

ISKU

Since 1928



ISKU Supplier
Code of Conduct

Introduction

ISKU has committed to complying with the highest legislative standards and ethical principles in everything it does. This is ISKU's Supplier Code of Conduct, or instructions to sustainable and responsible business operations for ISKU's suppliers. This Supplier Code of Conduct is based on ISKU's values and the principles of the United Nations Global Compact Initiative. In addition, ISKU has committed to complying with the OECD Guidelines for Multinational Enterprises. The Global Compact principles and operations are based on the UN's universal principles:

- The United Nations Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The United Nations Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption.

ISKU Code of Conduct presents the values and operating principles that apply to all ISKU employees. The employees of all of our companies must comply with these instructions. The same principles also form the foundation for ISKU's Supplier Code of Conduct (SCoC).

This Supplier Code of Conduct supports sustainable development and operational success, because a responsible operating method evokes trust in all stakeholders. We want to develop and maintain a network of suppliers who are ready to actively promote ethically sustainable development. We support and encourage our partners to responsible operations. By suppliers, we refer to all individuals or organisations that deliver products or services for ISKU or that produce products or services for ISKU's customers. Every ISKU supplier must always comply with this Supplier Code of Conduct, and this document is an intrinsic part of all agreements between the supplier and ISKU.



General obligations

- This ISKU Supplier Code of Conduct includes the minimum requirements that suppliers must follow in addition to legislation and regulations affecting their business. Breaking the law is not acceptable, and no one can be encouraged or instructed to break valid legislation.
- The supplier must show their commitment and ability to comply with the requirements of this Supplier Code of Conduct and applicable legislation and regulations by ensuring appropriate documentation, management systems, policies and guidelines, effective risk management, trainings, and sufficient resources. These must also be commensurate with the scope and nature of the supplier's business operations.
- The supplier is also responsible for ensuring and monitoring that their suppliers comply with the principles of this Supplier Code of Conduct throughout the supply chain.

Social responsibility

The supplier must:

- support and respect internationally acknowledged human rights in its operations and those of its supply chain
- pay its employees at least the minimum wage determined in the national legislation and acknowledge employees' right to a reasonable compensation for performed work. Overtime compensations paid for overtime work must at least meet the requirements of national legislation, and working overtime must be voluntary. Employees must have at least one in seven days off. Employees are entitled to all statutory benefits, such as insurance and social security benefits, that must be paid in accordance with applicable regulations and legislation.
- cherish the freedom of association and privacy protection. Employees can set up labour market organisations, join them and let organisations represent them and negotiate on their behalf.

- commit to a ban on child labour. The supplier cannot use child labour or promote any activities in which children are exploited. The minimum age for full-time employees must be 15 or more according to local legislation. People under 18 are not allowed to work on night shifts or in duties that are harmful to their moral, safety, or health due to the circumstances or the nature of the work.

- commit to a ban on forced labour. Using any form of forced or compulsory labour or illegal labour is forbidden. All employment relationships must be voluntary, and employees must be free to end working or leave their job after a reasonable period of notice. No one has the right to require employees to hand over an identification document issued by the authorities, a work permit, a passport, or any other unreasonable security in exchange for a job.

- support the elimination of discrimination taking place in the labour market and in connection with the exercise of a profession, and cherish equal treatment. For example, the supplier must provide all employees with equal opportunities and treat them equally regardless of ethnicity, gender, disability, sexual orientation, religion, political opinion, or other characteristics.

- safeguard employees' fair and just treatment. No mental or physical harassment or abuse is allowed at the workplace. Harassment and abuse includes the inhumane or disrespectful treatment of employees, sexual harassment, physical punishment, mental or physical coercion and harassment, and all related threats.

- ensure the protection of life and health by providing employees with a safe and healthy working environment. The supplier must have appropriate management systems in place to monitor, control, and report illnesses and occupational accidents. The supplier must have corrective actions in place to minimise illness and injury. Employees must never be punished for expressing concern related to occupational safety or declining to work in hazardous circumstances.

- guarantee that supplier employees and subcontractors cannot work in ISKU locations under the effect of alcohol or intoxicating substances. The supplier must take action to prevent substance abuse. ISKU is a drug and alcohol-free workplace.

Environmental responsibility

The supplier must:

- support the cautionary principle in environmental issues, or the supplier must have in place a certified environmental system or a corresponding operating model to ensure the minimisation of environmental impacts. The supplier must decrease the environmental impacts of its operations with the principle of continuous improvement. Environmental impacts must be monitored and measured.
- ensure that woodbased materials are sourced from sustainably managed forests.
- encourage the development and implementation of environmentally-friendly technologies. Issues to be considered, depending on the sector, include emissions and energy use, water consumption and wastewater, raw materials, pollution, storing and processing chemicals, hazardous substances, and waste.
- aim to assess the environmental impacts of its products throughout their lifecycle.
- ensure in a documented manner that the environmental requirements set for products and services are fulfilled in the entire supply chain. The supplier must set sustainability requirements also for its supply chain. ISKU's material-specific requirements have been specified in a separate document.

Corporate Governance

The supplier must:

- act against all forms of corruption, including extortion and bribery. The supplier cannot accept gifts from business partners exceeding typical hospitality or pay bribes to promote business operations or acquire favourable decisions by the authorities or services through illegal means.

- know the country of origin of all of its products and services, and provide correct information to ISKU in the procurement process.
- support fair competition and the free market. The supplier cannot discuss or make deals with competitors regarding pricing, market shares, or other related matters.
- avoid all possible conflicts of interest in cooperation with ISKU.
- comply with the competitive legislation of the operating areas.
- aim to promote financial development in communities which the supplier's operations affect and minimise adverse effects of its operations.
- guarantee the confidentiality of ISKU's classified information and not to disclose or talk about them to anyone else than related parties. Confidential or important information cannot go missing or end up for external parties to use. User rights and agreements must be complied with in the use of information systems and software. The supplier must process personal data responsibly and comply with data protection principles and local legislation.

Breaches and reporting

ISKU or a third party appointed by ISKU has the right to monitor the compliance with this Supplier Code of Conduct and audit the supplier in matters related to this Supplier Code of Conduct.

Material breach of the Supplier Code of Conduct's requirements or repeatedly declining to deliver required information may lead to the discontinuation of cooperation with ISKU.

The supplier is obligated to inform ISKU immediately of any concerns and detected breaches. Those who have reported the breaches must be protected.