

## Supplier Code Of Conduct

**Responsibility:**

Procurement Director

**Approved by:**

Board of Directors

**Short description (statement of intent)**

The purpose of this Supplier Code Of Conduct is to outline the minimum requirement that Purmo Group expects all suppliers, vendors and consultants to adhere to.

We are proud of what we do  
and we care

We are courageous and ambitious  
and we make changes that matter

Revision	Author	Approved by	Approval date
		BoD	31.12.2021



Contents

CEO’s message..... 3

What we Expect from Our Suppliers..... 4

    Environmental Responsibility ..... 4

    Respect for Human Rights ..... 4

    Personal Conduct – Workplace / Employees ..... 4

    Health and Safety..... 5

    Anti-Trust and Competition ..... 5

    Conflicts of Interest ..... 5

    Anti-Bribery and Corruption ..... 5

    Accurate Record Keeping..... 5

    Personal, Confidential and Proprietary Information ..... 5

    Implementation and monitoring ..... 6

    Reporting of Concerns ..... 6

## CEO's message

Purmo Group's foundation lies in our company culture. We show respect to and care for our people, our society, and our environment and that connects us across the whole organisation.

At Purmo Group, we are committed to the United Nations Global Compact ten principles relating to human rights, labour, environment and anti-corruption. We recognise and respect human rights as set forth in the International Bill of Human Rights and the international Labour Organization's Declaration on Fundamental Principles and Rights at Work. We recognise and actively promote the United Nations Sustainable Development Goals, which guide our work in sustainable development and the continuous improvement of our operations. Both our Code of Conduct and this Supplier Code of Conduct have been guided by these important principles.

Purmo Group complies with laws and regulations that apply in countries where we operate at all times. In addition to following the legal requirements, we believe in doing business ethically and responsibly. Where national laws and regulations conflict or differ in terms of the protection that they define in relation to internationally acknowledged principles and agreements or this document, suppliers should strive to adhere to principles that ensure the best possible protection for both workers and the environment.

This Supplier Code of Conduct sets out Purmo Group's expectations for all our suppliers and any other third parties, when they do business with Purmo Group. We expect a strong commitment to Quality, Health, Safety and Environment (QHSE) management from our suppliers. Our ambition is to seek ethical and transparent relationships with our suppliers, agents, and contractors. We collaborate with our business partners in good faith and expect them to help us fulfil our QHSE goals and to share the same ethical principles as we do.



Figure 1: CEO's message page from Purmo Group Code of Conduct Handbook

## What we Expect from Our Suppliers

### Environmental Responsibility

We expect our suppliers to comply with applicable laws and regulations regarding the environment and to conduct their business in a manner that actively manages environmental risks. We strive to minimize the environmental burden of our value chain together with our suppliers and expect our suppliers to aim for continuous improvement in their environmental performance in respect of environmental matters such as the efficient use of raw materials, water, and energy. We expect suppliers to take preventive measures against environmental incidents and to react to such events with suitable corrective measures.

Purmo Group strives to promote the mitigation of climate change in our operations, and we strongly recommend our suppliers to set their own greenhouse gas emission reduction targets for climate neutrality. If requested by Purmo Group, suppliers are expected to provide environmental performance data, including greenhouse gas emissions, as input for environmental assessments and product declarations. Moreover, an environmental management system according to ISO 14001 or similar system shall be in use as applicable.

Purmo aims to minimize environmental impact and expects suppliers help, where applicable, with

- elimination of all single use plastics used in packaging, replacing them with recycled, recyclable or biodegradable alternatives
- increase of recycled and recyclable materials in our products
- reduction of environmental impacts, including embodied carbon emissions, from materials such as steel, brass, and plastics
- traceability of materials back to source

### Respect for Human Rights

We expect our suppliers to respect internationally acknowledged human rights. Purmo Group aims to avoid and minimize potential adverse human rights impacts in own operations and in the value chain and take corrective action where necessary. Our suppliers are expected to in a similar manner identify, prevent, and mitigate negative human rights impacts, and to take action to remedy any adverse human rights impacts they may cause. Special attention should be paid to possible adverse impacts on groups or individuals that may be at higher risk of vulnerability, such as migrant workers.

### Personal Conduct – Workplace / Employees

Our suppliers are expected to ensure the wellbeing of their staff by providing a working environment, where individuals are treated with dignity and respect. Purmo Group recognises that diversity within businesses is proven to contribute to enhanced performance and commercial success, and we aim to encourage and support diversity and inclusion. Accordingly, we expect our suppliers to comply with applicable non-discrimination laws and regulations. We also expect our suppliers to ensure that employees may perform work in an environment that is free from harassment or other abusive conduct.

We expect our suppliers not to engage in the use of forced or bonded labour, slavery or trafficking of persons. We also expect our suppliers to ensure that any form of child labour is not used and oppose practices which inhibit the development of children.

We expect our suppliers to comply with applicable laws and regulations on pay, benefits, and working hours, while recognising the right of their employees to reasonable remuneration and rest. We expect our suppliers to respect the rights of individuals to join trade unions and participate in collective bargaining.

### Health and Safety

We expect our suppliers to ensure safe and healthy working conditions for their employees and contractors. This entails taking measures such as implementing appropriate controls, work and monitoring procedures, emergency plans, and providing safety equipment to prevent workplace hazards and accidents. Suppliers must comply with applicable laws and regulations on health and safety and provide their personnel with appropriate training to enhance their employees' and sub-contractors' awareness of health and safety issues. Moreover, a health and safety management system shall be in use as applicable.

### Anti-Trust and Competition

We expect our suppliers to conduct business in accordance with all applicable competition and anti-trust laws and regulations. Our suppliers are expected not to enter into formal or informal anti-competitive arrangements that improperly restrict competition.

### Conflicts of Interest

We expect our suppliers to avoid conflicts of interest or situations giving the appearance of a potential conflict of interest in their dealings with Purmo Group. It is understood that such actual or potential conflicts do arise in the course of business from time to time, in which case we expect our suppliers to disclose them to Purmo Group in a timely way.

### Anti-Bribery and Corruption

We expect our suppliers to comply with all applicable laws and regulations and to maintain adequate procedures that prevent bribery and corruption. Purmo Group will not tolerate, in particular, corrupt activity involving government officials, our commercial business partners or the receipt of bribes or 'kickbacks' or any other improper direct or indirect inducements for business or financial gain. Purmo Group expects its suppliers to be similarly intolerant of corrupt activity and to have appropriate and adequate procedures to prevent such activity from taking place.

### Accurate Record Keeping

We expect our suppliers to accurately and securely capture, store, and retain, as appropriate, business records.

### Personal, Confidential and Proprietary Information

We expect our suppliers to protect all sensitive information, including confidential, proprietary and protected personal information. Information should not be used for any purpose other than the business purpose for which it was provided without prior authorisation. Where such information is held or transferred electronically, we expect our suppliers to implement appropriate IT cyber security and to

notify us of any suspected or actual data breaches. We expect our suppliers to comply with all applicable intellectual property rights and data privacy laws.

### Implementation and monitoring

Purmo Group's Board of Directors approves this document. The Procurement Function with the lead of the Procurement Director is responsible for managing and implementing the Supplier Code of Conduct including monitoring suppliers' compliance to these expectations.

We expect our suppliers to commit to the principles of our Supplier Code of Conduct or ensure their adoption of similar ethical principles in their business activities. Our suppliers are expected to have appropriate controls in place to ensure that the requirements described in this Supplier Code of Conduct are fulfilled and that all its suppliers recognise and respect the requirements of this Supplier Code of Conduct or the supplier's own equivalent code of conduct, when involved in offering products or services to Purmo Group. We consider our suppliers to be responsible for the actions of their subcontractors as their own.

Suppliers must allow Purmo Group, or a third part authorised by Purmo Group, to verify compliance with the requirements of this Supplier Code of Conduct. The verification can take place through dialogue, disclosure of information or, if deemed necessary by Purmo Group, an audit of the Supplier's operations. Any such audit shall take into consideration the Supplier's interest in undisturbed operations and not be in conflict with the Supplier's statutory and contractual obligations. Nevertheless, we expect our suppliers to respond to requested information disclosures in an accurate and timely manner and to take corrective actions promptly to remedy situation of non-compliance while providing adequate evidence of improvements.

If any identified non-compliance is not addressed in a due course, Purmo Group reserves the right to terminate the business relationship with the Supplier. Non-compliance with this Supplier Code of Conduct may be considered a material breach of the contract between Purmo Group and the Supplier, to which this Supplier Code of Conduct forms an integral part either as an Appendix or by reference, thus entitling Purmo Group to terminate the contract.

### Reporting of Concerns

Purmo Group has implemented a whistleblowing channel to which suppliers and third parties can anonymously report concerns over misconduct, including ones concerning Purmo Group employees. Reporting of concerns can be made via <https://purmo.integrityline.com/frontpage>. All reports are reviewed carefully and confidentially.

Our suppliers must immediately report any suspected or observed non-compliance with this Supplier Code of Conduct to Purmo Group. It is the duty of each of Purmo Group's suppliers to request assistance from their contact person at Purmo Group where needed and to immediately report to them any concerns or observed misconduct.

We expect our suppliers to provide employees and third parties with access to adequate reporting channels to seek advice, to raise legal concerns, or report concerns about unethical conduct in the workplace, including opportunities for anonymous reporting. There must be appropriate practices in place for handling such cases and the rights and privacy of anyone raising a concern in good faith must be protected. We expect our suppliers to take action to prevent, detect and correct any form of retaliatory action.