

# Valmet Supplier Code of Conduct



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*At Valmet, we are committed to upholding the highest standards of integrity, sustainability, and ethical conduct in all our operations. This Supplier Code of Conduct reflects our dedication to these principles and our expectation that our suppliers share this commitment. Together, we can ensure a responsible and sustainable supply chain that benefits all stakeholders.*

Thomas Hinnerskov  
President & CEO  
Valmet Corporation



## General requirements

Sustainability is at the core of Valmet's business operations. Valmet is committed to and promotes sustainable development throughout its value chain and requires its suppliers to operate in the same manner, to build a more sustainable future. This Valmet Supplier Code of Conduct (SCoC) replaces the Valmet Sustainable Supply Chain Policy.

Valmet values the shared commitment of its suppliers and requires suppliers to comply and commit to the same international sustainability principles as Valmet, that are set out in this Supplier Code of Conduct or to an agreed equal set of principles. Suppliers are expected to communicate and apply the Supplier Code of Conduct and all relevant policies throughout their supply chain, including through contractual obligations.

“Supplier” refers to third parties that Valmet engages to purchase goods or services, including the Supplier's own employees, subcontractors, and suppliers. Supplier shall ensure that all its workers regardless of status, as well as subcontractors, are made aware of Valmet's Supplier Code of Conduct and comply to the requirements set out in the document.

**The principles in this Supplier Code of Conduct are consistent with:**

- The United Nations Bill of Human Rights
- The UN Global Compact and Sustainable Development Goals
- The UN Guiding Principles on Business and Human Rights
- The OECD Guideline for Multinational Enterprises
- The International Labor Organization Declaration on Fundamental Principles and Rights at Work.

Compliance with all applicable national and international laws and regulations is the starting point of adhering to this Supplier Code of Conduct and conducting business with Valmet. In cases where there is a conflict between different national laws or international standards, the strictest applicable standard shall apply. Suppliers are expected to comply with all applicable trade sanctions and export control laws and regulations. Valmet does not engage in transactions with parties that are subject to trade sanctions. Suppliers are expected to follow applicable trade controls and obtain licenses and authorizations when necessary.

## Sustainability due diligence

Supplier shall have a management system in place covering the principles set forth in this document and that is adequate in terms of the size, complexity, and risks of the business.

### Due Diligence on human rights and environment

Supplier is expected to conduct risk-based human rights and environmental due diligence to identify, assess, prevent, mitigate, and remediate risks, which arise from Supplier's own operations and those of its business partners in its supply chain.

### Due Diligence on raw materials

In line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the Supplier is expected to practice due diligence to investigate the origin of any conflict minerals (such as tin, tantalum, tungsten, and gold (3TG)) and any other minerals requested in the scope of supply.

Supplier is also required to ensure that products comply with the EU Regulation on Deforestation-Free Supply Chains, including implementation of due diligence processes and collection of geolocation data for production areas.

Supplier shall be prepared to identify the sources of materials, to show tracking of the supply chain and to provide documentation required by regulations and laws. Supplier is required to provide Valmet information required for mandatory reporting, including but not limited to the EU Carbon Border Adjustment Mechanism.



# Human rights

Valmet expects all its Suppliers to respect internationally recognized human rights including, but not limited to, those set in the UN Declaration of Human Rights, the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Right (ICESCR), and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Supplier shall identify and respect the rights of vulnerable groups, such as indigenous people, migrant workers, children as well as local communities, women, and persons with disabilities.

Supplier shall have due diligence processes in place to measure, prevent, and mitigate negative human rights impacts and to avoid causing, contributing, or being linked to negative human rights impacts.

Additionally, Supplier shall adhere to the following principles in relation to human rights:

## Discrimination

Supplier shall not allow discrimination or harassment against any worker based on characteristics such as age, gender, ethnicity, nationality, religion, disability, union membership, political affiliation, sexual orientation, pregnancy, disability, or other characteristics protected under local law.

Valmet encourages diversity and promotes an inclusive workplace that respects the dignity and diversity of all workers. No form of physical, psychological, sexual, or verbal abuse shall be tolerated.

## Freedom of association and collective bargaining

Supplier shall recognize and respect workers' right to associate and take part in trade unions and bargain collectively. Supplier shall allow social dialogue and enable open communication between workers and their representatives without fear of retaliation or harassment.

## Child labour

Supplier shall actively prevent child labor in their own operations and supply chains. Supplier shall not employ any individuals under the age of 15, under the minimum age of employment, or under the age of completing compulsory education as defined by national law, whichever is higher. If individuals under the age of 18 are employed, they must not be engaged in hazardous tasks which compromise their health or safety, or in work that hinders their education.

## Forced labour, modern slavery and human trafficking

Supplier shall not participate in any form of modern slavery, forced or bonded labor, human trafficking, or debt bondage. All employment decisions must be based on free choice and all workers must have freedom to leave employment upon reasonable notice.

Supplier shall not require workers to surrender personal identification documents, passports or permits. Supplier must ensure workers are not required to pay any recruitment or related fees to the Supplier or its business partners.

## Work contract, fair compensation and living wage

Supplier shall provide all employees with a written contract to specify their rights and terms of employment, in a language that is understood well.

Supplier shall pay workers fairly and at least minimum wage required by local law or relevant collective agreement or industry standards and all mandated benefits. Local wage and overtime payment regulations shall be followed. Where there is no minimum wage required under law or where the minimum wage is not sufficient to meet basic

needs, Supplier shall pay workers for a normal work week, not including overtime, enough to ensure a decent standard of living for the employee and their families in accordance with the ILO's definition of a living wage.

A detailed wage statement must be provided of each wage period and wage must be paid on time, as stated in the employment contract. Illegal deductions from wages shall not be made as a disciplinary measure.

## Working hours and rest periods

Supplier shall comply with all applicable laws, regulations, and collective bargaining agreements regarding working hours, rest periods, breaks, annual leave, sick leave, parental leave, holidays, and overtime. Workers shall be allowed at least one uninterrupted 24-hour rest period per every seven days. Supplier shall ensure that overtime is always voluntary and paid at premium rate. In addition, supplier shall strive to develop practices that enable adequate work-life balance for the workers.

## Local communities and indigenous people

Supplier shall act as a responsible member of the community by minimizing any adverse impacts on local and surrounding areas. It is essential to respect the rights of local communities and indigenous peoples, including their cultural and heritage rights.

## Health and safety

Supplier shall secure the health and safety of its workers by providing safe and healthy working conditions, applicable safety training, required personal protective equipment (PPE) and occupational health care. Supplier shall manage product and service delivery according to relevant safety and health laws and regulations in the country of operation.

Supplier shall identify, assess, and control hazardous conditions in the workplace to minimize potential impacts to workers. Potential negative impacts shall be minimized by implementing safe systems of work, fire protection, emergency plans and evacuation procedures, training, regular drills, response procedures and ensuring adequate emergency exits. For project sites, Supplier shall provide access to clean water, sanitation and adequate housing.

Supplier shall track and monitor all health and safety performance data including, but not limited to occupational injuries and illnesses, incidents, near misses, safety observations, and safety training participation.

More specific Health and Safety requirements and site-specific HSE requirements can be found in the Valmet Health, Safety and Environment (HSE) [Policy](#) and contract documentation. Suppliers of goods manufactured according to Valmet drawings must adhere to Valmet's minimum quality and HSE requirements. Additionally, suppliers of subcontracted services are required to follow Valmet's HSE Manual for Subcontractors.

# Climate and environment

## Environmental management

Valmet continuously strives to reduce the environmental impacts of its own operations, its supply chain, and the use phase of its technologies. Supplier is expected at minimum, to follow all applicable environmental laws, regulations, attain required environmental permits and licenses in the countries of operation.

Supplier shall establish appropriate organizational structure or resources for effective management of climate and environmental risks and impacts, including but not limited to, air pollution, climate change, pollution and degradation of land, water ecosystems, deforestation, and biodiversity loss. Supplier shall put in place effective control measures and targets to mitigate risks and reduce such impacts, supported by actions such as transitioning to renewable energy, energy efficiency improvements, responsible management of natural resources, responsible disposal of waste and promoting circularity.

Valmet requires its suppliers to commit to mitigating climate change, protecting the environment and biodiversity, and preserving natural resources.

Additionally, Supplier shall adhere to the following principles in relation to environmental topics:

### Climate

Valmet is committed to the Science Based Target Initiative in line with the Paris Agreement to limit global warming to 1.5 degrees. To ensure planetary sustainability, Supplier shall strive for continuous development of environmental performance, reduction of scope 1, 2 and 3 emissions and reduction of any negative impacts to the environment.

### Biodiversity

Valmet is committed to protecting biodiversity in its operations and supply chains. Supplier is encouraged to adopt practices that protect natural habitats and ecosystems, ensuring that their activities do not lead to habitat destruction or significant biodiversity loss. This includes avoiding deforestation, land degradation, and pollution of water bodies.

### Resource use and waste

Supplier shall use natural resources responsibly, aiming at reducing or recycling non-renewable materials and exploring circular opportunities in their business. Supplier shall strive to limit waste from its operations and establish waste management systems and procedures including correct handling, storage, and disposal of hazardous waste, in compliance with applicable laws and regulations.

Supplier shall use water efficiently to avoid depletion and degradation of water resources. Supplier shall prevent water and soil pollution by managing discharges and hazardous substances.

### Hazardous substances and chemicals

Supplier shall ensure that the products and materials supplied to Valmet meet mandatory product safety requirements and identify, evaluate, and mitigate risks associated with use of the products. Supplier shall strive to reduce the use of hazardous substances and shall comply with material restrictions and regulations applied by local and international regulatory bodies, including but not limited to, the European Union's REACH regulation, the RoHS directive, China MIIT Order No 32, the California Act P65, or similar, in applicable countries. Suppliers shall follow [Valmet's Guidance on Material Compliance for Suppliers](#).

Supplier shall handle, store, and dispose of all chemicals and hazardous substances properly to protect workers and the environment. Supplier shall have procedures to prevent and respond to environmental emergencies that have potential negative impact on the environment.

When requested, Supplier shall provide full material disclosure on the materials, substances and mixtures used in a product, including the area or country of origin and Declaration of Origin (according to regulatory requirements).

## Environmental tracking and collaboration

Supplier shall track and document relevant data and statistics on continuous improvement, including but not limited to, energy transition, scope 1, 2 and 3 greenhouse gas (GHG) emissions, water consumption, use of chemicals with potential impact on human health and environment, waste generation and treatment, material recycling and relevant material reuse. Supplier shall collaborate with Valmet to achieve requested targets related to climate and environmental impacts and to provide data related to these topics when requested, as well as provide Environmental Product Declarations.

Valmet strongly encourages its suppliers to develop and implement solutions and innovations that facilitate the shift towards a low-carbon, circular economy, and promote products with minimal environmental impact.





## Business ethics

To conduct business with Valmet, we expect Suppliers to uphold high standards of business integrity and ethics.

Supplier shall not participate in any form of direct or indirect corruption, bribery, fraud, theft, money laundering, or unlawful tax evasion. They shall conduct business fairly and comply with applicable antitrust and competition laws.

Supplier shall ensure that its workers or third parties acting on its behalf may not offer, give, or receive lavish or excessive gifts or anything else of value that can be seen as a bribe. Any gifts or entertainment, or hospitality must be in compliance with applicable laws. They must be given in a legitimate business context and be reasonable and proportionate. Giving or accepting cash or cash equivalents as a gift is prohibited. Supplier is expected to refrain from gifts or hospitality during tendering and ongoing contract negotiations.

Supplier shall inform Valmet of any potential or actual conflicts of interest as soon as they become aware of them. Supplier shall avoid any situations that cause or appear to cause a conflict of interest.

Supplier is expected to comply with all applicable export and import control laws, sanction regulations, and trade restrictions issued by competent authorities, such as those issued by the EU, US, or UN.

## Intellectual property, information security and cyber security

Supplier shall respect the confidentiality of the business and adhere to the confidentiality of the information Supplier and its workers have access to during the business relationship.

Supplier shall respect and protect the intellectual property rights of Valmet and third parties.

Supplier shall process personal data in accordance with applicable laws and agreements e.g., EU General Data Protection Regulation. Supplier is responsible for implementing appropriate practices to ensure the security of personal data to minimize potential negative impacts and unauthorized use.

Supplier shall adhere to all applicable information security and cyber-security regulations and standards, and agreements, e.g., EU NIS2 Directive and its national implementations.

Due to fast-paced changes in the field of information security and artificial intelligence (AI), Supplier's organization shall ensure continuous monitoring of data privacy and other data related regulations and laws to ensure compliance.

## Monitoring compliance

Supplier is responsible for cascading and communicating the requirements of Valmet Supplier Code of Conduct to its suppliers and subcontractors. Responsibility includes monitoring requirements are met, and reliable documentation is kept. Upon request Supplier shall provide Valmet with relevant documentation on the topics included in this Supplier Code of Conduct.

Valmet reserves the right to assess and monitor Supplier compliance and performance with this Supplier Code of Conduct. Supplier shall allow Valmet, or third parties authorized by Valmet, to verify compliance through dialogue, self-assessment, audit, and/or social impact assessment, including worker interviews at Suppliers' premises or a Valmet work site. Any practical arrangements including timing and scope shall be mutually agreed and Supplier shall cooperate in preparing the audit and during the audit. Audit information is treated with confidentiality.

Following the results of an audit, if non-compliance is found against the Supplier Code of Conduct, Valmet requires Supplier to take corrective action in a timely manner. In cases where corrective actions are not undertaken or progress cannot be achieved, Valmet will re-evaluate the business relationship, which could include suspension or termination as a last resort.

## Reporting concerns and access to remedy

Valmet wants to ensure a culture in which employees, value chain workers and other third parties feel comfortable to raise concerns about potential violations concerning, the Valmet Code of Conduct, the Supplier Code of Conduct, or applicable laws without fear of retaliation or harassment. Suppliers are expected to have an effective grievance mechanism in place for concerns raised by workers within their operations or third parties, and to ensure that those who report suspected or actual violations are protected from retaliation.

If any Supplier, its workers or any other third party have concerns, notices any misconduct, breach of laws, or violations of the Valmet Supplier Code of Conduct or the Valmet Code of Conduct in relation to business with Valmet, they are encouraged to confidentially report these issues to Valmet's TrustLine ([EthicsPoint - Valmet Oyj](#)). TrustLine is available 24/7 via telephone or the internet, and reports can be made anonymously in the language the reporter is most comfortable with. More information about the Valmet TrustLine reporting channel is available on [www.valmet.com](http://www.valmet.com).

If there are any questions about the Supplier Code of Conduct, please contact your Valmet contact.

## References to international standards

This Supplier Code of Conduct is based on established international standards and covers sustainability topics material to Valmet:

- The 10 Principles of UN Global Compact
- The OECD Guidelines for Multinational Enterprises
- The UN's Guiding Principles on Business and Human Rights
- The United Nations Universal Declaration of Human Rights (1948), including The International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights
- The Fundamental Conventions of the International Labor Organization, nos. 87, 98, 29 and its 2014 Protocol, 105, 138, 182, 100, 111, 155, 187.
- The UN Convention on the Rights of the Child
- The UN Convention on the Elimination of All Forms of Discrimination Against Women
- The UN Convention on the Elimination of All Forms of Racial Discrimination
- The UN Declaration against Corruption
- The EU Corporate Sustainability Due Diligence Directive (CSDDD)
- The Paris Agreement
- EU Regulation on Deforestation-free Products
- Regulation prohibiting products made with forced labour on the Union market



## Supplier Commitment to Valmet Supplier Code of Conduct

On behalf of the company named below, we confirm our commitment to comply with Valmet's Supplier Code of Conduct and its requirements. We have read, understood, and agree to comply with its requirements. By signing, we ensure our operations and subcontractors align with its principles.

**Full name  
of legal entity:** \_\_\_\_\_

**Company address:** \_\_\_\_\_

\_\_\_\_\_

**Name of authorized  
representative:** \_\_\_\_\_

\_\_\_\_\_

**Title:** \_\_\_\_\_

**Date and signature:** \_\_\_\_\_