



## **KiilTO Partnership Code of Conduct (CoC)**

### **Introduction**

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

Kiilto CoC is based on the universal declaration of Human Rights, ten principles of the United Nations Global Compact initiative, OECD Guidelines for multinational enterprises, UN's Convention on the Rights of the Child and the principles concerning fundamental rights in the eight ILO core conventions.

This CoC forms an integral part of all contracts between the Partner and Kiilto and The Partner must ensure that its managers and workers have the appropriate information of this CoC to comply with it in all respects.

### **1. Management systems**

The Partner 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 Partner's business. This means that, at a minimum:

- The Partner shall adopt a systematic approach to the assessment, mitigation and management of risks related to issues mentioned in this Code of Conduct (hereafter referred to as "Code of Conduct Issues"),
- The Partner 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,
- Sufficient training shall be provided to relevant employees and business partners,
- The Partner shall have systems in place to enable the reporting of Code of Conduct Issues-related grievances

The Partner shall duly ensure and monitor that its own partners and their partners comply with the principles of this CoC or with their own equivalent code of conduct. The Partner is liable for the performance of its partners as for its own work.



## 2. Human and labor rights

Kiilto and its Partners shall work to ensure that human and labor rights are respected and safeguarded throughout their operations and business relationships and are in line with the principles in the ILO core conventions. The Partners shall avoid any involvement in human and labor rights abuses within its area of impact, to duly map the impacts whenever the need for such action is agreed and to place adequate remedial mechanisms in case of any violations. Particular importance shall be placed on the following rights:

- **Non-Discrimination:** The Partner shall treat all employees fairly and respectfully. No discrimination is allowed whether based on gender, age, national or ethnic origin, religion, marital status, sexual orientation, or political opinion.
- **Freedom of Association and Collective Bargaining:** The Partner shall ensure fair labor conditions and in particular to respect the rights of employees to freely associate and bargain collectively where permissible by law.
- **Child Labor:** The Partners shall not use child or forced labor under any circumstances or contract with subcontractors using such labor. Young workers should not be subject to working conditions that could be harmful to their health or development.
- **Forced Labor:** the Partner shall not use any forced labor, and shall ensure that recruitment fees and associated costs are not borne by workers.
- **Wages and working hours:** The Partner 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 Partner is required:

- 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,
- to ensure that operational controls such as rules and procedures are in place and communicated to all employees,
- to have emergency preparedness and response procedures in place,
- 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.
- to measure and monitor its OHS performance and OHS hazards with the help of properly conducted workplace inspections and audits,
- to report and investigate all health and safety incidents.



## 5. Environmental impact

The Partner is required:

- to assign responsibility for environmental issues within its organization,
- 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,
- 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,
- 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,
- to handle environmental violations and complaints systematically and communicate them to employees and external stakeholders, including Kiilto if affected,

## 6. Responsible business

The Partner shall in all its operations be committed to ethical conduct in the spirit of internationally recognized standards and in particularly all applicable antitrust and competition laws. 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 Partner is required:

- to prevent situations where there is a conflict of interest between the Partner and Kiilto,
- 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,
- 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,
- 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:
- 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.
- to avoid 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 Partner undertakes to inform Kiilto if a Kiilto employee or his/her immediate family member holds a



material financial or other interest in the Partner including managerial position of immediate family member at the Partner, and such interest creates a conflict of interest or the appearance thereof.

- not to enter into any agreements with its competitors to increase prices or to restrict the availability of products.

## 7. General requirements

The Partner shall immediately report any non-compliance with this CoC to Kiilto. The Partner and any of its employees may report their concerns confidentially to: Legal Team 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. An anonymous misconduct report can be made via <https://report.whistleb.com/en/kiilto>.

The Partner shall 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.

The Partner shall allow Kiilto, or any third party authorized by Kiilto and reasonably acceptable to the Partner, to conduct in the presence of the Partner an audit of the Partner's operations relevant for this CoC including but not limited to the Partner's facilities, and relevant extracts from books and records. At the Partner's request, the parties involved in any such audit shall enter into a confidentiality agreement regarding the circumstances disclosed in the audit.

## 8. Enforcement

If Kiilto finds that the Partner 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 Partner 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 Partners in case of a material breach of this CoC.

Should the main contract between Kiilto and the Partner, 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.