

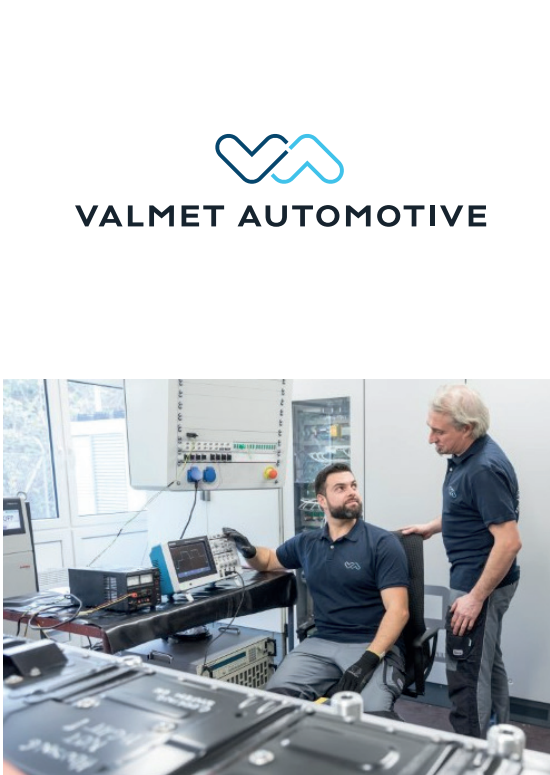
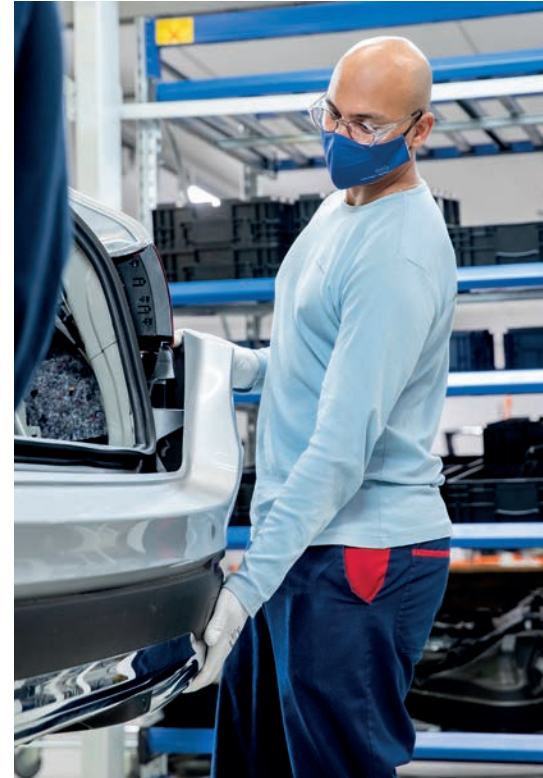


# CODE OF CONDUCT



VALMET AUTOMOTIVE





  
VALMET AUTOMOTIVE

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## **Code of Conduct**

Approved by the Board of Directors on March 31, 2021

03/2021

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# A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

As players in the Automotive industry, we all know that change, speed and flexibility are challenges we face every day. Therefore, it is important for us to have a solid base to stand on, with strong pillars to lean on. At the same time Valmet Automotive is becoming more and more a global company, with a heart in Finland. Because we operate in several countries today, it is more essential than ever to define the legal guidelines and standards for ethical behavior that support all associates and stakeholders of Valmet Automotive in their decision-making on a daily basis. Reputation, trust and integrity are three strong pillars that the success of Valmet Automotive has been based on for more than 50 years.

This Code of Conduct defines the requirements Valmet Automotive employees must comply with in their everyday work at Valmet Automotive. The Code of Conduct is aligned with Valmet Automotive's Supplier Code of Conduct.

We can be very proud of what we have achieved over the past 50 years. Now I encourage you to read our updated Code of Conduct and support the entire Valmet Automotive family by using it as your mandatory guideline.



**Olaf Bongwald**  
*CEO of Valmet Automotive*









# VALMET AUTOMOTIVE'S CORPORATE CULTURE AND COMMITMENTS



Our corporate culture and the Commitments, which we actively are committed to and act on, are fundamental to the company's further growth and successful execution of our strategy. While expanding into new areas of service and delivery, and while becoming an ever-more international company, we continue to rely on the heritage, the brand core and the spirit of Valmet Automotive as a Finnish company to ground us.

One common corporate culture forms the foundation for achieving this. We view the Finnish concept of **Sisu** as fundamental. It sets us apart from the competition, provides us with pride, and shows our attitude towards and commitment to delivering outstanding value. **Sisu** is a way of life, and it is a way of thinking and a way of believing. With **Sisu** you can make the impossible possible. **Sisu** is a commitment to deciding on a course of action and remaining on that course until other actions are required.



## WITH THIS SPIRIT OF SISU, WE COMMIT OURSELVES TO

### Always learn

- Rigorous market and data analysis
- Balanced local and global knowledge
- Shared experience and expertise across all our businesses
- Continuous improvement

### Showing entrepreneurial spirit

- Innovation, passion and curiosity
- Strategic discipline
- Consistent strategic Group-wide communication
- Making money

### Delivering

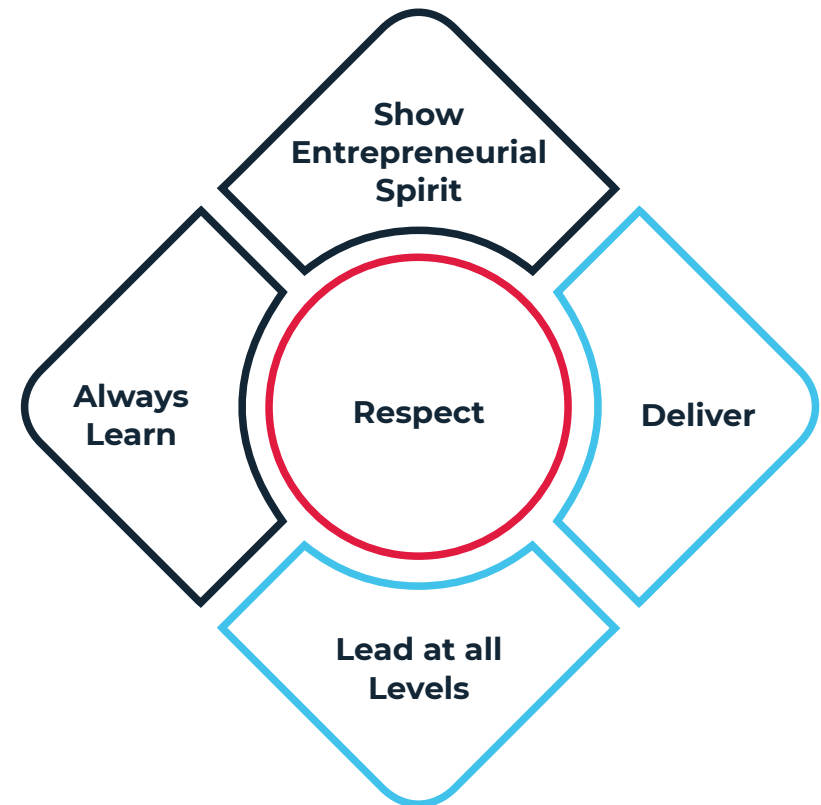
- Best-in-class global operating systems, people and process management
- Meticulous planning and testing
- Target focus

### Leading at all levels

- A global management team that puts the Group first
- Continuous development of new leaders across all our businesses
- Personal responsibility

### Respect

- Our customers and partners
- Our people
- Our businesses



# | OUR EMPLOYEES

## **EQUAL OPPORTUNITIES AND NON-DISCRIMINATION**

Valmet Automotive is committed to offering equal opportunities in employment and education. We believe that it is our responsibility to create an environment that is free from discrimination on the grounds of gender identity, marital status or pregnancy, race, age, sexual orientation, religious or political beliefs, impairment, family responsibility or family status or other similar characteristics which do not relate to the individual's qualifications or the inherent requirements for the job in question.

We do not tolerate any form of harassment. It is everyone's duty to set an example by their own behavior and to ensure that the organization is free of discrimination and harassment.

We appreciate and respect diversity in our employees' background, talent, insight, education and experience and believe this contributes to our success and sustainability by enhancing innovativeness, flexibility and the ability to communicate with our stakeholders.

## **OCCUPATIONAL WELL-BEING AND SAFETY**

Health and safety are essential for our operations and for all our workplaces. The health and safety of external business partners likewise plays a role for us, for instance when they visit our plants and offices.

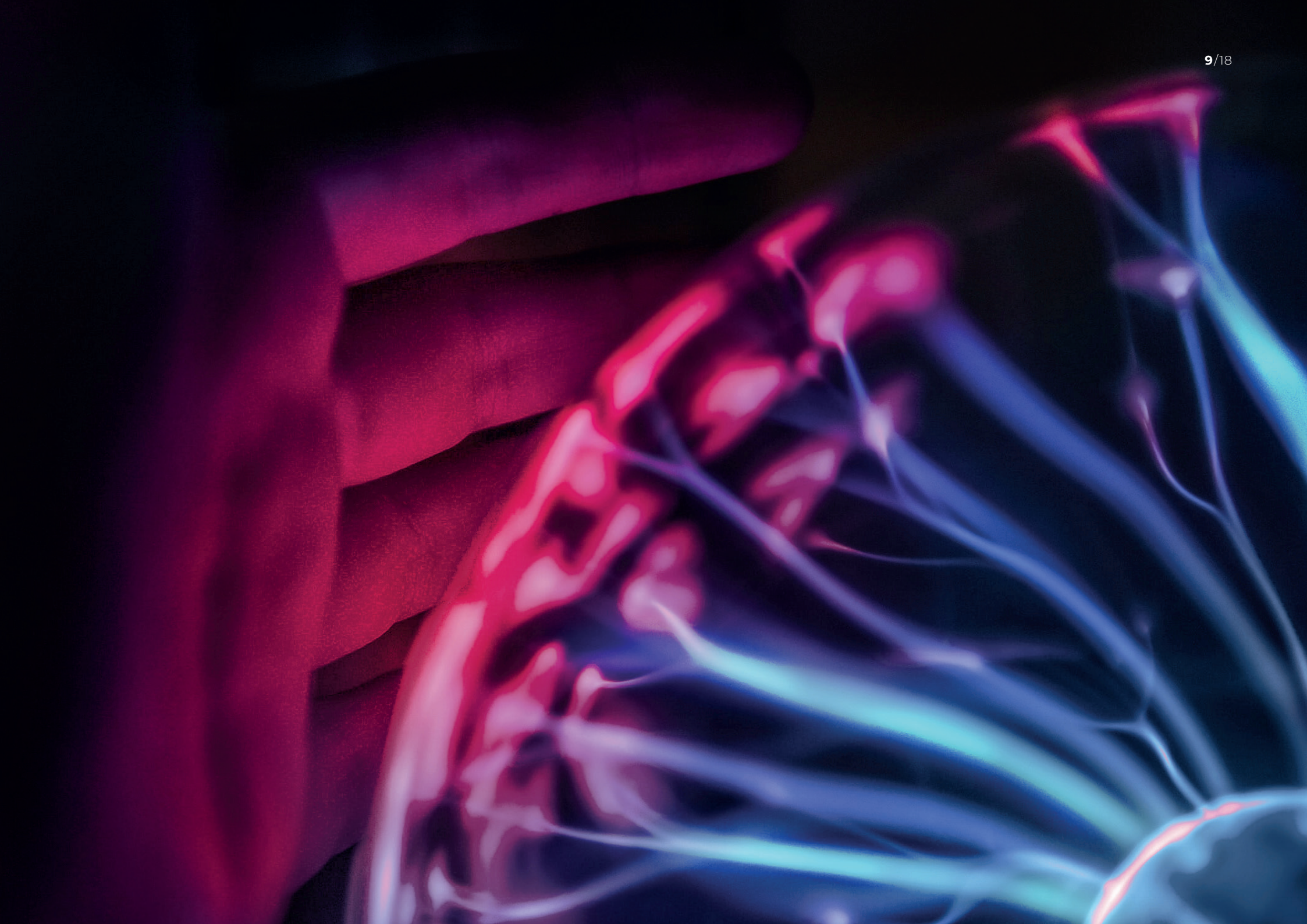
We commit to provide a work environment that prevents occupational illnesses and work-related accidents. As a result, we expect from ourselves, our partners and our suppliers a high awareness of potential health and safety issues at all times.

Our management system ensures compliance with all safety laws, regulations and standards. We have processes in place to detect and eliminate potential risks and contingencies.

Using a systematic approach, we continually review our working conditions, health and safety performance and optimize these whenever necessary. Through permanent training we improve our safety knowledge and safeguard the development of our continuous improvement.









# | OUR RELATIONS WITH BUSINESS PARTNERS

## QUALITY AND EXCELLENCE

We aim to deliver the best quality – with both our products and our services. We are strongly committed to excellence and meeting the needs of our customers. On an ongoing basis, we monitor our quality and process performance in order to improve the level of excellence and reliability of everything we offer.

We also expect the highest quality and interaction with our business partners and suppliers.

## ETHICAL STANDARDS OF OUR SUPPLIERS

We act on the premise that our business partners comply with international and local laws and regulations. Our Supplier Code of Conduct (SCoC) defines the requirements our suppliers must comply with in their dealings with Valmet Automotive and its employees.

We strive to develop and maintain a network of suppliers actively willing to foster ethical principles and practices. To support this, we share our experiences and views with our suppliers on a global scale. The common goal of this cooperation is to reduce risk in our business partnership, to enhance confidence in the industry and support a positive reputation of our companies and the entire business.



# | OUR ETHICAL BUSINESS CONDUCT

## INTEGRITY AND TRANSPARENCY

Integrity is fundamental in all of our dealings, actions, statements and reporting, and is an essential aspect of our corporate responsibility. We take our promises and commitments seriously, as these build a basis of trust.

We ensure that our accounts and financial reports are accurate and not misleading. We comply with applicable accounting, corporate and tax laws and regulations.

We publish annually the sustainability report which follows the framework of sustainability reporting guidance GRI (Global Reporting Initiative; Sustainability Reporting Standards). The priority topics of the report consider information of our business activities and financial performance, risks and opportunities, labor force, social and environmental impacts and practices of our operations.

We provide our owners with information on our status and performance simultaneously and equally, transparently and openly, without preference or favoritism for any group or individual, and in compliance with all applicable laws.

We interact continuously with authorities and non-governmental organizations in order to develop and sustain open and direct contact with society.







## **COMPLIANCE WITH LAWS AND REGULATIONS**

We are committed to complying in full with all applicable national and international laws, regulations and generally accepted practices. Should these prove to be insufficient or open to interpretation, we seek out and consult with the best experts in order to define clear and appropriate guidelines and standards.

## **FAIR COMPETITION AND COMPLIANCE WITH ANTI-TRUST LEGISLATION**

We support and strive for fair competition and free markets and refuses to enter into discussions or agreements with competitors concerning pricing, market shares, or other similar activities. We follow the applicable laws and regulations, and require each of our employees to comply with competition legislation in all the countries Valmet Automotive operates in. Our employees may not take part in any illegal practices restricting fair competition.

## **HUMAN RIGHTS**

We adhere to international standards on human rights, labor conditions, anti-corruption and the environment. Our actions are guided by the United Nations Global Compact's Ten Principles in these areas. As an employer, we accept the labor rights defined by the International Labor Organization



(ILO): freedom of association, the effective recognition of the right to collective bargaining, the abolition of forced labor, and equality of opportunity and treatment.

We do not use child labor or engage subcontractors or suppliers that do so. This means that children under the age of 18 may not perform any tasks that are harmful to their health and safety. Children under the age of 15 (14 or 16 in certain countries) may not engage in work in such a way that their schooling is hindered or adversely affected.

We do not allow any form of forced labor, wage slavery, involuntary labor or other measures that are physically coercive, threatening, abusive or exploitative.

We ensure that the working hours and compensation paid to our employees comply with all applicable laws and regulations, including those relating to overtime hours and minimum wage. These conditions shall be provided to the employees in a format and language they can easily understand.

## **CORRUPTION AND GIFTS**

We have a zero-tolerance policy regarding all kinds of corruption, such as bribery and embezzlement. We do not pay bribes or illegal payments to obtain or retain business. We do not pay to facilitate favorable decisions or services from authorities.

We refuse to participate in or support money-laundering under all circumstances in our operations worldwide.

Our employees shall not accept, neither directly nor indirectly, gifts, gratuities, benefits or hospitality, which may influence business decisions. Employees may only make and receive personal gifts, benefits or hospitality of reasonable value, provided that the provision or acceptance of such offers is in compliance with applicable statutory rules and regulations. More guidance on this is provided in a separate Gift and Entertainment Policy.

## **MONEY LAUNDERING AND EXPORT CONTROLS**

We do not participate in money laundering or financing of terrorist, military or criminal activities in any way. Employees shall never accept cash as payment for Valmet Automotive's products or services.

We comply with applicable export control regimes. Such regimes may include trade restrictions prohibiting companies from engaging in certain business activities in specified countries as well as with specified individuals and entities.

## **CONFLICTS OF INTEREST**

Our employees are expected to avoid conflicts of interest that can occur when an employee has a personal interest or is involved in an activity that could interfere with such employee's ability to perform tasks in an objective, impartial and effective manner.





## **INTELLECTUAL PROPERTY AND COMPANY ASSETS**

We value the creation and protection of knowledge and intellectual property. Accordingly, we act to safeguard our intellectual property and do not allow unauthorized access to it by outsiders. Conversely, we respect the intellectual property held by others and do not try to obtain it by illegal means. We encourage and support employee commitment and their efforts to increase our intellectual property and thus to contribute to the competitiveness and profitability of the company.

We safeguard confidential information, information systems and technology, and our own physical assets from loss, theft and misuse. We use electronic communication technology responsibly and professionally.

## **INFORMATION SECURITY, CONFIDENTIAL INFORMATION AND DATA PRIVACY**

We protect and carefully handle the confidential material and information of Valmet Automotive and its stakeholders. Information security covers all arrangements to ensure the confidentiality, integrity and availability of information related to the company's operations and services. Our employees may not disclose or use confidential information of Valmet Automotive or its stakeholders for personal profit or for anyone else except Valmet Automotive.

A separate Policy on Information Security and Privacy has been established and complied with throughout the company.



## **SUSTAINABILITY AND PROTECTION OF THE ENVIRONMENT**

Sustainability is deeply rooted in the Valmet Automotive culture. We are committed to operate business in an environmentally sustainable manner and to develop and produce products in an energy efficient way while preventing pollution and minimizing the environmental impact. Sustainability is an integral part of our strategy, guided by internal governance and policies, as well as our Code of Conduct. We comply with applicable laws, regulations, standards, permits and licenses relevant to our operation. We anticipate the Sustainability concerns and expectations of our internal and external key stakeholders and this is the basis for identifying, prioritizing and communicating the most relevant sustainability topics and focusing our sustainability efforts.

We monitor, track and document our environmental performance and aim at minimizing environmental impact from our operations, products and services. We strive to reduce CO2 emissions by increasing the use of renewable energy, reducing water and energy consumption, more efficient use of raw- and packaging materials, minimizing waste and contributing to circular economy, as well as any other relevant environmental factor within our business.

We promote sustainable industrialization and upgrade our infrastructure and technologies by improving our plants' energy- and material efficiency and by implementing envi-

ronmentally sound technologies and processes. We contribute to use natural resources efficiently. Responsible use and management of materials, water and chemicals, as well as substantially reducing waste, are in our focus. Furthermore, we want to provide people with relevant information to make environmentally sound decisions.

Concerning Climate change, we see our position within the big picture. This means expanding environmental responsibility throughout our supply chain, but also understanding our positive contribution to the vehicle carbon footprint throughout the lifecycle. We have issued a Supplier Code of Conduct, which we are implementing in our partnerships. CO2 neutrality and reduction of greenhouse gases are included in our sustainable development goals. Beside energy efficiency, relevant part of our CO2 reduction activities, is replacing fossil, non-renewable energy and fuel with energy from renewable sources. Our sustainability targets and actions contribute to the United Nations Sustainable Development Goals.



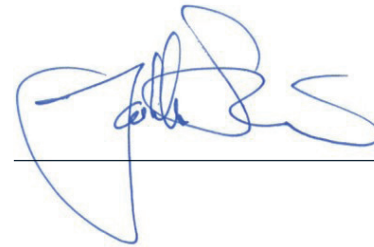
# COMPLIANCE WITH THE CODE OF CONDUCT; WHISTLEBLOWING CHANNEL

Valmet Automotive's Board of Directors and the Group Management Team have accepted this Code of Conduct as a binding document for the entire Valmet Automotive Group.

We expect all our employees to follow this Code of Conduct. A breach thereof will lead to disciplinary actions. We also expect our business partners and suppliers to follow this Code or other similar standard principles in all their activities. Further explanations and guidance are available in specific Valmet Automotive policies, guidelines, principles and the Supplier Code of Conduct.

We expect our employees to report suspected misconduct to their managers, the management or HR. We have also established a whistleblowing channel through which our employees are able to report suspected non-compliances, also anonymously. The whistleblowing channel is also available to our suppliers, customers and other stakeholders through our webpages.

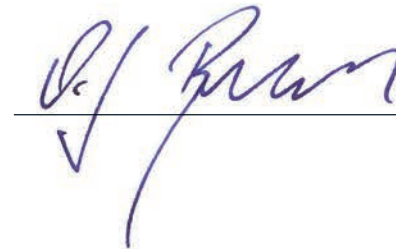
We do not tolerate any negative actions against an employee who reports a suspected violation in good faith.



**Jarkko Sairanen**

*Chairman*

*Valmet Automotive Board of Directors*



**Olaf Bongwald**

*CEO*

*Valmet Automotive Inc.*







[WWW.VALMET-AUTOMOTIVE.COM](http://WWW.VALMET-AUTOMOTIVE.COM)