



Peikko Group's Code of Conduct

Committed to Ethical
Business Practices



INTRODUCTION

Peikko has operations in over 30 countries around the world. As a global corporate citizen, we are fully committed to the laws and regulations of the countries we operate in. 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. Our Code of Conduct provides us with common guidelines for future decisions. In addition to our employees, it gives other stakeholders a perspective about our company culture, our acceptable business practices, and our compliance with laws, standards, and regulations. Rather than creating new commitments, the Peikko Code of Conduct clarifies and documents our existing best practices. The Code is available on all Peikko websites and made available to every employee on company intranet.

PEIKKO VALUES

Based on Peikko Values (see Figure 1), our business strategy is to achieve a high level of customer satisfaction and profitable growth. We achieve this by continuously improving and by working in a manner that is respectful and trusting. It is expected that every employee is aware of and complies with our ethical principles of business and human interaction at Peikko.

Figure 1: Peikko Values



Exceeding
customer
needs



Respecting
and trusting
each other



Aiming to
be better
every day



Seeking
profitable
growth

PEIKKO CODE OF CONDUCT SETS OUT HOW WE AIM TO BE EXCELLENT IN THE FOLLOWING AREAS:

- Compliance with laws and regulations
- Respect for human and labor rights
- Fair employment practices
- Quality and the environment
- Fair competition and anti-trust compliance
- Respect for intellectual property and innovation
- Zero tolerance towards fraud and bribery
- Good corporate citizenship



COMPLIANCE WITH LAWS AND REGULATIONS

Peikko is committed to compliance with all applicable international and national laws in the markets that we operate in.

Employees are expected to comply with the requirements of those laws and generally accepted practices relevant to performing their job.

RESPECT FOR HUMAN AND LABOR RIGHTS

Peikko respects and supports the protection of human rights and recognizes the United Nations' Universal Declaration of Human Rights.

As an employer, Peikko respects the basic labor rights of employees as stated by the International Labor Organization (ILO). We promote freedom of association, right to collective bargaining, equal opportunity and fair treatment in employment, and the abolition of forced and child labor. Peikko prohibits offensive behavior, including harassment in all forms.

FAIR EMPLOYMENT PRACTICES

We employ people based on our resource needs to deliver business objectives. We do not discriminate in recruitment, promotion, training, compensation, termination, or retirement based on, but not limited to, race, nationality, religion, disability, gender, religion, sexual orientation, membership, or political affiliation. All businesses comply with the employment laws of the country of operation (including but not limited to Modern Slavery legislation and gender pay equality).

Diversity in our organization enables Peikko to have the human resources required to sustain successful growth over time.



QUALITY AND THE ENVIRONMENT

Peikko strives to create working conditions and workplaces for employees and contractors that are safe and comfortable and promote efficient and productive work. At all sites, each employee and contractor is responsible for complying with the safety instructions and for using personal protection equipment when required.

We are strongly committed to balancing the needs of our customers and to the continuous improvement in the quality and reliability of our products and solutions.

Our goal is to reduce the environmental impact of our products. Environmental considerations are incorporated into our product development, manufacturing processes, operations, and managing our supplier network.

FAIR COMPETITION AND ANTI-TRUST COMPLIANCE

Peikko supports fair competition and free markets and the laws that protect consumers and businesses against unfair practices. Peikko employees must comply with these laws and be sensitive to competition concerns when meeting with customers and/or attending events where customer representatives may be present.

We refuse to enter into discussions or agreements with competitors concerning pricing, market share, or similar unlawful activities. It is in Peikko's best interest to ensure that our customers gain fair value from our products and solutions and guarantee competitive markets in the future.

RESPECT FOR INTELLECTUAL PROPERTY AND INNOVATION

Peikko values the creation and protection of knowledge and intellectual property. We safeguard our own patents, processes, and proprietary ways of working and do not permit unauthorized access to it. We respect the intellectual property of competitors and do not try to obtain it by illegal means. We also safeguard our physical premises and assets and our information systems and technology. It is every employee's responsibility to protect Peikko's property and information.

Peikko encourages all employees towards behavior and activities that innovate and improve any aspect of our operations.

Peikko employees must not profit, nor assist others to profit, from opportunities that are discovered through the use of corporate information or position. Peikko employees must not use corporate assets other than for legitimate business or other authorized purposes. Peikko employees must also not engage in any activity which competes with the business of the company.





ZERO TOLERANCE TOWARDS FRAUD AND BRIBERY

Peikko will not tolerate fraudulent behavior and activities, such as theft. Such actions will lead to immediate termination and criminal sanctions.

Peikko and its employees will not pay nor offer to pay bribes or illicit payments to obtain or retain business. Peikko does not provide financial support to political parties or to facilitate favorable decisions from authorities.

Employees should also avoid situations where personal interests may conflict with Peikko's. Gifts or entertainment may be accepted if it is of a minor value given on an occasional basis.

Please see APPENDIX I for guidelines for managing customer relationships according to the Code of Conduct. APPENDIX II provides guidelines for managing supplier relationships.

GOOD CORPORATE CITIZENSHIP

Peikko encourages employees to be active in their local communities and to participate in programs that support youth, education, and a healthy lifestyle.

In the case of monetary sponsorship, approval from a Group Management Team member is required. Peikko does not make donations towards political parties or individual politicians.

IMPLEMENTATION

Peikko undertakes to implement this code internally through effective communication from HR and management. We also take an active approach to make our code available to all stakeholders. We expect suppliers and business partners to conduct their businesses in the same high ethical and legal standard and practices as Peikko.

Should any questions arise regarding the interpretation or compliance with the code, the CEO should be contacted.

This code is approved by Peikko's CEO and its application is monitored. Revisions to this code may be made when necessary.

APPENDIX I: GUIDELINES FOR CUSTOMER RELATIONS

It is recommended to

- Bring customers to visit Peikko factories. Factory visits bind the customers to us and make the customers understand further opportunities Peikko can offer.
- Deal with customers with “normal level” of hospitality → best, long-term customers understand that companies with a tight spending budget are also the most competitive ones in the long term.
- Be reasonable with business gifts. It is better to have many small, inexpensive gifts to share with the users of our products than very few expensive gifts for some key decision makers. No gift or hospitality should exceed EUR 100, unless otherwise pre-agreed with a Management Team member.
- Screen and multiply synergy with our customers via our wide sales network – connect our customers together on national or international level via site and factory visits.

It is not allowed to

- Invite customers for entertainment trips only that do not involve product training, building site visit or Peikko factory visit tied as a part of the trip.
- Pay fees on projects for design companies → even though this might be legal and used by competitors in some countries, Peikko does not do this.
- No sponsorship of customers’ own activities (customer’s sports clubs, etc.)

APPENDIX II: GUIDELINES FOR SUPPLIER RELATIONS

From our suppliers, we should request the following

- Legal compliance
- Prohibition of corruption and bribery
- Respect for the basic human rights of employees
- Prohibition of child labor
- Prohibition of slavery of any kind
- Protection of health and safety of employees
- Environmental protection
- Peikko’s code of ethics implemented via supply chain
- Nondisclosure attitude

In procurement, it is forbidden to

- Take bribery or any kinds of fees due to delivery to Peikko
- Become involved in conflict of interest – purchasing from a person who is related or a company owned by a relative
- Receive presents or hospitality from suppliers above the value of EUR 100
- Share confidential information with suppliers, like competitors’ price level, etc.

It should be understood by all that Peikko’s auditors are specially instructed to double-check that commercial invoices paid by Peikko are issued by real, existing supplier companies.