



1. THE COMPANY'S REPORT PURSUANT TO THE TRANSPARENCY ACT

1.1 Introduction

The purpose of the Transparency Act is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

Each year, Peikko Group Corporation (later Peikko) shall report on due diligence under the Transparency Act and publish it. In addition, the company shall regularly, or in the event of significant changes, assess its suppliers against violations of fundamental human rights.

This report details the due diligence assessments the company has carried out. The report sets out the measures that are assessed and implemented to reduce the risk of fractures of basic human rights and decent working conditions in our supply chain.

1.2 Contact information

Inquiries about this report can be sent to:

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Title: QEHS Director

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2. ABOUT THE COMPANY'S ORGANIZATION AND AREA OF OPERATION

2.1 Description of the company

Peikko Group Corporation is a leading global supplier of slim floor structures, wind energy applications and connection technology for precast and cast-in-situ construction. Peikko's innovative solutions offer a faster, safer, and more sustainable way to design and build.

Peikko has sales offices in over 30 countries in Asia-Pacific, Europe, Africa, the Middle East, and North America, with manufacturing operations in twelve countries. Peikko generated a turnover of EUR 314 million in 2022. Peikko is a family-owned and managed company that employs about 2,000 professionals. Peikko was founded in 1965 and is headquartered in Lahti, Finland.

2.2 Internal guidelines

Peikko has its own procedures, guidelines and routines for how we work with human rights and decent working conditions. Those mentioned activities include our work to fulfil the requirements set out in the Transparency Act and are anchored in Peikko's Management Systems.

Peikko has certified Quality, Environmental and Safety Management Systems according to ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

The production of the main production units is certified according to ISO 3834-2 and EN 1090. Peikko is also preparing the future by UK CA certified production units. Peikko China production unit is certified by American Institute of Steel Construction (AISC), by Canadian Welding Bureau (CWB) and by Steelwork Compliance Australia (SCA).

All product-related documents, such as Technical Approvals and Declarations of Performance (DOP), can be found under each specific product at peikko.com.

Peikko is committed to doing business in an ethical and sustainable manner. Our [Code of Conduct](#) provides us with common guidelines for future decisions. In addition to our employees, it gives other stakeholders a perspective on our company culture, our acceptable business practices, and our compliance with laws, standards, and regulations. The Peikko Code of Conduct is an integral part of the company's corporate culture and values and sets out our commitment to ethical business practices.

Peikko's [Supplier Code of Conduct](#) sets out the behaviors and minimum standards that Peikko expects of its suppliers. The focus is primarily on employment conditions, environmental practices and general ethical business practices.

Peikko manufactures more than 95% of products in its own factories, and thus, the majority of Peikko's purchases are different kinds of steel materials, bought in most part directly from steel mills. There are only a very few final products or sub-assemblies Peikko purchases for its factories. Nevertheless, Peikko buys large number of other indirect materials and services, such as energy and other utilities, industrial clothing, software, marketing services, etc. Our general Code of Conduct also covers the Supplier Policy and gives principal criteria for acceptance to be Peikko's supplier.

These materials are communicated and made available both to internal and external stakeholders on the company's website at www.peikko.com and www.peikko.com/esg. This report shall be presented annually to the Board of Directors and the Group Management Team.

2.3 Objectives and measures

2.3.1 Objectives

Peikko takes proactive measures to mitigate the risk of human rights violations and ensure the maintenance of decent working conditions. This commitment extends not only to our own company but also throughout our supply chain and in collaboration with our business partners.

2.3.2 Measures for the coming year

Peikko consistently engages in risk assessment of its activities and business contacts, including suppliers and partners. As part of our ongoing commitment to improvement, we have identified development measures for the future:

- Building on our experience, we will enhance our due diligence assessment to ensure its effectiveness and relevance.
- Internally, we will focus on increasing awareness and competence regarding responsible purchasing practices throughout our company.
- We will continue to evaluate and refine our supplier network, placing particular emphasis on enhancing our supplier selection process for new partnerships.

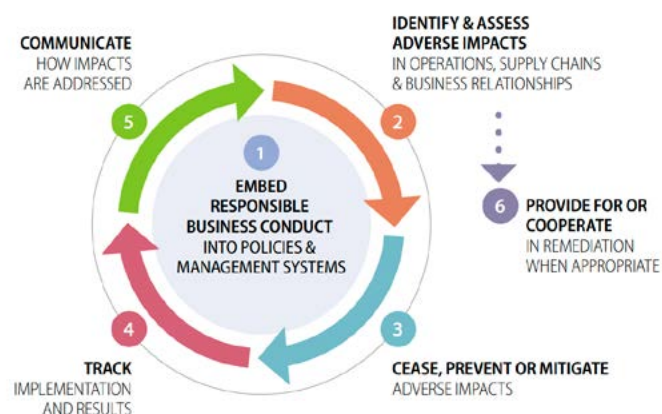
By implementing these measures, we aim to further strengthen our commitment to responsible business practices and foster sustainable relationships within our supply chain.

3. DUE DILIGENCE

3.1 Organization, methodology and results

Peikko ensures that the company has an overview of and assesses risk for violations of fundamental human rights and decent working conditions related to the company's activities and business relationships. Internally, Peikko teams involved in this process area QEHS, Sourcing, HR, Operations in cooperation with Group Management Team.

FIGURE 1. DUE DILIGENCE PROCESS & SUPPORTING MEASURES



Source: OECD

1. Embed responsible business conduct	<ul style="list-style-type: none"> • After a comprehensive review, we have confirmed that Peikko's processes and management systems already incorporate the requirements outlined in the Transparency Act. • Additionally, we have thoroughly examined pertinent internal and external documents in accordance with our established management system protocols.
2. Identify and assess adverse impacts	<ul style="list-style-type: none"> • Peikko has implemented a well-defined supply chain evaluation process that includes regular external audits conducted for its suppliers. In 2022 alone, several audits were successfully completed. • Peikko has established a comprehensive process for selecting new suppliers, encompassing specific selection criteria, as well as clear communication of Peikko's supplier code of conduct and other relevant procedures. • In order to gather essential information in compliance with the Transparency Act, Peikko has conducted a personnel satisfaction survey among its own employees. • Peikko has regularly conducted a customer satisfaction survey to obtain feedback on its operations, including insights from the delivery and supply chain perspective.
3. Cease, prevent and mitigate adverse impacts	<ul style="list-style-type: none"> • After conducting thorough investigations, we have found no evidence of human rights violations or indecent working conditions.
4. Track implementation and results	<ul style="list-style-type: none"> • Peikko remains committed to executing and enhancing the activities outlined in this report.
5. Communicate how impacts are addressed	<ul style="list-style-type: none"> • Peikko is actively carrying out its operations and internal communications in relation to the Transparency Act, aiming to strengthen its position within the company.
6. Provide for or cooperate in remediation when appropriate	<ul style="list-style-type: none"> • The final step in the due diligence assessment is not relevant in this year's report, because we do not have uncovered any findings that require further action.

3.2 The result of the due diligence assessment

In the reporting year, the company has found no evidence of human rights violations or indecent working conditions. Additionally, we recognize that maintaining an active dialogue with suppliers is a crucial outcome of our efforts in complying with the Transparency Act.

4. RECOVERY AND REPLACEMENT

The company has not uncovered cases requiring recovery or compensation in the reporting year.

Lahti, Finland
28th of June 2023
PEIKKO GROUP CORPORATION



Topi Paananen
CEO