

# HUMAN RIGHTS RISK ASSESSMENT AT LASSILA & TIKANOJA

Assessment conducted in 2024



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# Human rights risk assessment at Lassila & Tikanoja

Lassila & Tikanoja (L&T) is a multi-service company whose operations are divided into four sectors: Environmental Services, Industrial Services, Property Services Finland, and Property Services Sweden. Environmental and Industrial Services constitute L&T's circular economy businesses, while Property Services in Finland and Sweden make up L&T's property businesses.

We provide our customers with practical service solutions for the recycling of materials and by-products, as well as the sustainable maintenance of properties. We collect various material flows and direct them to beneficial use, while helping our customers reduce waste generation and energy consumption.

L&T's procurement focuses on purchases from Finnish and Swedish suppliers. The majority of L&T's procurements consist of the outsourcing of various services and the procurement of equipment, fuels, products from the technical trade, and various materials.

L&T respects the human rights defined in the UN Universal Declaration of Human Rights, as well as the rights of workers defined by the International Labour Organization (ILO), international agreements, and the UN Guiding Principles on Business and Human Rights. We are committed to supporting the UN Global Compact initiative and its principles on human rights and labor rights.

Human rights are also taken into account in L&T's public policies and plans, such as the Code of Conduct for employees and suppliers, the Human Rights Policy, the Occupational Safety Policy, and the Diversity Plan.

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# The assessment process of human rights risks

## Identification and Assessment of Human Rights Impacts and Risks

L&T develops its operations considering the UN Guiding Principles on Business and Human Rights. L&T's operations have an impact particularly in three areas:

- its own personnel
- the supply chain
- customers.

L&T's human rights risk assessment process includes identifying and evaluating human rights impacts and potential risks. The assessment takes into account the severity and likelihood of identified potential human rights risks, identifies possible vulnerable groups, and considers the scope, severity, and reparability of the impacts. Based on this, the most significant human rights impacts for the operations have been identified.

The assessment is also based on previously collected information from L&T, reports and studies from organizations and authorities, risk assessments related to countries, services, and products, as well as data obtained from supplier audits and self-assessments.

The assessment has involved L&T's experts from human resources, procurement, business areas, and the sustainability unit.

## Key Human Rights Impacts

L&T's operations may have potential direct and indirect human rights impacts. Direct impacts are directed towards its own personnel, while indirect impacts primarily relate to the supply chain. The key human rights impacts are presented in the table on the following page.

The human rights assessment will be updated every two years.



Area	Impact	Key potential human rights risks	observations and preventive measures
<b>Own personnel</b>		<ul style="list-style-type: none"> <li>In the examination of human rights risks, consideration has been given to the legislation of Finland and Sweden, L&amp;T's operational models, the structure of society, and the collective bargaining agreement system.</li> <li>Regarding personnel, potential impacts are related to the prevention of occupational safety issues and discrimination, particularly in a diverse workplace.</li> <li>Particularly vulnerable groups include young workers, foreign workers, and those in non-standard employment relationships.</li> </ul>	<ul style="list-style-type: none"> <li>L&amp;T has established a human rights policy, a Code of Conduct, a personnel policy, a diversity plan, and an occupational safety policy that guide daily operations.</li> <li>We provide guidance and training to our staff on human rights issues, such as occupational safety, workplace well-being, and inappropriate behavior, and we communicate regularly on these topics.</li> <li>We have a zero-tolerance policy against all forms of discrimination and harassment in the workplace and encourage our employees to report any concerns.</li> </ul>
<b>Supply chain</b>		<ul style="list-style-type: none"> <li>Potential impacts are related to occupational safety, work practices, and discrimination. For direct suppliers, the impacts may be less significant than elsewhere in the chain.</li> <li>Deeper in the supply chain, there are production stages in countries where labor practices or legislation may pose risks.</li> <li>Particularly vulnerable groups include young workers and foreign workers.</li> </ul>	<ul style="list-style-type: none"> <li>The Supplier Code of Conduct includes key human rights and is part of the supplier agreement. We have established compliance objectives for our operations.</li> <li>We monitor the comprehensiveness of the Code of Conduct, require self-assessments from suppliers, and audit suppliers based on risk assessments.</li> <li>We provide training to our procurement team on supply chain responsibility.</li> </ul>
<b>Other value chain</b>		<p>No identified potential risk was deemed significant in the assessment. The following areas were examined in the assessment:</p> <ul style="list-style-type: none"> <li>The right to health</li> <li>Equal access to services</li> <li>Protection of privacy</li> </ul> <p>Vulnerable groups include, for example, young people and individuals with disabilities.</p>	<ul style="list-style-type: none"> <li>Devices are subject to specific safety requirements, which are supplemented by guidelines and customer training. Staff skills are maintained regularly.</li> <li>L&amp;T does not process sensitive personal data. The company has a comprehensive and audited information security and data protection policy, as well as processes in place.</li> </ul>

**Direct impact**    
 **Business relationship**    
 **Contribution**

## Measures to Reduce Harms and Corrective Actions

### *Practices Related to Personnel*

L&T addresses human rights violations concerning its own personnel in accordance with existing practices and processes. L&T has a zero-tolerance policy for inappropriate behavior, harassment, and discrimination. Inappropriate treatment or behavior is not tolerated under any circumstances, and HR and supervisors intervene in all cases brought to their attention.

Guidelines for recognizing or experiencing inappropriate treatment and for reporting it are available to every L&T employee on the intranet, and these guidelines are regularly reviewed with the staff. Additionally, all L&T employees are required to complete an online course on the Code of Conduct, which includes practical application of ethical business principles and guidance on handling harassment situations. This training is conducted during onboarding and is regularly updated as part of L&T's overall employee training program.

The personnel-related guidelines and policies are updated regularly in accordance with the management model. Additionally, we conduct various surveys and assessments in which human rights issues are considered either directly or indirectly. These include:

- An annual employee survey that assesses satisfaction with one's work, team, supervisor's performance, and the company as a whole
- Salary surveys
- Annual discussions on performance evaluation and goal setting, as well as interim goal discussions
- Early support discussions to maintain work capacity and performance, identify disturbances, and find solutions.

### *Requirements for Suppliers*

L&T requires that suppliers of goods and services are committed to complying with L&T's Supplier Code of Conduct, which outlines key human rights requirements for suppliers. Additionally, we expect these requirements to be implemented throughout the supply chain. Compliance is monitored through dialogue, self-assessments targeted at suppliers, and audits.

## Corrective Actions

If direct human rights violations arise in L&T's own operations or customer interfaces, we will immediately initiate an investigation to rectify the situation. The corrective actions depend on the nature of the issue and will be agreed upon in collaboration with the relevant parties. We continuously develop our operations to prevent situations where there is a risk of human rights violations.

Cooperation with the partner is not primarily terminated immediately upon the issue coming to light; instead, we strive to resolve the matter together to correct the situation. However, cooperation may be terminated if the partner shows no willingness or commitment to address the identified shortcomings.

## Monitoring and Reporting

We transparently communicate the progress of our human rights work through our channels, such as our website. Additionally, we report annually on the human rights impacts, risks, and violations of our operations, as well as the progress of corrective actions as part of our sustainability reporting.

# Whistleblowing channel

Through L&T's reporting channel, L&T employees, customers, suppliers, and other important stakeholders can anonymously report suspicions of misconduct related to our operations, such as violations of legislation or L&T's Code of Conduct.

The reporting channel is public, and instructions for making a report can be found on L&T's website, among other places.

Reports are handled confidentially, ensuring that no negative consequences arise for anyone who submits a report in good faith.

Reports are processed by L&T's Compliance Officer, the legal department, or other individuals reporting to the Head of Human Resources and Legal Affairs. In the investigation, additional experts may be required on a case-by-case basis, and they are also bound by confidentiality obligations.





## Management model

The identification and assessment of human rights risks are integrated into L&T's management system.

The responsibility for identifying and assessing human rights risks at L&T lies with the Group's Director of Corporate Relations, and it is coordinated and guided by L&T's Head of Sustainability. The risk assessment is conducted in collaboration with industry experts.

Key human rights-related risks and indicators are reported regularly to L&T's senior management and board of directors, which approves L&T's human rights policy.

Additionally, human rights are addressed in L&T's board of directors' Personnel and Responsibility Committee as part of monitoring L&T's sustainability program.





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