

## **Introduction**

Kiilto wants to be an attractive business partner and seeks reliable and fair relations with its suppliers for the mutual benefit of Kiilto and its suppliers. This Supplier Code of Conduct (CoC) outlines the minimum standard of behavior that Kiilto requires its suppliers to comply with when doing business with Kiilto in addition to observing all laws and regulations governing their activities, including all applicable export control laws and international trade sanctions.

This CoC forms an integral part of all contracts between the Supplier and Kiilto.

## **1. Definitions**

A "Supplier" is any person or legal entity, which provides Kiilto with products or services. In addition to Suppliers who have a direct contractual relationship with Kiilto, this definition also includes the Suppliers' sub-suppliers.

"Kiilto Representatives" include the company's employees and legal representatives.

## **2. Management systems**

The Supplier shall have appropriate management systems in place to enable adherence to this CoC or its own equivalent code of conduct, whichever is stricter, as well as all other relevant and applicable laws and regulations. The functioning and quality of the management system shall be in proportion to the size, complexity and risk environment of the Supplier's business. This means that, at a minimum:

- 2.1 the Supplier shall adopt a systematic approach to the assessment, mitigation and management of risks related to human and labor rights, occupational health and safety, responsible business and environmental impact (hereafter referred to as "Code of Conduct Issues"),
- 2.2 the Supplier shall adopt measurable performance targets in relation to Code of Conduct Issues and define related actions to reach these targets with a view to ensure continuous performance improvement,
- 2.3 all applicable laws, regulations and contractual terms governing the Supplier's assignments shall be duly applied and communicated, with sufficient training provided to relevant employees and business partners,
- 2.4 the Supplier shall have systems in place to enable the reporting of Code of Conduct Issues-related grievances,
- 2.5 the Supplier shall duly ensure and monitor that its own suppliers and sub-suppliers comply with this CoC or their own equivalent code of conduct. The Supplier is liable for the performance of its sub-suppliers as for its own work.

## **3. Human and labour rights**

### **3.1 Human rights**

The Supplier is required:

- 3.1.1 to respect human rights and not be complicit in human rights violations within its sphere of influence
- 3.1.2 to duly map its human rights impacts whenever the need for such action is agreed,
- 3.1.3 to have in place adequate remedial mechanisms in case of any human rights violations.

### **3.2 Non-Discrimination**

The Supplier shall treat all employees fairly and respectfully. No discrimination in hiring or promoting is allowed whether based on gender, age, national or ethnic origin, religion, marital status, sexual orientation, or political opinion.

### **3.3 Child or Forced Labor**

The Supplier shall not use child or forced labor under any circumstances or contract with subcontractors or suppliers using such labor.

### **3.3 Wages and working hours**

The Supplier shall ensure the compensation paid to its employees complies with applicable wage laws, including regulation relating to minimum wages, rest time, overtime hours and mandatory benefits.

## **4. Occupational health and safety (OHS)**

The Supplier is required:

- 4.1 to fulfil all applicable legal OHS requirements,
- 4.2 to have a written OHS policy of its own, to demonstrate management's commitment to OHS, and to assign responsibility for OHS within its organization,
- 4.3 to ensure that operational controls such as rules and procedures are in place and communicated to all employees,
- 4.4 to have emergency preparedness and response procedures in place,
- 4.5 to increase its employees' awareness of health and safety issues, to enhance safety culture through open communications, and to ensure that its staff have received appropriate OHS

training.

- 4.6 to measure and monitor its OHS performance and OHS hazards with the help of properly conducted workplace inspections and audits,
- 4.7 to report and investigate all health and safety incidents.

## 5. Environmental impact

The Supplier is required:

- 5.1 to fulfil all environmental requirements defined in relevant laws, regulations and environmental permits,
- 5.2 to assign responsibility for environmental issues within its organization,
- 5.3 to ensure that its employees have appropriate know-how and experience in relation to environmental issues, as well as resources to enable them effectively to meet their responsibilities,
- 5.4 to ensure that written instructions covering processes with potential environmental impacts, such as the storage and handling of hazardous materials, are available and that the relevant information is communicated to all employees involved,
- 5.5 to proactively work to prevent emergencies and ensure the capacity to react appropriately to such events, by analyzing, identifying and adopting suitable preventive and corrective measures,
- 5.6 to handle environmental violations and complaints systematically and communicate them to employees and external stakeholders, including Kiilto if affected,
- 5.7 to provide Kiilto with up-to-date material safety data sheets (MSDS or SDS), as applicable, and any other relevant documents and information requested by Kiilto.

## 6. Responsible business

The Supplier shall in all its operations be committed to ethical conduct in the spirit of internationally recognized standards. It is important that any gifts and entertainment events do not affect an employee's business judgment, or give the appearance that judgment may be affected. This means, among other things, that the Supplier is required:

- 6.1 to conduct business in full compliance with all applicable antitrust and fair competition laws,
- 6.2 to prevent situations where there is a conflict of interest between the Supplier and Kiilto,
- 6.3 to act in compliance with all applicable anti-corruption laws, by, among other things, refusing to receive or offer bribes, facilitation payments or anything of value for the purpose of obtaining or retaining business or any improper benefit or advantage,
- 6.4 to act in compliance with all rules and regulations related to the safety and quality requirements of products and services, including rules defined by Kiilto,
- 6.5 to transparently and accurately record and disclose details of its business activities, corporate structure, financial situation and performance in accordance with applicable laws and regulations.

When doing business with Kiilto this means among other things that:

- 6.6 Kiilto Representatives shall always pay for their own travel costs when visiting the Supplier, conferences, reference plants etc,
- 6.7 Kiilto Representatives shall not be offered any gifts, hospitality or expenses that could be considered unreasonable or inappropriate taking into account their scope, value and frequency. Cash or equivalent can never be offered.
- 6.8 the Supplier avoids any interaction with Kiilto employees that may conflict, or appear to conflict, with that employee's duty to act in the best interest of Kiilto. The Supplier undertakes to inform Kiilto if a Kiilto employee or his/her immediate family member holds a material financial or other interest in the Supplier including managerial position of immediate family member at the Supplier, and such interest creates a conflict of interest or the appearance thereof.
- 6.9 The Supplier shall compete in a fair manner in compliance with all competition laws. For example, the Supplier shall not enter into any agreements with its competitors to increase prices or to restrict the availability of products.

## 7. General requirements

The Supplier is required:

- 7.1 to immediately report any non-compliance with this CoC to Kiilto. The Supplier and any of its employees may report their concerns confidentially to:  
Corporate Lawyer at Kiilto Family Oy  
P.O. Box 250  
FI-33101 Tampere, Finland.  
See web page [www.kiilto.com](http://www.kiilto.com) for more contact information.
- 7.2 to disclose information and data regarding issues covered by this CoC at the request of Kiilto, unless this would conflict with its statutory obligations on disclosure of information.
- 7.3 to allow Kiilto, or any third party authorized by Kiilto and reasonably acceptable to the Supplier, to conduct in the presence of the Supplier an audit of the Supplier's operations relevant for this

CoC including but not limited to the Supplier's facilities, and relevant extracts from books and records. At the Supplier's request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit.

## **8. Enforcement**

- 8.1 If Kiilto finds that the Supplier is not meeting the requirements and expectations set out in this CoC, Kiilto will offer guidance specifying which issues need to be corrected or improved. The Supplier must then take corrective actions promptly as advised by Kiilto. Kiilto nevertheless reserves the right to cancel outstanding orders, suspend future orders or terminate the contract with the Suppliers in case of a material breach of this CoC.
- 8.2 Should the main contract between Kiilto and the Supplier, to which this CoC forms an Appendix, contain separate termination rules, it is nevertheless understood by both parties that breach of this CoC may be considered a material breach of contract, thus entitling Kiilto to terminate the contract.