committed to the continuous improvement of our products and services. We are honest and fair in all our dealings and we respect our promises and commitments. We also expect the highest level of quality in our internal work and cooperation with our colleagues.

2.3. Safeguarding the property of Raute and its partners

We value the creation and protection of knowledge and intellectual property. Accordingly, we safeguard Raute's intellectual property and do not surrender it to outsiders. Correspondingly, we respect the intellectual property held by third parties and do not try to obtain such property by illegal measures. We encourage and promote employee commitment and efforts to increase Raute's intellectual property and, thus, the company's competitiveness and profitability.

We protect confidential information, information systems and technology, and Raute's physical assets from damage, theft and misuse. We use electronic communication technology responsibly and proficiently.

2.4. Rejection of corruption and bribery

We have zero tolerance for corruption and bribery. We refrain from business relations that may lead to conflicts of interest. We do not pay bribes or use any illegal means to facilitate favorable decisions or services from authorities.

We do not participate in or support money laundering under any circumstances in our global operations. We are committed to conducting our business in accordance with anti-corruption laws.

We do not accept gifts exceeding normal hospitality from business partners. If the acceptance a gift, meal, trip or favor leads to a conflict of interest or if there is even a remote possibility of it influencing decision-making, the situation shall always be assessed together with the management beforehand.

2.5. Sustainable supply chain

We strive to establish long-term relations with our suppliers and subcontractors. We expect them to follow Raute's Sustainable Supply Chain Policy. When selecting and collaborating with them, we always observe Raute's best interest. We assess our suppliers regularly and systematically as regards financial, social and environmental aspects.

3. People and society

3.1. Customers and business partners

We expect Raute's personnel, customers, suppliers and contractors to follow ethical principles in their daily activities. This criterion is vital for engaging in long-term business relations.

We strive to establish and maintain a supplier network which actively wants to promote ethical business principles and practices. We also want to support our business partners by sharing Raute's experiences and insights. We are also open to learning from the experiences of our business partners.

3.2. Employer's role and management principles

We select employees based on their qualifications and skills. We do not approve of or engage in discrimination in recruitment and hiring, training opportunities, promotions, dismissals or pension arrangements based on race, caste, nationality, religion or beliefs, disability, gender, sexual orientation, union membership, political affiliation or other comparable reason. We appreciate diversity in our employees' background, their talent, insight, education and experience. We believe this contributes to our success and sustainability by enhancing innovativeness, flexibility, and the ability to communicate with our stakeholders. We do not tolerate coercive, threatening or offensive behavior or sexual harassment or any other abuse.

3.3. Safety and well-being

We strive to provide a safe, healthy and well-managed work environment. We aim to prevent accidents and injuries through procedures and measures that reduce hazards at the workplace. Each employee is required to use necessary personal protective equipment, follow any safety instructions and report any shortcomings relating to safety or protection measures both at our own premises and when working at installation sites. We avoid taking unnecessary risks when travelling for work. Safety issues are taken into account when planning a trip and travelling, especially when travelling to crisis areas or areas affected by epidemics.

3.4. Openness and transparency

We promote openness and transparency and continuous interaction with our stakeholders, including customers and other business partners, shareholders, employees, authorities, local officials and the media.



Raute is a public company whose shares are listed on the Nasdaq Helsinki stock exchange. We provide all our stakeholders with information on our operations openly, honestly, fairly and simultaneously, without favoring any group or individual and in compliance with applicable laws, rules and regulations of the stock exchange and the generally accepted practices of the equity and debt capital markets.

3.5. Human rights

We support and respect the principles stated in the United Nations Universal Declaration of Human Rights. As an employer, we recognize the fundamental rights at work as defined by the International Labor Organization (ILO), which include the freedom of association, the right to collective bargaining, the abolition of forced labor, and equal opportunities and treatment of employees. No Raute employee is entitled to, directly or indirectly, take measures that violate the principles of human rights.

We do not use child labor or engage with suppliers or subcontractors that do so. We do not tolerate coercive, threatening or offensive behavior or sexual harassment or any other abuse.

3.6. Privacy and confidentiality

We respect business secrets and other confidential information. This applies both to Raute's information and to the information of its customers and other business partners. Employees are not entitled to use this information in dealings with external persons or to their own benefit.

We ensure the privacy and the secrecy of confidential information through appropriate measures, and we exercise special care in handling personal data and comply with applicable laws.

As a listed company, we make sure that all our public news releases comply with the securities markets laws and regulations. Insider trading and the disclosure and use of inside information is restricted in order to prevent misuse.

Raute also has an internal process in place for the company's employees to report internally any suspected violations of financial markets provisions and regulations. For the time being, such violations at Raute are reported by email to the person in charge of insider issues (whistleblowing@raute.com).

3.7. Conflicts of interest

We expect our employees to be completely loyal to Raute. We refrain from business activities and retire from situations which may cause a conflict between the company's interests and personal interests. We do not seek benefits for ourselves or our family members by using our position or information obtained owing to it.

4. Environmental responsibility

4.1. Raute's environmental management

All employees shall be aware of the environmental risks involved in their daily work and take the necessary measures to prevent them. The tool for the continual improvement of environmental performance is the ISO 14001 environmental management system.

4.2. Sustainable products and services

Raute is a reliable and responsible cooperation partner. We strive to provide environmentally efficient solutions and improve the level of environmental protection and energy efficiency of our operations. We manage environmental risks systematically by taking environmental issues into account when planning and implementing operations and products.

We focus on the key environmental effects of the wood products industry and help our customers to operate in a manner that takes the environment into account by improving the efficiency of raw material use, reducing energy consumption and minimizing the consumption of chemicals, especially glue. We actively develop solutions that can help to enhance the energy efficiency of customers' production processes and improve the utilization of by-products. Automation also improves occupational safety and ergonomics.

5. Implementation and application of the Code of Conduct

Raute's entire personnel is expected to follow this Code of Conduct. Employees are encouraged to contact their supervisors or managers when in doubt about the best course of action. Each line organization supervisor is responsible for the guidance of the employees working under them.

Suppliers and business partners are a vital and integrated part of the value network of Raute's products and services. They are expected to conduct their business to the same high legal and ethical standards and business practices as Raute. The Group companies follow up on this as part of supplier audits.

Any action in violation of the law, this Code of Conduct or other Group policies may lead to disciplinary action, which may vary from a notice to termination of employment. Any suspected criminal activities are reported to the police.



6. Ownership

The implementation of this Code of Conduct is the responsibility of Raute Corporation's President and CEO.

Raute's Code of Conduct has been discussed at a meeting of the Group's Executive Board, and Raute Corporation's Board of Directors has approved it at its meeting December 21, 2016. The Code of Conduct will be regularly reviewed and updated when necessary.

The Code of Conduct takes effect immediately.

The entire Raute personnel will receive orientation training on the Code of Conduct within six months from it becoming effective. Information about the Code of Conduct will also be provided at new employees' briefing events, and it is available on our Raute intranet site.