

L&T'S CODE OF CONDUCT INSTRUCTIONS FOR SUPPLIERS AND SUBCONTRACTORS 9/2023

At Lassila & Tikanoja, we want to contribute to solving the major issues related to climate change and sustainable economy and to comply with the principles of responsible business practice in all our operations.

For us, sustainability means supporting our customers' sustainability efforts, reducing the environmental impacts of our operations, building employee well-being and a diverse workplace as well as ensuring the sustainability of our value chain.

L&T also requires its suppliers and subcontractors to comply with these instructions in all their operations. Therefore, suppliers must familiarise themselves with this document and comply with it. The Supplier must also continuously develop its operations according to these instructions.

The Supplier is responsible for ensuring that its personnel, suppliers and subcontractors act in accordance with these instructions. The Supplier is required to inform L&T if it uses subcontractors.

01 COMPLIANCE WITH LAW

- The Supplier must comply with the legislation, official regulations and national and international agreements such as the requirements of collective agreements, environmental, labour and occupational safety legislation, as well as provisions related to accounting and contractor's liability.
- The Supplier shall comply with the United Nations' Declaration of Human Rights as well as workers' rights as defined by the International Labour Organisation (ILO).
- The Supplier must have appropriate procedures and processes for identifying, preventing, minimizing and correcting human rights violations. The procedures must be in accordance with the UN Guiding Principles on Business and Human Rights (UNGPR).
- L&T is committed to the UN Global Compact initiative and accordingly promotes human rights, labour rights, the environment and anti-corruption efforts. L&T also expects the Supplier to comply with these principles in its operations.
- The Supplier's personnel must have the right of association.

02 PRINCIPLES OF CONDUCTING BUSINESS OPERATIONS

Remuneration and working hours

- The Supplier shall comply with all applicable legislation concerning pay and working hours, including minimum wage legislation and laws on mandatory benefits (e.g. overtime compensation, holiday pay, etc.).
- The Supplier's employees have the right to receive a salary corresponding to their position, taking into account the minimum wage regulations.
- As a rule, the Supplier's employees may not work for more than six consecutive days without at least one day off.

Integrity and transparency

- The Supplier shall comply with good business practice and applicable competition legislation in all its operations.
- The Supplier must act against all forms of corruption, including extortion and bribery.
- In order to avoid conflicts of interest, the Supplier's management and key personnel are required to inform L&T of any kinship or other close relationship with L&T's procurement personnel.
- The Service Provider, its suppliers and subcontractors are part of the Vastuu Group's Reliable Partner programme, and comply with their obligations.
- The Supplier shall ensure the protection of confidential material as well as data protection and data security.

03 RESPECTING HUMAN RIGHTS

Respecting others and the employer's responsibility

- L&T requires that the Supplier undertakes to respect internationally recognised human rights in all its operations and to promote their implementation.
- L&T requires the Supplier to treat everyone fairly and equally.
- Each person's dignity, privacy and rights shall be respected, and no discrimination, threats, harassment or bullying in any form shall be tolerated in the Supplier's working environments.
- There shall be no discrimination in respect of recruitment, remuneration, promotion or termination of employment.
- There must be no discrimination based on gender, age, religion, marital status, race, social group, social background, illness, disability, pregnancy, ethnic or national origin, political opinion or sexual orientation.

Child labour and forced labour

L&T does not accept the use of child or forced labour (including human trafficking) under any circumstances or in any form, nor will it enter into contracts with suppliers employing such workforce.

- The Supplier guarantees that the employees perform the work voluntarily, not under any penalty or other threat.
- The Supplier does not use forced labour in any form.
- The Supplier does not confiscate employee IDs.
- The employees may terminate the employment relationship after a reasonable period of notice.
- The employees are free to leave the workplace after a shift.
- The Supplier shall comply with all regulations concerning the minimum age of employees.

04 ENSURING HEALTH AND SAFETY

Working environment

The Supplier shall ensure that its employees have a safe and healthy working environment

- by adhering to the relevant safety and health legislation.
- by taking preemptive measures to avoid occupational accidents.
- by ensuring that the necessary protective equipment is available and that the working methods are safe.
- by ensuring that risk factors are reported and monitored.

Substance abuse

- The Supplier shall ensure that its employees do not work or present themselves in the workplace under the influence of alcohol or other intoxicants.
- Suppliers shall have in place the necessary and effective procedures and guidelines for the prevention of substance abuse.

05 REDUCING ENVIRONMENTAL AND CLIMATE IMPACTS

- L&T requires that suppliers comply with the environmental legislation, regulations and permits in all their activities.
- The Supplier must take the initiative to promote environmental responsibility (e.g. proper waste treatment, energy efficiency and reduction of emissions). L&T encourages its suppliers to monitor developments in the areas of environmental responsibility and to reduce the negative environmental impacts of their operations.
- L&T has set scientific emission reduction targets validated by the Science Based Targets initiative and recommends its suppliers to set greenhouse gas emission reduction targets for their own operations.

06 SUPPLIER EVALUATION AND ACTION AGAINST INSTRUCTIONS

- As part of the L&T Responsibility Programme, all suppliers complete a self-assessment form at the request of L&T at the beginning of the cooperation and at regular intervals during the cooperation. If the Supplier does not complete the self-assessment form or the self-assessment reveals serious defects, L&T cannot enter into/continue cooperation with the Supplier if the Supplier does not remedy the defects within a reasonable timeframe.
- L&T or its designated external representatives have the right to inspect the Supplier for compliance with these guidelines. The Supplier shall assist in carrying out this inspection.
- If the Supplier acts in violation of these instructions, legislation or ethical principles, L&T has the right to terminate the contract and stop all cooperation with the Supplier with immediate effect. L&T will not cooperate with suppliers that cannot comply or whose subcontractors cannot comply with these instructions.

07 REPORTING MALPRACTICE

- L&T does not accept any malpractice and wishes to be informed of any suspected misconduct without delay [here](#).
- All suspected misconducts will be investigated confidentially.

08 THIS DOCUMENT

Up-to-date Code of Conduct supplier instructions

- This document has been approved by L&T's Executive Board on Dec 17th 2021. The document is updated regularly, and the current, up-to-date instructions can be found [here](#).
- The Supplier shall comply with the Code of Conduct supplier instructions in force at any given time.

Further information

- The online version of the suppliers' Code of Conduct document with practical examples is available [here](#).

09 SIGNATURE

[Date] [Place]

[Company name] [Signatory's name in block letters]

