

Code of Conduct for Snellman Group's suppliers

The Code of Conduct of Oy Snellman Ab and its Group (hereinafter "Snellman Group") for its suppliers stipulates the minimum requirements we expect our suppliers to meet when conducting business with all companies belonging to the Snellman Group. We also oblige our suppliers to adopt similar principles in their dealings with their own suppliers.

This Code of Conduct is based on international standards, such as the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organisations, the Ethical Trading Initiative Base code and the 10 Principles of the United Nations Global Compact.

In addition to this Code of Conduct, Snellman Group expects all its suppliers to abide by all the applicable national and international laws and standards.

Requirements

1. Forced labour

- 1.1 Forced, chained or involuntary prison labour is not permitted.
- 1.2 The employees must not be required to pay deposits or give their original ID papers to the supplier (employer).
- 1.3 The employees must be free to leave their place of work after the work shift, and to terminate their employment after a reasonable notice period. All work must be voluntary, and penalties or sanctions must not be threatened.
- 1.4 The supplier may only employ workers who have the lawful right to work in its production plants. The supplier is responsible for verifying, with the help of appropriate documentation, the person's right to work.

2. Freedom of association and right to collective bargaining

- 2.1 All employees, without exception, have the right to join the labour union of their choice or to form one, and to participate in the collective bargaining process.
- 2.2 The supplier must be tolerant towards the representation of employees and the activities of labour unions.
- 2.3 The representatives of employees or labour unions must not be discriminated against or penalised in other ways, and they must have the possibility to carry out their representative duties at the place of work.
- 2.4 If the freedom of association and the right to collective bargaining have been restricted by law, the employer must make it easier to develop, rather than to prevent, equivalent measures for independent and free association and bargaining.

3. Child labour

- 3.1 The use of child labour is prohibited. Child labour is defined as work done by children that interferes with their right to healthy growth and development, and that prevents the child's right to schooling of good quality. The minimum age of workers must not be below the age for compulsory school education, and in no event below 15 years (or 14 years in certain countries according to ILO Convention no. 138).
- 3.2 The supplier must take appropriate action to ensure that no child labour is used in their own production plants or activities, or in the production plants or activities of their subcontractors.
- 3.3 The supplier must not hire people under the age of 18 for night-time work or for hazardous work, and they must be protected from working conditions that could be harmful to their health, safety, morals or development.

4. Fair and equal treatment

- 4.1 The supplier must treat all employees with respect and dignity.
- 4.2 Discrimination must not take place in recruitment, compensation, access to training, promotions, dismissals or retirement on the basis of race, social class, origin, nationality, religion, age, disability, illness, family obligations, gender, marital status, sexual orientation, labour union membership or political orientation.
- 4.3 All kinds of physical, sexual or oral bullying, threats or harassment are prohibited.
- 4.4 Equal pay must be available for similar work carried out by persons with the same experience and qualifications.
- 4.5 The obligations regarding employees pursuant to labour or social security legislation and the regulations following from regular work must not be avoided by only using employee arrangements for contracting, subcontracting or working at home, or apprenticeship arrangements in which there is no genuine intention to convey skills or provide regular work. The said obligations must not be avoided by disproportionate application of fixed-term contracts.

5. Remuneration and benefits

- 5.1 The remuneration and benefits must, at a minimum, comply with the higher of national standards or industry standards, as well as with binding labour union agreements. These latter agreements include agreements on overtime work and other arrangements relating to higher remuneration. In all cases, the remuneration must always be sufficient to cover the basic needs and provide a personable amount of freely usable income.
- 5.2 All employees must be provided with comprehensible written information on their working conditions in relation to pay before they start working, as well as on the details of pay for each period of pay whenever they are paid wages or a salary.
- 5.3 The level of remuneration must be commensurate with the skills and experience of employees and must be based on regular working hours. Wages and salaries must be paid promptly, regularly and in full, using legal tender.
- 5.4 Deductions must not be made of the pay as a penal measure. The supplier must also not make any illegal or other deductions from the pay that are not permitted by national law. The employees must be fully aware of all deductions made from their pay, and records must be kept of all such deductions.

6. Working hours

- 6.1 The working hours must comply with national laws and industry standards, depending on whichever provides better protection for the employees' health, safety and wellbeing.
- 6.2 In no event may the employees be regularly required to work for more than 48 hours a week. The employees must have at least one day off for each seven-day period. The employees must be free to have the agreed breaks during each working day.
- 6.3 All overtime work must be voluntary, and it must not be regularly required. The amount of overtime work must not exceed 12 hours a week on average, and a higher rate of compensation must always be paid for it. Exposure to hazards must not significantly increase during overtime work.
- 6.4 The employees must be granted the annual holidays and sick leaves that they are entitled to according to national legislation, without negative consequences of any kind. Female employees must be granted maternity leave in accordance with national legislation.

7. Working conditions

- 7.1 The working environment, facilities and equipment must be safe and hygienic, taking into account the available information available in the sector and certain potential hazards. Sufficient actions must be taken to prevent accidents, injuries or illnesses caused by work, or related to work, or occurring during work, by minimising the hazards present in the working environment to the extent reasonably possible.
- 7.2 Clean WC facilities and potable water must be available, as well as clean facilities for keeping food, when required.
- 7.3 The supplier must provide all employees with the required efficient personal protective equipment free of charge.
- 7.4 The employees must be provided with regular and documented health and safety training, and this training must be repeated for new employees and employees who are transferred to new jobs.
- 7.5 The supplier must allocate the responsibility for health and safety to a representative of top management.
- 7.6 The supplier must arrange sufficient protective measures for fire. The supplier must be prepared for emergencies, including reporting and evacuation measures, emergency training and emergency drills, sufficient emergency exits and suitable equipment. In case of emergency, the employees must be able to leave the working premises without any hindrances.
- 7.7 The supplier must provide access to appropriate medical care.
- 7.8 If the employer provides accommodation, it must be clean, safe and sufficiently air conditioned, and clean WC facilities and clean water must be available.

8. The environment

- 8.1 The supplier must observe all local and national environmental regulations and must demonstrate continual improvement of its environmental protection measures.
- 8.2 The supplier must identify, monitor and mitigate its significant environmental impacts.
- 8.3 Sensible actions must be introduced to protect the environment and to optimise the use of natural resources.
- 8.4 The supplier must identify hazardous materials, chemicals and substances and ensure their safe and appropriate handling, storage and disposal. The persons handling hazardous chemicals must be trained in product safety procedures.

9. Animal welfare

- 9.1 Animal welfare must be a priority throughout the production chain. Animals must, at a minimum, be treated in compliance with the provisions of the local animal protection legislation.
- 9.2 Animals must be well cared for. Antibiotics may only be administered when prescribed by veterinarians for diagnosed illnesses. All growth-inducing medication is prohibited.
- 9.3 All animals must be stunned before slaughtering, and stunning must be verified.

10. Business integrity

- 10.1 The supplier must observe all applicable legislation regarding ethical conduct, for example concerning bribery, corruption, fraud and other prohibited business procedures. The supplier must not offer, promise or give any inappropriate benefit to a third party, public or private. The supplier must not pay or accept bribes.
- 10.2 The supplier must not offer any presents, directly or indirectly, to employees of Snellman Group or to persons representing Snellman Group or to anyone closely related to them, apart from cases in which the present is of minor value. Hospitality, such as social events, meals or entertainment, may be provided if it is associated with a well-grounded business purpose and if its costs are reasonable. The travel expenses of persons representing Snellman Group are paid by Snellman Group. Hospitality, expenditure or presents must not be provided in tendering, negotiation or decision-making situations.
- 10.3 The supplier must not cause or participate in any general or specific breach of competition regulations and competition legislation, such as illegal price cartel.
- 10.4 The suppliers are expected to maintain accurate details of their operations, structure and performance, and to provide upon request up-to-date and correct information on their operations.
- 10.5 The collection, use and other processing of personal data must be done by respecting privacy and in compliance with the legislation and regulations on data security.

11. Information security

- 11.1 The supplier shall ensure adequate information security for the IT systems used and comply with applicable provisions of the Cybersecurity Directive, including ensuring the security of the supply chain and applying risk management procedures.

12. The supplier's and top managements responsibility

- 12.1 The supplier's top management must specify and implement a management system that ensures that the provisions of this Code of Conduct can be met. The supplier must take action to comply with the requirements of this Code of Conduct and to implement these requirements in its own supply chain.
- 12.2 The supplier must maintain suitable registers to demonstrate compliance with the requirements of this Code of Conduct. We reserve the right to monitor compliance with this Code of Conduct through audits carried out by Snellman Group or by an independent third party. We may also ask the supplier to produce a self-assessment of its conduct based on this Code of Conduct.
- 12.3 If the supplier's employee reports to the Snellman Group any procedures or methods conflicting with the Code of Conduct, that employee must not be administratively penalised in any way, for example by dismissing or cautioning him or her or by some form of discrimination.

The supplier's declaration

As a supplier, or potential supplier, of Snellman Group, we hereby confirm that we have received the Code of Conduct of Snellman Group, and that we will observe this Code in our operations.

Company:

Name and title:

Signature:

Place and date:

This document must be signed by the supplier's authorised representative and returned to the representative of Snellman Group