



Terveystalo Group Supplier Code of Conduct

Terveystalo

1 Purpose, scope, and definitions

The Terveystalo Group Supplier Code of Conduct (“SCOC”) outlines the standards all our suppliers and partners must meet to do business with Terveystalo Group and its subsidiaries.

At Terveystalo, our aim is to have a net positive societal impact. We believe in doing business in accordance with our mission and our values.

Terveystalo has published its sustainability commitments and is committed to the UN Guiding Principles on Business and Human Rights, the fundamental conventions of the International Labour Organization (ILO), and the Ten Principles of the UN Global Compact.

Terveystalo Group expects its suppliers to share the same high standards for sustainable business regarding ethical, social, and environmental aspects in addition to health and safety conditions.

Definitions

Terveystalo Group

Terveystalo Group includes the parent company Terveystalo Plc and all its subsidiaries.

Supplier

Any entity engaged in the production or provision of products, or services that any part of Terveystalo Group’s global operations authorizes, acquires, or licenses. This includes business partners and partners with which Terveystalo Group collaborates for other purposes such as research, sponsorship, and social activities.

Strategic supplier

A supplier that is of strategic importance to Terveystalo Group and with which the company has continuous engagement through joint steering committees and other means.

Recycling

The process whereby discarded materials are collected, sorted, and reprocessed for reuse in another manufacturing process to produce the original material or article, or for the manufacture of other products, materials, or substances. Recycling aims to minimise the recovery of natural resources and their disposal in landfills and incineration.

Scope 1

Direct greenhouse gas emissions from sources owned or controlled by the company.

Scope 2

Indirect GHG emissions from purchased energy production (e.g., electricity, heating, and cooling purchased by the organisation).

2 Implementation

The Supplier must commit to this SCOC. This document is an inseparable part of all agreements between suppliers and Terveystalo. In addition to these requirements, Terveystalo aims to apply its procurement terms and conditions to all purchases made by Terveystalo.

Supplier qualification

Commitment to and compliance with this SCOC are among the minimum requirements of Terveystalo Group’s new supplier approval.

Monitoring

Terveystalo monitors the Supplier's level of compliance with this SCOC by assessments carried out by Terveystalo or an appointed third party.

Business consequence

If the Supplier fails to meet the minimum compliance level, Terveystalo will apply a business consequence and may disqualify the Supplier.

The supplier shall notify Terveystalo without delay if they violate or observe a violation of the requirements with their supplier. If a supplier has violated these requirements, the supplier is responsible for rectifying the violation within a time agreed with Terveystalo. If the supplier does not rectify the violation within the agreed period or submit an appropriate report of the actions taken to rectify the violation, Terveystalo has the right to cancel the order, halt ongoing work, or terminate the main agreement. A violation may also lead to the disqualification of the Supplier in future tenders.

3 Supplier requirements

Terveystalo expects the Supplier to comply with laws and regulations, collective agreements, employment contracts, and the SCOC requirements explained below, whichever is the highest standard.

In addition, the supplier must meet the quality criteria set for the product or service category in question. When choosing a new major supplier, Terveystalo checks for instance the financial stability of the supplier to ensure reliable continuity of supply and high-quality products and services.

3.1 Labour and Human Rights

Freedom of association and collective bargaining

The Supplier shall respect employees' legal rights to associate, form, and join employee organizations, seek representation, and bargain collectively without any penalty, harassment, discrimination, interference, or pressure of such.

Prevention of child labour and protection of young employees

The Supplier must not use child labour. This includes anyone younger than the age of 15, the local legal minimum age for employment, or the age for completing compulsory education, whichever is highest. The employment of young workers above the minimum age but under the age of 18 must follow legal restrictions and never jeopardize their education, health, safety, or morals.

Prevention of forced labour

The Supplier must not use any form of forced or involuntary labour or participate in human trafficking in any way. Employees must not be required to surrender government-issued identification, passports, work permits, or any other unreasonable deposits, or to pay recruitment fees as a condition of employment. Employees must be free to leave work or terminate their employment upon reasonable notice. Migrant workers, if any, must be hired through recruitment practices that comply with laws and regulations in both source and destination countries.

Equality, diversity, and inclusion

The Supplier shall treat its employees with integrity, respect, and dignity. Everyone shall be treated fairly and provided with equal opportunities during hiring, employment, and termination. The workplace must be free of harassment, coercion, or abuse of any form, as well as the threat of such.

Work contracts and terms of employment

The Supplier shall validate employees' legal status to work before establishing employment. A written contract or legal document in a language the employee understands shall state the terms of employment. The Supplier shall ensure the employees have understood the content and been given a copy of the document. Termination of employment must be fair and comply with the applicable legislation.

Working hours and rest

The Supplier must comply with all applicable laws and regulations on working hours and rest. In addition, total working hours, including standard hours and overtime hours, must not normally exceed 12 hours per day or 60 hours per week. Overtime work must always be voluntary, exceptional, and with reasonable prior notice to employees. Employees must be given at least one day off every seven days. Appropriate breaks during work shifts must be provided for meals, refreshments, and any other purpose, as required by laws and regulations.

Wages and benefits

The supplier shall provide all employees with a total compensation package that includes wages, overtime pay, benefits, and paid leave which meets or exceeds the legal minimum standards or appropriate industry standards, whichever is higher. In addition, compensation terms established by legally binding collective bargaining agreements are implemented and adhered to. Deductions are permitted only when prescribed by law or fixed by collective agreement. Wage payment shall be made on time, regularly, and in compliance with laws and regulations. A system shall be in place to record and allow employees to verify and understand payroll, deductions, hours worked, and payment details.

Third-party employment agencies

The Supplier shall ensure workers employed by third-party agencies to work at or for the Supplier are afforded the same rights as directly employed workers.

3.2 Health and safety

Safe and healthy workplace

The Supplier must provide a safe working environment for the employees and comply with all the applicable health and safety laws and regulations. All health and safety signs, instructions, and documentation shall be in a language the employees understand, and translation shall be provided if necessary.

Health and safety management and communication

The Supplier shall provide appropriate and regular workplace health and safety training. Clear procedures shall be in place to identify, manage, record, and report occupational injuries, ill health, and incidents. The Supplier shall take corrective actions to eliminate causes and prevent further occurrence. The health of employees shall be monitored regularly based on the risks of their jobs and legal requirements. Employees shall never be disciplined for raising safety concerns or refusing to work in an unsafe environment.

3.3 Environment

Environmental permits

The Supplier must obtain and follow the reporting guidelines for all the required environmental permits and registrations. The Supplier shall identify environmental aspects and impacts of their business operations.

Environmental policy and management system

Terveystalo requires a documented and operational environmental system from all strategic suppliers.

Chemical management

The Supplier shall identify hazardous materials, chemicals, and substances, strive to use less hazardous chemicals, and take the appropriate measures to ensure the safest possible management and use of chemicals in their operations. The Supplier shall implement controls and practices corresponding to the risks of the chemicals being used. All employees handling or exposed to chemicals shall receive training for their safe handling, movement, storage, recycling, reuse, and disposal.

Waste management

The Supplier shall take appropriate means to recover or recycle the waste from their operations, commit to minimizing waste, and work toward zero landfill waste. The Supplier shall identify, manage, segregate, and properly store and/or treat before discharging or removing the waste from its operations. The discharge and removal shall meet regulatory requirements. All employees handling or exposed to waste shall receive appropriate training for the safe handling, movement, storage, and disposal of waste.

Reducing pollution and responsible use of water

The Supplier shall be committed to minimizing and optimizing the use of water in their operations if material, as well as reducing pollution. Any air or water pollution that cannot be prevented shall meet regulatory limits, treatment, and disposal requirements.

Mitigating global warming

The Supplier shall be committed to improving energy efficiency and increasing the use of green energy. The Supplier is encouraged to set reduction targets for their Scope 1 and 2 greenhouse gas emissions.

In addition, all strategic suppliers shall be ready to report annual Scope 1 and 2 greenhouse gas emissions to Terveystalo Group and are encouraged to set science-based targets for their greenhouse gas emissions.

3.4 Due diligence

Supply chain management

The Supplier shall adopt similar requirements as stated in this SCOC for their suppliers and monitor their supply chain. The Supplier shall also assess, identify, and manage the risks in their own operations and supply chain, including social and environmental, health and safety, and business ethics.

The Supplier must be ready to disclose supply chain mapping back to origin to Terveystalo Group for assessments to verify compliance with this SCOC. The Supplier is prohibited from using subcontractors for goods or services for Terveystalo without prior approval.

Product safety and compliance

The Supplier shall comply with material and/or substance restrictions and product safety and compliance requirements set by applicable laws and regulations. The Supplier shall also comply with any additional Terveystalo requirements. When necessary, Terveystalo will conduct tests and checks, to ensure that products meet the technical, medical, and operational requirements. The Supplier shall maintain records of full raw material content data and related certifications and guarantees of origin when applicable.

Terveystalo Group's assets and reputation

The Supplier shall safeguard Terveystalo's assets and protect its reputation and brand equity.

3.5 Business ethics and integrity

Anti-corruption and anti-bribery

Terveystalo Group expects the Supplier to have zero tolerance for bribery and corruption. The Supplier shall ensure that its employees and third parties acting on its behalf do not practice or participate in any bribery or corruption.

Anti-trust

The Supplier shall compete fairly in compliance with all applicable anti-trust laws and regulations and have standards and procedures in place to ensure that its directors and employees do not engage in any anti-competitive practices.

Conflict of interest

The Supplier shall avoid any situations in which a conflict of interest between the Supplier and Terveystalo Group exists. The Supplier shall disclose any potential or existing conflict of interest in its relationship with Terveystalo Group.

Grievance and reporting channels

The Supplier shall have an appropriate reporting system in place that also enables anonymous grievances, reporting, and management.

Data privacy

The Supplier is required to maintain full compliance with any privacy legislation. The Supplier shall respect privacy rights whenever collecting or retaining personal information of any individual, including their employees.

Intellectual property rights

The Supplier shall respect the intellectual property rights of others, including those of Terveystalo Group. The Supplier shall comply with all applicable laws related to intellectual property rights and protect the intellectual property, trade secrets, and confidential information of Terveystalo Group.

Trade compliance

The Supplier shall comply with all applicable trade control laws and regulations in relation to economic sanctions and export controls, including those issued by the EU, UK, and US authorities.

3.6 Taxation

In addition to complying with the legislation and regulations applicable to their business, the supplier must adhere to the key principles of Terveystalo's tax policy while in a business relationship with Terveystalo, i.e., the supplier pays, collects, posts, and reports any indirect and direct taxes attributable to it in full at the right time and place, i.e. where the economic activity, addition of value, and work generating the profit actually take place. The supplier's operations are managed with a commercial logic independent of taxation. The Supplier declares that it has no artificial company or financial structures for attempting to transfer taxable income to countries with lower tax rates and that it does not engage in aggressive tax planning.

3.7 Management system and commitment

Management accountability and responsibility

The Supplier shall have a representative who oversees the areas described in the requirements of this SCOC. The representative shall communicate with Terveystalo transparently, and collaboratively.

A management system shall be in place to identify, prioritize, monitor, manage, and mitigate the risks in the Supplier's operations, especially concerning the topics mentioned in this SCOC. It is recommended that globally recognized frameworks such as ISO14001 and ISO45001 be used as a basis for a management system. Comprehensive risk assessments shall be undertaken, including labour and human rights, health and safety, environment, and business ethics.

Training and communication

The Supplier shall arrange programs for training managers and employees about corporate responsibility, including the requirements described in this SCOC. The Supplier's related policies, practices, and performance shall also be communicated to employees.

Information security

The Supplier shall maintain a sufficient level of information security governance, controls, processes, and technology to ensure the confidentiality, integrity, and availability of Terveystalo Group data and operations.

Demonstration of compliance

The Supplier must be able to demonstrate compliance with laws, regulations, and this SCOC at the request and satisfaction of Terveystalo Group. At Terveystalo's request, the Supplier must be able to provide authentic records and information, access to the Supplier's locations, and permission for interviews with the Supplier's employees.

3.8 Speak up

Any suspected misconduct under the Terveystalo Group Supplier Code of Conduct shall be reported to the relevant Terveystalo Group Procurement contact or by email at hankinta@terveystalo.com. Reporting is also possible anonymously through the Terveystalo Group Ethics and Compliance Helpline. More information can be found on the Terveystalo Group Sustainability web pages.

Terveystalo Group strongly supports a culture of speaking up for both suppliers and their workers without fear of retaliation against those who report actual or suspected breaches. The Supplier shall ensure that the reporting channels are communicated to employees.

Terveystalo Group will investigate any concerns raised and discuss findings with the supplier. The supplier shall assist with any such investigation and provide access to any information reasonably requested. If remediation is required, the supplier will devise and inform Terveystalo Group of their corrective action and implementation plans and timeline to resolve the breach effectively and promptly.

We hereby confirm that we share, respect, commit to, and comply with the requirements stated in the Terveystalo Group Supplier Code of Conduct.

Date and place

Executive management representative

Company/Supplier legal entity