

Caring for people and the planet

LINDSTRÖM GROUP

Supplier code of conduct

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Introduction

The Lindström supplier code of conduct defines the basic responsibilities and requirements of ethical behaviour placed on the suppliers and partners (later referred to only as “suppliers”) of the Lindström Group (Lindström Oy and its subsidiaries, later referred to only as “Lindström”). The Lindström supplier code of conduct is based on the values and commitments of the Lindström Group and is revised as needed and approved by the Lindström Group Management Team.

By signing this document suppliers also commit to enforcing the Lindström supplier code of conduct in their whole supply chain. They commit to making sure that their suppliers also sign the Lindström supplier code of conduct so that they can present the signed documents to Lindström when requested to do so.

By ensuring everybody knows and acts in accordance with the guiding principles and this code we have taken the first and probably the most important risk mitigation action for avoiding any ethical misbehaviour from taking place. This is also a cornerstone for preventing any accidents, occupational diseases or harming the environment from occurring.

Ethical business behaviour

Compliance with laws and regulations

Lindström requires that its suppliers comply with the local and the international laws of the applicable legal systems of the respective country. If international law or company principle is more strict than the local requirement, the company or international supersedes the local one. In their product and service development suppliers ensure their compliance with international and industry standards.

Avoiding conflict of interest

What is it?

Conflict of interest in business occurs when an individual's personal interests or relationships interfere with their objective decision-making at work. This can lead to biased choices, favouritism, or compromised integrity, harming the organisation's reputation, fairness, and overall performance. Proper disclosure and ethical management are crucial to mitigate such conflicts.

Why it matters?

Managing conflicts of interest regarding suppliers in a business is essential to maintain transparency, fairness, and sustainable relationships. By effectively managing such conflicts, businesses can avoid biased supplier selection, prevent potential corruption, and ensure competitive procurement processes. Transparent supplier relationships build trust among stakeholders, safeguarding the company's reputation. Ethical practices in supplier management promote long-term partnerships, leading to improved product quality, timely delivery, and cost efficiency. Mitigating conflicts of interest also reduces the risk of favouritism, ensuring equal opportunities for all suppliers. Overall, sound conflict management in supplier relationships fosters a competitive and trustworthy supply chain, enhancing the business's competitiveness and long-term viability.

Managing personal relationships at work in a business is crucial to maintain a professional and productive environment. Effective management ensures that emotions and personal dynamics do not interfere with objective decision-making, task allocation, or performance evaluations. It prevents favouritism and conflicts of interest, promoting fairness and equal opportunities for all employees. Properly handling personal relationships fosters better communication, collaboration, and teamwork, enhancing overall productivity and job satisfaction. It also reduces the risk of gossip, office politics, and potential HR issues, contributing to a harmonious and inclusive workplace. By prioritizing professionalism, businesses can optimise their operations, retain top talent, and cultivate a positive company culture.

Lindström requirement

Lindström suppliers' employees are expected to maintain a high standard of professionalism in all interactions with colleagues, supervisors, and subordinates. Personal relationships should not interfere with work responsibilities or negatively impact the work atmosphere.

Employees involved in a romantic or close personal relationship with a colleague must promptly disclose the relationship to their immediate supervisor or the HR department. This disclosure allows suppliers to assess any potential conflicts of interest and make appropriate arrangements to maintain a fair and unbiased work environment.

In cases where a relationship creates a conflict of interest or a perception of favouritism, suppliers may transfer one or both parties to different departments or positions. Decisions will be made on a case-by-case basis, considering the best interests of the individuals involved and the organisation as a whole.

Prohibition of bribery, corruption and money-laundering

What is it?

A bribe is any item of value offered with the intent to create an inappropriate business advantage or for any other illegitimate business purpose. Bribes can take many forms, including money, gifts, entertainment, travel, promises of employment or future business relationships, or even charitable donations when made for an improper purpose. Corruption is any abuse of a position of trust for inappropriate personal gain. Money laundering is a way to disguise illegally gained money. It involves running such money through a series of financial transactions and business deals that make it seem legal. This process is used to make it very tough for law enforcement and government agencies to track down where the money originally came from.

Why it matters?

Preventing bribery, corruption and money-laundering in business is essential to maintain integrity, trust, and fairness. It safeguards the reputation of the company, fosters a level playing field, and sustains healthy competition. A bribery-free environment ensures ethical decision-making, promotes shareholders confidence, and upholds legal compliance. By upholding these principles, businesses can build long-term relationships, attract responsible partners, and contribute positively to economic growth and societal well-being.

Lindström requirement

Lindström suppliers do not give or take money or anything of value, which can be considered a bribe or corruption. The giving or receipt of modest gifts or hospitality (such as a dinner or a sports event) is not prohibited, if the following requirements are met:

- it is not made with the intention of influencing to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it complies with local law;
- it is given in the name of the company, not in the name of any employee;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances and culture. For example, it may be customary for small gifts to be given at Christmastime;
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time; and
- it is given openly, not secretly.

Gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties.

Lindström suppliers must not allow personal or family interests to influence their professional judgement. They avoid conflicts of interest in all their business activities and decisions. They should accept a third party's offer of an invitation to a meal or social event only if the primary reason for the event is a legitimate business meeting.

They do not knowingly engage in any transactions that facilitate money laundering or the movement of illegally gained money.

Fair competition

What is it?

Fair competition refers to a market or business environment in which companies compete on a level playing field under a set of rules that are transparent, equitable, and applied consistently. In a fair competition scenario, all participants have an equal opportunity to succeed or fail based on their merits, without undue advantages or disadvantages. Competition allows companies to compete for products and services to improve, promote innovation; and provide more choices for customers.

Why it matters?

Fair competition is a fundamental concept in Lindström's business ethics. It promotes an environment where innovation, efficiency, and sustainable growth of businesses are prioritized while preventing unfair practices that can stifle competition and harm customers and other businesses.

Lindström requirement

Lindström suppliers do not give or take money or anything of value, which can be considered a bribe or corruption. The giving or receipt of modest gifts or hospitality (such as a dinner or a sports event) is not prohibited, if the following requirements are met:

- Lindström suppliers will comply with all applicable laws and regulations governing competition, including but not limited to antitrust and competition laws. All employees and representatives of Lindström suppliers are expected to be knowledgeable about these laws and to act in full compliance.
- They will not engage in unfair or deceptive practices, including but not limited to price-fixing, bid-rigging, market allocation, or any other anticompetitive activities. They will compete solely based on the quality of their products and services.
- They will respect the intellectual property and trade secrets of their competitors. They will not engage in industrial espionage or unethical practices to gain a competitive advantage.
- They will provide accurate and transparent information to customers, suppliers, and competitors. Misleading or false statements about their products or services will not be tolerated.
- Their employees and representatives will avoid situations that create conflicts of interest with their competitors. This includes refraining from serving on the boards of competitors or holding financial interests that could compromise their commitment to fair competition.
- They will gather competitive intelligence through legal and ethical means. They will not engage in hacking, unauthorized access to competitors' information, or any other illegal activities to obtain competitive information.
- They will engage in fair and ethical trade practices when dealing with customers, suppliers, and partners. Discrimination, coercion, or unethical pressure will not be tolerated.

Data confidentiality, privacy and security

What is it?

Confidentiality is the principle and practice of keeping sensitive information, data, or communications private and restricted to authorized individuals or entities. It ensures that sensitive or private information is not disclosed, shared, or accessed by unauthorised parties.

Privacy is a fundamental right and expectation that individuals have for controlling, managing, and keeping certain aspects of their lives, personal information, and activities confidential or segregated from others.

Data security is the practice of protecting digital data, information systems, and confidential information from unauthorised access, disclosure, alteration, or destruction. It encompasses a range of measures and technologies aimed at ensuring the confidentiality, integrity, and availability of data.

Why it matters?

Privacy is a core element of personal freedom, dignity, and autonomy. It is protected and regulated by laws and regulations in many countries, which may vary in scope and specifics. Maintaining confidentiality is essential for preserving privacy, trust, and security in various contexts. Data security is critical in today's digital age, as organisations and individuals rely heavily on digital data for various purposes, including business operations, communication, and personal activities. A breach of privacy, confidentiality or data security can result in significant financial, legal, and reputational damage.

Lindström requirement

Lindström suppliers value the privacy of individuals and are committed to maintaining a safe and respectful environment for all members of their community. Everyone who is handling information is expected to be liable for taking care of confidentiality, information security and data privacy by complying with acknowledged usage rules and instructions for confidentiality, information security and data privacy.

They take care of how and when social media is used. They consider the audience, do not post confidential information and always respect others in their communication.

Respect for the basic human rights and the planet

Fair working conditions

What is it?

The term **working conditions** covers a wide range of topics: Fair pay, time off or remuneration for overtime worked, annual vacation, adequate rest periods in line with local legislation, occupational healthcare, safe working environments.

Why it matters?

Ensuring fair working conditions is important for protecting the well-being and rights of employees, promoting job satisfaction and productivity, fostering a positive work culture, attracting and retaining talent, and upholding ethical standards and social responsibility.

Lindström requirement

All employees of Lindström suppliers have the right to have written and understandable information specifying their terms of employment which should be provided in the local language. The minimum wage in each country of the suppliers is observed and complied with. Lindström suppliers are committed to ensuring that each employee takes adequate rest breaks daily and weekly, and that employees are entitled to at least the legal minimum annual leave required in the country that they are located in. Overtime work by employees is voluntary and compensated to employees according to legislation and collective bargaining agreements where they are in place.

Freedom of association

What is it?

Freedom of association in the workplace refers to the right of employees to form or join associations and participate in other organised activities to voice their concerns and interests. Where such rights are restricted by local laws, or if no legally recognised association exists in the area, Lindström suppliers encourage their employees to engage in open dialogue with their management. They promote active employee participation and consultation, organised in accordance with international and national rules and regulations.

Why it matters?

Freedom of association in the workplace promotes fair treatment and improved working conditions. It promotes a harmonious and inclusive environment, ultimately contributing to better job satisfaction, organisational stability, and mutual cooperation.

Lindström requirement

Lindström suppliers are committed to upholding the right to freedom of association for all their employees. They will provide a safe and inclusive environment that supports mutual cooperation and open dialogue.

Diversity, equity and inclusion

What is it?

Diversity means ensuring the teams and places of work of suppliers reflect the diverse range of their communities that they work in. It means ensuring that everyone is valued regardless of race, ethnic or national origin, religion, gender identity, sexual orientation, ability, age, educational background or family ties. Equity for them means providing each individual with the support that they need, rather than treating everyone the same regardless of their needs. Inclusion means celebrating the differences and uniqueness of each of them as individuals and creating a feeling of belonging.

Why it matters?

Diversity, equity, and inclusion (DEI) are crucial in the workplace as they foster innovation, enhance problem-solving, and promote a respectful environment. Embracing a diverse range of perspectives, backgrounds, and experiences leads to richer ideas and creative solutions. Equity ensures fairness, allowing everyone to access opportunities and resources. Inclusion cultivates a sense of belonging, boosting employee morale and productivity. Ultimately, DEI drives organizational success by attracting top talent, reducing turnover, and reflecting the broader community. It's not just a moral imperative, but a strategic move to achieve sustainable growth and competitiveness in today's global and interconnected world.

Lindström requirement

Lindström suppliers treat everyone with fairness and respect, they demonstrate an openness to consider ideas from every employee by deliberately seeking opportunities to listen to different ideas and perspectives when building teams and collaborating on projects.

Everyone is given the same opportunities to develop their own skills and abilities and to advance their career through numerous training and development opportunities and a fair and transparent selection process.

They ensure that managers are equipped with awareness and understanding of the different cultures with whom they work, and they foster an environment where diversity is celebrated and a respectful, equitable and inclusive environment is encouraged.

Prevention of harassment and discrimination

What is it?

Discrimination is any unjust or prejudicial treatment of individuals or groups based on certain characteristics, including, but not limited to race, ethnic or national origin, religion, gender identity, sexual orientation, ability, age, religion or any other characteristic.

Harassment is any unwanted behaviour, comments or actions that creates a hostile environment for an individual or group of individuals. In the workplace, this includes any conduct that unreasonably affects or interferes with an individual's ability to do their work or creates an intimidating, hostile, or offensive work environment. This can include verbal, physical or online harassment.

Harassment includes, but is not limited to:

- Derogatory comments, nicknames, jokes, pranks, and insults
- Sexual harassment, such as unwelcome sexual advances or suggestive behaviour
- Creating, sharing or displaying offensive or other (electronic) materials, that are degrading to an employee or group
- Mocking
- Intentionally ignoring or excluding someone from conversations or social events

Why it matters?

All employees have the right to work in a safe, fair, and respectful environment that promotes equal opportunities and prohibits discriminatory practices. Only by maintaining a positive, inclusive workplace can we all benefit from the full potential of our fellow employees' capabilities, creativity, and talent.

Lindström requirement

Lindström suppliers do not tolerate discrimination of any kind. They do not accept any behaviour that may harm the dignity of an individual, particularly any physical or verbal harassment.

All employees have the right to be considered for career progression regardless of any of the protected characteristics specified above.

Suppliers' management must lead by example and address any behaviour or conduct that can be interpreted as harassment, even if this is not the intention of the individual.

Suppliers' employees must report any instances of discrimination or harassment – including sexual harassment – to their line manager, Human Resources or via a whistleblowing or other similar tool.

Prohibition of child labour

What is it?

Child labour is the harmful employment of children, depriving them of their rights, education, and normal development. It involves work that is exploitative, hazardous, and detrimental to their physical, mental, and social well-being, or that violates international standards and human rights principles.

Why it matters?

Eliminating child labour is crucial as it protects children's rights, ensures their well-being, enables access to education, promotes their healthy development, and contributes to breaking the cycle of poverty. It upholds ethical standards, fosters sustainable economic growth, and builds a just and equitable society for future generations.

Lindström requirement

Lindström suppliers are committed to ILO conventions 138 and 182, by which no person shall be employed under the age of 15, or under the age of completion of compulsory education, whichever is higher – with the one exception in compulsory education being that such employment is part of an educational programme such as an apprenticeship, whichever is higher. Juvenile workers shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to compromise their health, safety or morals. A specific risk assessment for any young worker must be carried out to ensure their health and safety in the workplace.

If despite precautions Lindström suppliers detect any under-aged workers in their company or supply chain, they will discuss internally and/or with their supply chain how to solve the issue without endangering the further well-being of the worker and his/her/their family. Lindström suppliers also commit to informing openly Lindström of all cases of child labour in their company or supply chain and the corrective actions taken.

Forbidding forced or bonded labour

What is it?

Forced or bonded labour refers to a situation where individuals are compelled to work against their will, often through coercion, deception, or threat of violence. They are trapped in a cycle of exploitation, unable to freely leave, and subjected to harsh conditions, often with little or no pay.

Why it matters?

Eliminating forced or bonded labour is crucial as it upholds fundamental human rights, promotes dignity and freedom, and combats modern-day slavery. It protects individuals from exploitation, ensures fair and ethical business practices, and contributes to building a just and equitable society where all individuals can live with freedom, autonomy, and dignity.

Lindström requirement

Lindström suppliers are committed to enforcing effective systems and controls to ensure slavery and human trafficking are not taking place in their business or in their supply chain. They require all employees and partners to act with the highest degree of integrity and morality as well as understand and comply with all relevant laws and legal systems of the respective countries they operate in. They prohibit all forms of human trafficking and forced labour, including prison labour, indentured labour, bonded labour, slave labour or other forms of forced labour or servitude.

If despite precautions Lindström suppliers detect any forced or bonded labour in their company or supply chain, they will take immediate measures to end the practice. Lindström suppliers also commit to informing openly Lindström of all cases of forced or bonded labour in their company or supply chain and the corrective actions taken.

Health, safety and wellbeing

What is it?

Occupational Health and Safety (OHS) refers to a systematic and comprehensive approach to managing and mitigating workplace hazards and risks to ensure both the physical and mental wellbeing of employees and workers. It involves identifying potential workplace hazards, assessing risks, implementing control measures, and promoting a culture of safety. OHS also includes providing training and education to employees, complying with relevant laws and regulations, and continuously monitoring and improving safety standards in the workplace.

Why it matters?

Occupational health and safety is essential not only for protecting workers but also for enhancing productivity, reducing absenteeism, and minimizing the financial and legal risks associated with workplace accidents and health-related issues.

Lindström requirement

Lindström suppliers are committed to promoting health and safety issues in their everyday work and actions and their goal is zero occupational diseases. They identify risks and hazards in the working environment and take actions to mitigate them in order to guarantee the health, safety and wellbeing of all their employees. They take precautionary measures against accidents and occupational diseases. They report accidents and near miss incidents and investigate them to prevent them from reoccurring and to ensure the continuous improvement of their health and safety practices.

They provide training and ensure that employees are educated in health and safety issues. They expect health and safety behaviour from all their personnel in their daily work and encourage them to participate in developing the practices they utilise.

Environment and circular economy

What is it?

Circular economy is an economic model that aims to minimise waste and resource consumption by keeping products, materials, and resources in use for as long as possible and then recovering and regenerating them at the end of their life cycle. In contrast to the traditional linear economy, which follows a "take-make-dispose" pattern, the circular economy seeks to create a closed-loop system where resources are conserved, reused, and recycled, ultimately reducing the environmental impact of economic activities.

Why it matters?

Circular economy conserves natural resources which leads to environmental benefits and cost savings. Additionally, it supports economic growth, innovation, partnerships, resilience, and social benefits while engaging customers in sustainable choices. By supporting resource efficiency and use of renewable energy sources, circular solutions offer a means to mitigate climate change and biodiversity loss. In addition to being a sustainable business model, it demonstrates a commitment to respecting planetary boundaries and safeguarding a habitable earth for future generations.

Lindström requirement

Lindström suppliers comply with all applicable environmental laws and regulations. All required environmental permits, licenses, information registrations and restrictions will be obtained, and their operational and reporting requirements followed.

Circular economy is in the core of Lindström suppliers' everyday business. They design products for circularity and maximum lifecycle. They want to reduce overproduction and conserve natural resources.

Lindström suppliers aim to ensure continuous environmental improvement of operations through yearly environmental target setting, programmes, and action plans. They also monitor their actions throughout the year to minimise detrimental environmental impacts and consider environmental risks and opportunities. They take into account their actions from the perspective of conserving and promoting biodiversity. They have systems in place to ensure the safe handling, movement, storage, disposal, recycling, reuse or management of raw materials, waste, air emissions and wastewater discharges. Suppliers reuse or recycle any waste when it is environmentally favourable and technically feasible to do so. Any waste, wastewater or air emissions with the potential to adversely impact human or environmental health is appropriately managed and treated, when necessary, prior to release in accordance with applicable laws and regulations. Suppliers ensure effective protection on the ground to prevent and mitigate accidental spills and releases to the environment and to ensure that air, noise and odour pollution are within limits as defined by applicable laws and regulations.

Environment and circular economy

Suppliers take measures to improve efficiency and reduce the consumption of resources. Suppliers also take measures to identify sources of sustainable materials. Where feasible, suppliers provide eco-labels or equivalent certifications for these materials.

Lindström suppliers consider and reduce their greenhouse gas emissions, starting from strategic planning to daily decision making of each employee. Suppliers have a plan to pursue sourcing of renewable energy and are expected to increase their renewable energy share on a yearly basis. They also engage their suppliers as their support is needed to reduce emissions in the value chain. They provide environmental trainings for their employees and suppliers to enable them to support on their climate journey.

Suppliers recognize and respect the limited availability of water as a vital natural resource. They will have a water management plan to optimise water usage, reduce water consumption and waste water discharge and enhance recycling especially if located in a highly water stressed area (defined by World Resource Institute).

Speaking up

Lindström suppliers expect all their employees, suppliers and sub-contractors to act according to Lindström's supplier code of conduct in their daily work. However, all organizations face the risk of things going wrong from time to time, or of unknowingly harboring illegal or unethical conduct. Lindström suppliers encourage employees and other stakeholders to report suspected misconduct that is not in line with this Code of Conduct. This enables them to prevent or correct concerns as soon as possible.

Primarily, they are encouraged to contact their line manager. However, where the matter is more serious, or they feel that the manager or the contact person has not addressed their concern, or they prefer not to raise it with them for any reason, they may use the company's whistleblowing or similar tool. In ultimate cases they may also contact Lindström Group management anonymously through the First Whistle tool, which is a confidential whistleblowing channel to report such topics and available in the Lindström Group web site (www.lindstromgroup.com). The tool is provided by an external partner to secure anonymity. All messages left via the First Whistle tool are processed in confidence, and retaliation actions towards the whistleblower are strictly prohibited.

Consequences of misconduct

Violations of this Code of Conduct may result in disciplinary action, up to and including termination of Agreement.

Guidance related to code of Conduct

In case of any support and guidance needed related to Lindström supplier code of conduct, suppliers' contact persons in Lindström are available. We encourage all Lindström suppliers to practise open and transparent communication in order to ensure their and their supply chain's alignment with this Code of Conduct.

Agreement to comply with Lindström supplier code of conduct

We hereby confirm that we share the understanding with Lindström Group about ethical conduct and behaviour and thus commit to the Lindström supplier code of conduct, revision 2.0 and use it to guide our work to the right direction.

Date: _____

Company: _____

Name: _____

Signature: _____