



# Ethical policy

**GREENGOLD**

## 1. GreenGold Group's business

### **Values**

GreenGold Group complies with relevant laws and regulations in the countries where we are active. We also select business partners who apply similar principles in ethical, social and environment-related issues. GreenGold Group expects and demands that our business partners adhere to our values and will seek to replace any business partner who fails to do so.

### **Work safety**

The safety of all colleagues - employees, consultants, suppliers and contractors – is always our main priority. GreenGold Group does not compromise when it comes to work safety and we do not tolerate actions that break our commitment to work safety. We have no tolerance for unnecessary risk taking and we will always seek to mitigate any potential hazards in relation to our operations. We require our employees and our business partners to operate without the influence of alcohol, drugs and other substances, which may have an impact on judgment and put others, themselves and our material assets at risk.

### **Diversity and equal treatment**

GreenGold Group encourages diversity and treat everyone equally. Our belief is that the greater diversity of perspectives and experiences we can bring together, the better our company will become. GreenGold Group treats everyone equal regardless of ethnicity, religion, political opinions, gender, age, national origin, language, sexual orientation, marital status or possible function variation. This applies to recruitment and throughout the employment and is something we expect our business partners to adhere to.

### **Harassment and bullying**

GreenGold Group applies a zero-tolerance policy for harassment and bullying. No one shall be harassed or bullied at our workplaces. Furthermore, GreenGold Group does not tolerate either passive harassment, obscene images, insulting texts or offensive jokes. GreenGold Group encourages everyone to make the management aware if anything happens.

### **Assets**

GreenGold Group handles all forest assets with respect for nature and according to existing best practices for sustainable forest management. We only use the assets and resources for business purposes. The Group protects and monitors the assets and never uses them in illegal or unethical purposes, nor to support a political program. This includes intangible assets, business information, facilities, buildings and office equipment



## 2. GreenGold Group's role as a business partner

### **Anti-corruption**

GreenGold Group's employees may not accept bribes, engage in bribery or participate in any form of corrupt business activity. GreenGold Group does not tolerate any form of corruption. Employees may not give, promise, offer, request or receive compensation or benefits that conflict with applicable laws, good business practice or which may affect or be considered to affect the objectivity of decision-making. All issues regarding gifts, hospitality and other benefits must be dealt with openly, moderately and responsibly.

### **Transparency**

GreenGold Group highly values openness and accessibility. The employees talk about the day-to-day work, results and the investments they are planning to undertake and hold a constructive dialogue with interested parties. It is GreenGold Group's responsibility to continuously provide their shareholders with essential, correct and truthful information.

### **Tax and anti-money laundering**

GreenGold Group must comply with applicable laws and regulations regarding tax and anti-money laundering measures. Employees must not accept, support nor facilitate any breach of regulations regarding taxation and money laundering. Circumstances regarded as suspect include if the counterparty proposes that payments should be made in cash or using an unusual currency, if the proposal for a business deal appears unjustified or overly complex, or if a desire is expressed to involve countries that have no connection with the transaction.

### **Hunting**

Hunting on GreenGold's land is conducted in compliance with the long-term silviculture and nature conservation goals maintaining viable game populations which are in balance with the overall biological diversity as well as forest production. Hunting is conducted as a wildlife protection measure and may be leased out to a third-party. GreenGold Group does not allow hunting as means of hospitality to either employees, investors or suppliers.

### **Acquisitions at fair prices**

GreenGold Group applies a high standard of business ethics. When acquiring assets, GreenGold Group works for efficient use of resources and capital without compromising its high standards of business ethics. GreenGold Group shall not mislead any stakeholders – shareholders, suppliers, sellers or other business partners – when acquiring assets. GreenGold Group shall also ensure that there are no forms of corruption or malpractice, throughout the value chain, by replacing any business partner who fails to live up to GreenGold Group's high standards of business ethics. GreenGold Group shall always comply with local rules and regulations and solely partner with authorised business partners.

### 3. GreenGold Group's policy for forest management

#### **Forest management**

The goal of GreenGold Group's forest management is to maximize yield from its forest portfolio, and to obtain sustainable and stable annual harvests with predictable cash flows over time. As the Group works with a biological asset that people depend on, it recognizes the importance of environmental and social sustainability, and of respecting local legislation as it collaborates with authorities. GreenGold Group is structured as an ever-green corporate structure, meaning it is set up to last over many generations, and as such acts for the long term.

#### **Forest certification**

All of GreenGold Group's forests shall be certified, either by FSC or PEFC, forest certification bodies, standards. GreenGold Group shall always work to obtain such certification within 12-18 months from the date of acquisition. Certifications provide comfort that the Group's forest assets are managed not only in accordance with local legislation, but also standards set out by the FSC or PEFC.

#### **Areas of high conservation value**

Areas of high conservation value are normally not acquired. If GreenGold Group does acquire such an area, it is to be excluded from commercial management and harvesting. Instead, management plans (if any) suitable for specific conservation values are to be applied and reflected in the Group's forest management plans.

#### **Forest management plans**

Forest management plans, while not always required by local legislation, are to be made for each acquired property. They shall include both commercial and nature conservation aspects of forest management and be produced by the current leading specialists on the market. The plans lay out all necessary management and harvesting actions for the following 10-year period and should be kept up to date.

#### **Climate change and resilience of GreenGold Group's forests**

GreenGold Group is aware of climate change and its entailed risks. The risks of droughts, floods, fires and insects are some of which the Group is monitoring. The Group acquires well diversified portfolios of properties, containing a variety of species located in different geologies and geographies. This provides a natural insurance against possible future climate change effects. The Group is consciously building in natural resilience of forests using close-to-nature management of its properties.

## 4. GreenGold Group's policy for harvesting operations

### **Standard of harvesting**

All of GreenGold Group's harvesting operations are to be carried out at a minimum in line with local legislation, until the FSC or PEFC forest management certificate is obtained. The certificate sets out which, and the extent of the forest areas to be exempt from harvesting. Protection of water courses as well as archaeological and cultural features on a harvested property is to be observed at all times.

### **Timber buyer harvesting**

Harvesting is carried out according to the agreed timber sales contract, and FSC or PEFC standards, by the timber buyer. The buyer is responsible for respecting local legislation, health and safety standards set by GreenGold Group and forest certificate standards if any, during harvesting. GreenGold Group's foresters must monitor the harvesting, to ensure that the agreed timber sales contract is respected.

### **Final harvesting and commercial thinning**

Final harvesting operations are carried out at the end of a rotation period of a forest stand and should be at a minimum in line with local legislation. Commercial thinning is carried out once, or several times, during a forest stand's rotation period. The purpose of commercial thinning is to produce the highest possible commercial value of the stand at the end of a rotation period. This entails producing high quality future trees with a high percentage of sawn timber, and to favour tree species with high commercial value. At the same time, GreenGold Group is to observe standards following FSC or PEFC certification, meaning that certain mixes of species, dead wood, etc. are to be respected.

## 5. GreenGold Group's policy for timber sales

### Timber sales

GreenGold Group generally sells wood as stumpage (standing trees in a forest). The Group does not have its own harvesting contractors. The buyer is therefore responsible for operating the harvest in accordance with the agreed sales contract, which depicts the commercial terms, technical, health and safety terms as well as environmental terms of the stumpage sale. Timber marketing is to be distributed to a wide range of potential buyers, ensuring that the timber price is the highest possible. This often entails a timber sales auction. The Group shall keep detailed documentation of timber marketing and auction results.

### Timber buyers

GreenGold Group shall always conduct proper due diligence of new timber buyers, and strives to choose timber buying companies that:

- Are not insolvent
- Are respectable and well-known on the market
- Provide satisfactory documentation of their operations in terms of timber harvesting measurement and compliance with both local legislation (health and safety, environmental, labour and tax legislation to be covered) as well as required FCS and / or PEFC forest management certification
- Provide a safe workplace and pay fair and correct salaries to their workers and / or subcontractors

### Timber sales contracts

Each timber sale is to be concluded with a timber sales contract. GreenGold Group applies either its own timber sales contract or it may, after proper due diligence, accept a proposed timber sales contract from the buyer. The timber sales contract is to include:

- Information on obtained price per cubic metre
- Applied timber qualities
- Payment terms
- Instructions from GreenGold Group on harvesting specifics such as quality, nature protection and FSC or PEFC certification standards to be respected

Timber sales contracts must be approved by local forest managers.





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