



## KEKKILÄ GROUP CODE OF CONDUCT

January 2017

### 1. Introduction

This Code of Conduct (CoC) outlines the minimum standards Kekkilä Group requires its employees and Suppliers to comply with when working in Kekkilä Group or doing business with Kekkilä Group in addition to observing all laws and regulations governing their activities.

This CoC shall be taken as an integral part of all contracts between the Supplier and Kekkilä Group.

### 2. The Code of Conduct Principles

#### 2.1. Human and labour rights

##### 2.1.1. Human rights

**Kekkilä Group and the Supplier is required:**

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

##### 2.1.2. Basic workers' rights

**Kekkilä Group and the Supplier is required:**

- 2.1.2.1. not to employ any workers below 15 years (14 years in certain developing countries) or the minimum age according to national legislation, whichever is higher (in line with the ILO Convention 138 on child labour),
- 2.1.2.2. to ensure that employing young people above minimum age but under 18 years does not jeopardise their education, health, safety or morals,
- 2.1.2.3. to fully recognise employees' right to organise, belong to a union and bargain collectively,
- 2.1.2.4. not to use any forms of involuntary labour,
- 2.1.2.5. not to discriminate against any employee,
- 2.1.2.6. to treat all employees fairly and respectfully.

#### 2.2. Wages and working hours

**Kekkilä Group and the Supplier is required:**

- 2.2.1. to pay employees at least the minimum wage and applicable overtime wages defined by national laws or any applicable collective agreements,
- 2.2.2. to apply normal working hours that comply with applicable law and collective agreements and where no such laws or collective agreements exist working hours will not exceed 48 hours per working week on a regular basis,
- 2.2.3. to provide all employees with at least one rest day in seven consecutive working days unless regulated otherwise by applicable laws.

### 2.3. Occupational health and safety (OHS)

**Kekkilä Group and the Supplier is required:**

- 2.3.1. to fulfil all applicable legal OHS requirements,
- 2.3.2. to have a written OHS policy of its own, to demonstrate management's commitment to OHS, and to assign responsibility for OHS within its organisation,
- 2.3.3. to ensure that operational controls such as rules and procedures are in place and communicated to all employees,
- 2.3.4. to have emergency preparedness and response procedures in place,
- 2.3.5. 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.
- 2.3.6. to measure and monitor its OHS performance and OHS hazards with the help of properly conducted workplace inspections and audits,
- 2.3.7. to report and investigate all health and safety incidents.

### 2.4. Environmental impact

**Kekkilä Group and the Supplier is required:**

- 2.4.1. to fulfil all environmental requirements defined in relevant laws, regulations and environmental permits,
- 2.4.2. to assign responsibility for environmental issues within its organisation,
- 2.4.3. 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,
- 2.4.4. to ensure that written instructions covering all 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,
- 2.4.5. to proactively work to prevent emergencies and ensure the capacity to react appropriately to such events, by analysing, identifying and adopting suitable preventive and corrective measures,
- 2.4.6. to handle environmental violations and complaints systematically and communicate them to employees and external stakeholders, and The Supplier is required:
- 2.4.7. to provide Kekkilä Group with up-to-date material safety data sheets (MSDS or SDS), as applicable, and any other relevant documents and information requested by Kekkilä Group.

## 2.5. Responsible business

Kekkilä Group and the Supplier is required to conduct its business in full compliance with general ethical rules. This means, among other things, that Kekkilä Group and the Supplier is required:

- 2.5.1. to conduct business in full compliance with all applicable antitrust and fair competition laws,
- 2.5.2. to prevent situations where there is a conflicts of interest between the Supplier and Kekkilä Group,
- 2.5.3. 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,
- 2.5.4. to act in compliance with all generally acceptable rules and regulations related to the safety and quality requirements of products and services,
- 2.5.5. 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 Kekkilä Group this means among other things that:

- 2.5.6. Kekkilä Group Representatives shall always pay for their own travel and accommodation costs when visiting the Supplier, conferences, reference plants etc,
- 2.5.7. Kekkilä Group Representatives shall not be offered any gifts, hospitality or expenses that could be considered unreasonable or inappropriate with regard to possible business transactions.

## 3. Management systems

Kekkilä Group and the Supplier shall have appropriate management systems in place to enable adherence to this CoC or the Supplier 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 that Kekkilä Group and the Supplier:

- 3.1 shall adopt a systematic approach to the assessment, mitigation and management of risks related to human and labour rights, occupational health and safety, responsible business and environmental impact (hereafter referred to as "Code of Conduct Issues"),
- 3.2 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,
- 3.3 ensure that all applicable laws, regulations and contractual terms governing Kekkilä Group's and the Supplier's assignments shall be duly applied and communicated, with sufficient training provided to relevant employees and business partners,
- 3.4 shall have systems in place to enable the reporting of Code of Conduct Issues-related grievances (e.g. a whistle-blowing system),
- 3.5 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.

## 4. Obligation to report, supervision and corrective actions

- 4.1 Employee of Kekkilä Group is required to immediately report any non-compliance with this CoC to higher ranked Kekkilä Group Representatives.  
  
The Supplier is required to immediately report any non-compliance with this CoC. The Supplier and any of its employees may report their concerns confidentially to Kekkilä Group contract responsible.
- 4.2 The Supplier is required to disclose information and data regarding issues covered by this CoC at the request of Kekkilä Group, unless this would conflict with its statutory obligations on disclosure of information.
- 4.3 The Supplier is required to allow Kekkilä Group, or any third party authorised by Kekkilä Group 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.
- 4.4. If Kekkilä Group finds that the Supplier is not meeting the requirements and expectations set out in this CoC, Kekkilä Group will offer guidance specifying which issues need to be corrected or improved. The Supplier must then take corrective actions promptly as advised by Kekkilä Group.
- 4.5. Kekkilä Group shall include into the terms of each agreement with its Suppliers 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.