



THE CODE  
OF CONDUCT

 **FAKRO®**



Dear Colleagues,  
Staff of FAKRO company,

I am happy to provide you with the Code of Conduct for FAKRO company. It defines the values and principles of conduct accepted at FAKRO all over the world. The standards defined in this document reflect the company policies, mission and ideals, which we all should implement in our everyday work. I strongly believe that the values inscribed in the Code of Conduct will provide all our staff with valuable guidelines in everyday professional life, in the decision-making process and will help us achieve our strategic goals.

Each employee is responsible for appropriate conduct and cannot delegate this responsibility onto another person. Thus the Code concerns all staff employed at FAKRO Group – employees, managers and Board members alike. I hope that all our employees will follow the accepted standards while the managers will regularly assess how the principles comprised in the Code of Conduct are observed.

I realize that no Code of Conduct can dissipate all doubts or describe all situations that may theoretically happen. In many cases your common sense – a realistic assessment of the situation – will be your best advisor. In all our actions we should behave responsibly. I am convinced that following the provisions of this document we will be able to make right choices and find the best solution in each situation.

If you ever have any doubts as to what conduct would be best in a given situation, ask your immediate supervisor or other persons/services listed in the Code for guidelines.

The company is unable to solve the problems whose existence it is unaware of, therefore I encourage you to inform us of all conflict-generating situations. I would like to assure you that the questions raised or the problems reported in good faith will never be used to cause you unpleasant consequences.

The Code of Conduct should not be a static instrument. It is my intention that the document be developed all the time and adjusted to ever-changing law, economic environment. I want it to affect the way we do business all over the world.

Respectfully yours,

Ryszard Florek

President of the Board

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**The image of FAKRO company as a company operating in an ethical, legal and appropriate way is closely related to the way every one of us performs our daily work. It is us, FAKRO staff, who are required to respect the law, avoid conflicts of interest, protect company assets and resources and to show respect to each other, to our clients, distributors and communities in all countries where we operate.**

**Our common commitment to observe the standards and the conduct in business in an ethical way allows us to build our company achievements and makes the foundations of our company stable. Mutual respect also makes our daily work more pleasant, which we especially wish for our staff.**

## The company image

Each employee, when talking about the company in business and private relations, builds its image among clients, other staff and other business entities.

The creation of the company image is also affected by appropriate conduct and esthetics of the statements, clothes and place of work. Staff are obliged to represent the company in an appropriate way, which does not impair the dignity of another person and is consistent with international ethical and business norms.

## Confidential information

Confidential information is each statement which is not intended for the public opinion. It especially concerns, among others, trade secrets, business, marketing and service plans, information on contractors, technical and production ideas, designs and product databases. Confidential information also comprises data on earnings and all kinds of unpublished financial data and similar data.

It is absolutely forbidden to reveal confidential information to third persons and to allow it to be revealed. An exception here are only issues required by the law or situations when an employee obtained relevant consent of their superiors. An employee is obliged to make all possible efforts to prevent unintentional release of confidential information. One must also take care of storing and passing such information in a safe way. The requirement of preserving confidentiality also applies to the period following the employment period in the company.

## The company assets and resources

The company assets are working tools and production means we all use. Thanks to them we may achieve our common goals. Greater involvement of staff, more effective use of available goods and tools allows to increase the company assets and create more stable and better paid jobs. Therefore every employee should take care of FAKRO company assets and use them appropriately. Property must be protected against loss, damage, improper use, theft, abuse, fraud or destruction. FAKRO has the right to supervise and check the ways in which its resources are used by its employees, within the limits of the valid law. This also concerns all company data, regardless of how it is saved and stored.

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# THE COMPANY



## Employment and development

FAKRO believes that the common success of the company and staff depends on the competitiveness of its products and motivation, involvement and professionalism of its employees. Both candidates for work and all employees are assessed on the equality basis, without being discriminated, particularly as to their sex, religion, age, sexual orientation, personal beliefs or nationality.

All our staff are provided with preparation to work on their posts in form of induction, training and on-the-job training schedules. Recruiting, rewarding and promoting staff is consistent with the valid law. FAKRO makes all possible efforts to create friendly and safe work environment for its employees.

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FAKRO encourages its staff to be innovative and involved by continuous improvement of their post and methods of work. Even a few good ideas given by each employee in a year creates economies of scale that may transform the image of our company completely. The best way is to submit proposals for improvement, especially those concerning your post, within the "Green Points" Program for Submitting Ideas.

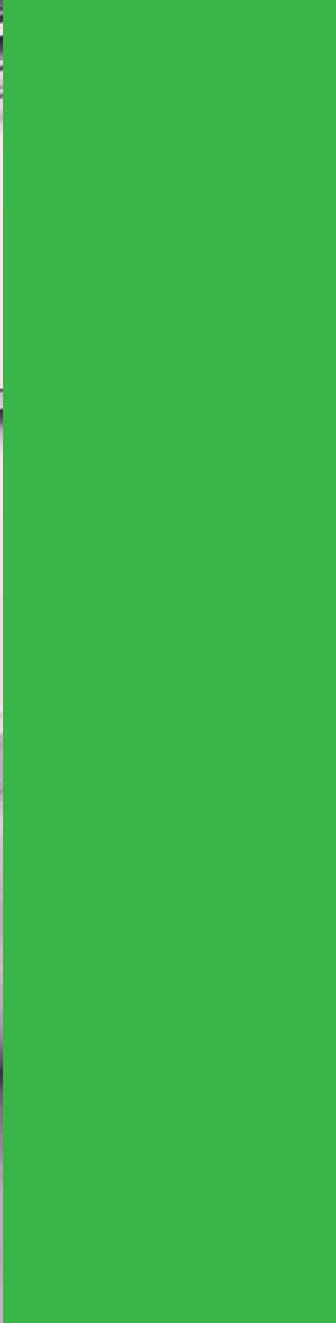
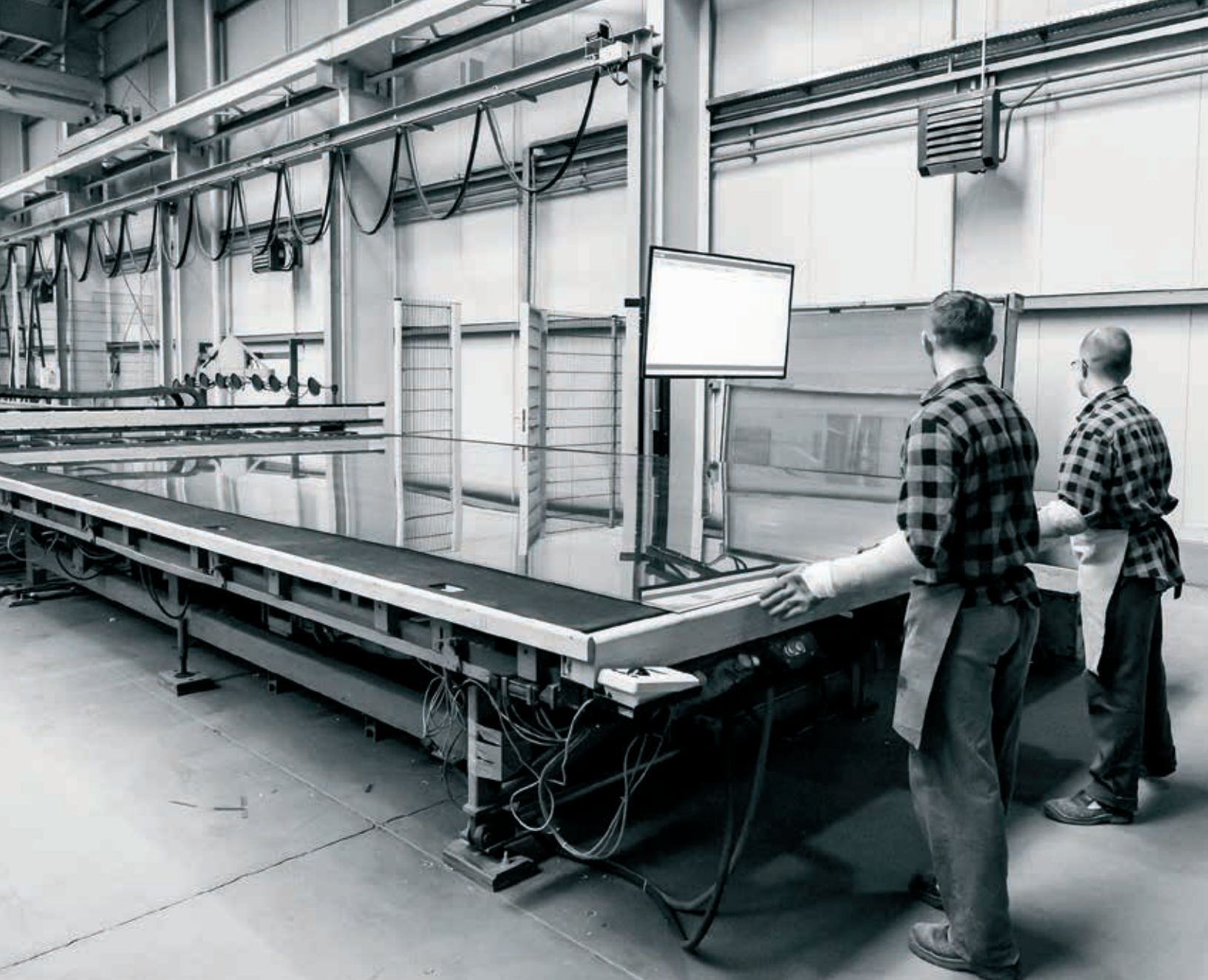
FAKRO supports ambitious employees, those who learn and are open to new challenges. The company expects that each employee will take responsibility for their professional development and will take full advantage of the opportunities to improve their competencies by participation in projects and various professional trainings.

FAKRO does not approve of any form of harassment, mobbing or humiliating. Each employee is obliged to report any instances of mobbing or discrimination.

It is forbidden to:

- Use mobbing in any form, especially by humiliating, offending, insulting and threatening employees;
- Use one's position in the company to gain personal benefits or to infringe personal interest of other employees;
- Spread gossips, untrue information on the company and other employees.

## STAFF





## Work Quality, attitude to work

All staff are obliged to maintain proper, open to cooperation work environment, respecting the dignity of each person. Especially employees should:

- take care of the highest quality of their individual and team work;
- avoid behavior that could be perceived as inappropriate (insulting, threatening, discrediting others at workplace);
- share their experience and knowledge with other employees.

Each supervisor is responsible for informing their subordinates about expectations related to work outcomes, work methods and building mutual relations. Each employee should know how their work affects the accomplishment of the department goals.

## Mutual respect

One of the fundamental principles to be observed by FAKRO employees is responsibility for building mutual relations.

Each employee, regardless of their post, should:

- refer to colleagues and clients with due respect;
- perform the tasks commissioned to them, fully utilizing their knowledge and skills;
- see the needs of others and help them in everyday activity;
- build mutual trust;
- take care of the language they use, honestly and openly discuss both the good and the bad things, especially: present their proposals for improving the company operations and development; respect others' opinions; not reveal or comment confidential information concerning the company, employees and clients; behave appropriately outside their workplace, paying special attention to situations when an employee may be identified with the company
- take care to observe occupational health and safety regulations;
- avoid inappropriate clothes at work (and other elements of their appearance), observing the principle of mutual respect and opinion of clients on an employee and the company they represent;
- take care of their professional clothes when meeting clients and when representing the company.

Each supervisor is responsible for informing their subordinates about expectations related to work outcomes, work methods and building mutual relations.

# STAFF



## Good relations / problem-solving

Our company development can be attributed to the competent and dynamic team who gains new experience when implementing new projects and tasks. We also make mistakes – they are an inherent element of the change process. What matters most is the attitude to problem-solving and drawing conclusions allowing us to avoid such mistakes in the future.

Conflict situations are present in every company. They need to be solved directly with the involved employee, in the smallest possible group. Our company does not tolerate problem/conflict analyzing by persons not involved in them, as this creates the atmosphere of gossips, lack of trust and unwillingness to cooperate. Only efficient cooperation, kindness, involvement and focusing on accomplishing common goals guarantee achieving successes in the future.

All types of conflicts must be reported to the supervisor or to Human Resources Department. Each conflict is a secret. We try to solve it as quickly as possible and we try to prevent it from becoming a dangerous gossip or imputation.

In communication, special attention should be paid to sincerity, transparency of the statement and directness. You should especially:

- provide full and reliable information to all interested persons in order to accomplish the task and explain all ambiguities;
- aim at amicable settlement of all disputable matters;
- Control your emotions, observing the principle of professionalism.

What matters most is the attitude to problem-solving and drawing conclusions allowing us to avoid such mistakes in the future.

They need to be solved directly with the involved employee, in the smallest possible group.

STAFF



**„Sądeczoki” Folk Dance Group**



**Polish national football team match**



**Tour de Pologne 2015**



**Regatta 2015**

Thanks to its activities, FAKRO has already secured its position in the Nowy Sącz region image and in the region inhabitants' opinion it is perceived as a company caring for its region.

Sponsoring sports helps to associate FAKRO brand with the determination to win, fair play, dynamics and health.

## Local communities

Apart from making all efforts to provide high-quality products and developing markets, FAKRO company pays special attention to cooperation with its environment. Long cooperation of the company with local communities consists in supporting and implementing numerous pro-social initiatives for the development of the region. These are activities aimed not only at developing Nowy Sącz entrepreneurship and creating new jobs, but also projects supporting the development of the whole region and country in fields of culture, sport and education.

### **CULTURE**

Thanks to its activities, FAKRO has already secured its position in the Nowy Sącz region image and in the region inhabitants' opinion it is perceived as a company caring for its region. Among pro-social activities supported by FAKRO one could mention festivals, culture centers and other institutions working for the development and promotion of culture.

### **SPORT**

FAKRO promotional activity also entails sport initiatives. Sponsoring sports helps to associate FAKRO brand with the determination to win, fair play, dynamics and health. We support not only local initiatives, but also perform some international activities, suitable for our international export operations. Since its very beginning, FAKRO has supported both athletes and various sports events. In 2004 FAKRO became an official sponsor of the Polish national football team.

### **EDUCATION**

FAKRO actively supports all social initiatives aimed at cultural and scientific development of the region. Our cooperation with centers of technology and technical colleges has been developing efficiently.

### **THINK OF THE FUTURE FOUNDATION**

FAKRO attaches great significance to the economic development of our country. The Think of the Future Foundation set up in 2010 promotes the knowledge of our economy and free market mechanisms.

## Donations

As a socially responsible company, FAKRO gives donations to selected units. Financial means are granted to institutions helping individual in difficult situation, while material donations are given to public benefit organizations, schools and church institutions, in line with legal requirements.

## EXTERNAL RELATIONS



## Conflict of interest

FAKRO observes the principles of fair competition and prevents bribery, illegal payments and corruption. A conflict of interest is when an employee's personal interests or those of the third party are in conflict with the interests of FAKRO. If such a threat appears, then you should inform your immediate supervisor and/or the Legal Department or Ethics Committee). Such conduct guarantees fair and transparent solution to an ambiguous situation.

## Employment limitations

Working for another company or performing other income-generating activity is possible only after obtaining your supervisor's consent and only when such activity does not harm FAKRO interests. Such activity cannot negatively affect your performance in the company.

At work there should be no direct professional dealings between family members. Also relations between staff and FAKRO clients and distributors should be avoided.

In case of a conflict of interest consisting in the fact that a family members works for our client, for a competitive company or for a distribution company, FAKRO reserves the right to limit such an employee's access to information being the company secret, including the possibility of moving the person to another post.

## Ban on competition

A ban on competition with FAKRO is imposed on every employee. If an employee wanted to cooperate with a competing company or conduct business activity which might be in the field of interest or development plans of the company, they should inform of this fact a relevant manager they are subordinated to. Such activity is possible only after obtaining a written consent from the supervisor.

Working for another company or performing other income-generating activity is possible only after obtaining your supervisor's consent and only when such activity does not harm FAKRO interests.

# CONFLICT OF INTEREST





## Accepting and offering material benefits

It is unacceptable to offer or promise (personally or through intermediaries) any undue financial benefits or other benefits in return for obtaining benefits for you or for FAKRO. You cannot accept any benefits in form of a service or gifts, which could create an obligation or imply there are some obligations contracted in this way. You should avoid all situations that might imply that an employee is inclined to perform such inappropriate conduct.

Employees may offer and accept reasonable invitations to meals. It is also accepted to receive gifts appropriate for the occasion. All accepted gifts must be passed to your supervisor who will use them so as the largest group of staff could benefit from them.

You cannot accept any material benefits (presents, meals or entertainment) which would be unambiguously associated with improper activities affecting a particular business deal. If an employee has any doubts as to such situations, they should ask their supervisor, Legal Department employee or Ethics Committee member for advice.

It is unacceptable to offer or promise (personally or through intermediaries) any undue financial benefits or other benefits in return for obtaining benefits for you or for FAKRO.

## CONFLICT OF INTEREST



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13:45
13:30
13:15
13:00

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## Health and safety at work

FAKRO believes that health and safety at workplace are a fundamental right of an employee and a key element of Group stability. Each work is performed in line with the Health and Safety provisions reflected in legal acts and Health and Safety instructions.

Eliminating or lowering the risk factor is in the interest of all employees of the FAKRO group. Each employee is responsible for appropriate safety management and should not impose themselves and others to risks which may cause injuries and damages.

The adopted and perfected employee health policy is based on preventive medical care of occupational medicine.

Eliminating or lowering the risk factor  
is in the interest of all employees  
of the FAKRO group.



## Environment protection

FAKRO perceives preserving harmony between industry and natural environment as an important criterion of its corporate social responsibility.

In its activity FAKRO Group respects natural environment and aims at limiting its influence on it. The company makes an effort to use environment-friendly procedures in FAKRO. It monitors legal provisions and is committed to observing the law, norms and requirements of environment protection.

FAKRO attaches great significance to sustainable wood economy, therefore the origin of the wood used for production is known and does not raise any objections.

Numerous innovations have been implemented, positively affecting natural environment, for example, the company has an ecological boiler house which uses wooden waste from production process, sorts out waste and recycles it or responsibly passes it for utilization. FAKRO uses the hierarchy in dealing with waste: first it prevents its origin, then it minimizes waste, recycles it, utilizes and finally takes it to the dumping ground.

FAKRO applies the 'vicinity principle', that is the waste that could not be recycled or utilized in the place of its origin is passed to the nearest place where it can be processed. Waste is passed only to a recipient who has appropriate permits for transporting, recycling or utilizing waste. The company has relevant certificates (issued every year) confirming it fulfils the statutory obligation to recover and recycle packaging waste.

FAKRO perceives preserving harmony between industry and natural environment as an important criterion of its corporate social responsibility.



## Observing the rules

FAKRO employees are obliged to observe the principles included in the Code of Conduct. Each violation of the Code provisions may lead to disciplinary action, including dismissing a person, and in justified cases, even criminal liability.

## Asking questions, reporting problems

Employees are obliged to report all practices or actions inconsistent with this Code of Conduct or valid law. All reports are considered by the Ethics Committee, which needs to analyze the case in detail and provide the reporting person with feedback.

The Ethics Committee is also responsible for ensuring safety and anonymity for the reporting person so that he or she is not affected with any negative consequences of the report. Also a good name of the person against whom objections are raised must be preserved until a particular situation is explained in detail.

Thanks to reports on real or potential improper behavior FAKRO may consider the possible problems, stop improper conduct and prevent similar events in the future.

All comments should be reported:

- personally to your direct supervisor or to member of the Ethics Committee;
- in writing, to the following address: FAKRO, ul. Węgierska 144a, 33-300 Nowy Sącz, with a note "Ethics Committee";
- via e-mail to: [etyka@fakro.pl](mailto:etyka@fakro.pl)

FAKRO staff are encouraged to report all comments and proposals for modifying the content of this Code of Conduct.

FAKRO employees are obliged to observe the principles included in the Code of Conduct. Each violation of the Code provisions may lead to disciplinary action, including dismissing a person, and in justified cases, even criminal liability.

Thanks to reports on real or potential improper behavior FAKRO may consider the possible problems, stop improper conduct and prevent similar events in the future.

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The logo consists of a white parallelogram shape to the left of the word "FAKRO" in a bold, sans-serif font, followed by a registered trademark symbol (®).